

# URBAN AGE JOHANNESBURG CONFERENCE

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*Alexandra's Labour Force*

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# Labour Markets & Work Places: the case of Alex's Labour Force

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# Alexandra township: thinking about economic activity

- "Alex" is a small concentrated location in the heart of joburg
- covers an area of over 800 hectares and has a population estimated as approximately 350 000 people
- Alex differs from other SA "townships":
  - resisted removals: is older & more established centre
    - Established 1912, through Apartheid, 1960s hostels, political clashes
  - long term existence within major urban centre
  - Core settled population, mixed with migrants; emotional link for many former residents
  - More economic activity than usually found in SA township



# Labour Force

- Unemployment rates = higher than for Gauteng and at about national average
- At most 1/3 to 1/4 of Alex workforce are employed in Greater Alex sub-region
  - formal sector = 23,000
  - Informal sector = 3,000
- About 2/3 to 3/4 (50,000 to 90,000) work in *other areas* such as the CBD, Sandton & Midrand

## Main occupations (does not add to 100%):

- 68% = low skill workers (eg. packer, delivery person, driver, manual labour)
- 33% = trades (eg. plumbers, carpenters, painters, etc: mainly men)
- 16% = sales
- 17% = administrative
- 10% = professional
  
- 24% = domestic workers (mainly women)
- 24% = entrepreneurs (mainly women)
- 8% = service sector

# Business profile

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## ■ Industrial areas

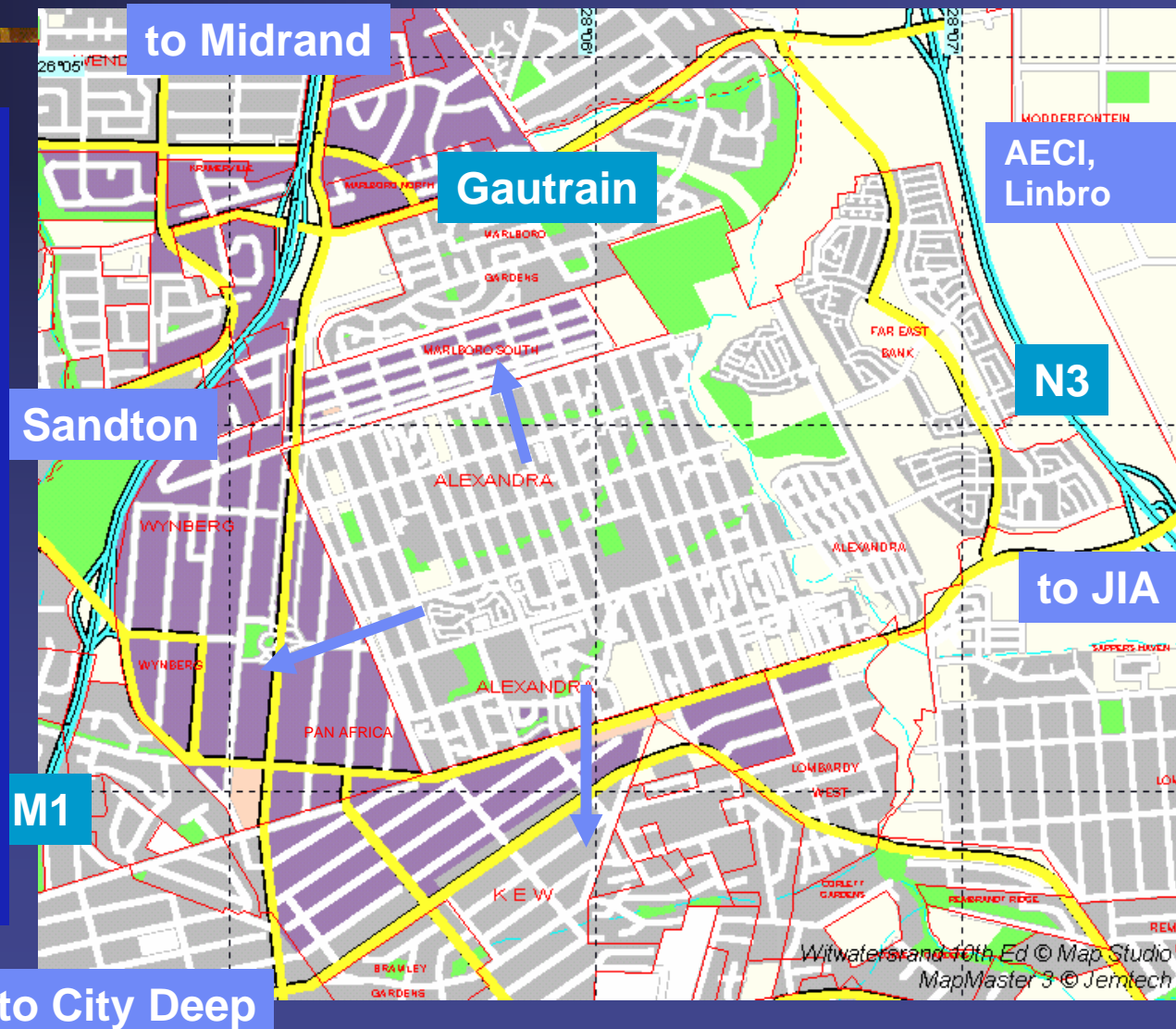
- Marlboro (north) taken over by squatters
- Wynberg (west); Kew & Bramley (south) = viable industrial & commercial areas
  - about 20,000 employed equally in about 600 manuf & services firms
- Pan Africa (west) = former industrial area
  - 2,000 workers in 100 formal manuf & transport firms
  - 900 workers in 556 informal firms: mainly retail & personal services

## ■ Residential area

- Alex = about 2,000 working in 755 informal firms
    - Mostly retail, personal services, then transport and a bit of manufacturing
    - Most lack training & accreditation that would enable access to wider markets
    - Limited access to appropriate land and services
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# Diminishing value for city & residents

- Build on existing strengths, where there is inherent but unrealised potential that correspond to growth opportunities
- Integration into wider urban fabric
- build on the strategic location of Alexandra within the Gauteng economic triangle
- Improve functionality and stability of sub-region
- Build relationships, and make area more cohesive



# Theoretical development options

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- Alexandra Urban Regeneration Project = Presidential Lead Project/Urban Regeneration Node, as from 2001
  - LED objective:
    - Deepen economic participation (reduce unemployment?)
    - Raise realisable value of property
  - Possible options?
    - Secure area, give title, hope that developers buy up properties & redevelop
    - Build on current strengths & capabilities of area & residents for more organic development; with de-densification
  - For residents: LED, but also improve access to wider employment & business opportunities
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# Thinking about economic opportunity

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- Define strengths of existing institutions, business & people, relative to wider growth opportunities
- Alex development strategy = services strategy
  - Strong pressure to focus on manufacturing
  - Over the past 30 years, majority of new employment found in services
  - Services account for about 70% of SA GDP & employment
  - Large portion of Alex residents already work in services

# The Clusters

## Sectors chosen on basis of:

- linked to Joburg 2030 high growth sectors (public or private)
- already have presence in area
- location could offer competitive advantage
- services have greater job creation potential

## Focusing on:

- Construction
- Auto & transport services
- Retail & personal services
- Business Process Outsourcing
- Tourism & culture
- “Care” hub (social services, public & private)

# Wynberg/Kew

## City Improvement District

- Improve quality of services
- Maintain low rates & rentals
- Avoid laager mentality
- Help organise business forums
- Help support retention & expansion of existing business
- Result: zero vacancy rate; indication that some current property owners may redevelop



# Pan Africa

- Land undervalued, high rentals relative to services, high profitability (R25 – 50/sqM)
- Busy, but little development and very disorderly
- Area to be strengthened to encourage re-investment
- Improve dynamic linkages to Wynberg & Alex
- **Immediate action:**
  - Clean-up, upgrading services, pavements, etc
  - Public safety
  - Informal trade management
  - Rautenbach-Watt road link
- Branding: “Pan Africa”
- Promote orderly agglomerations around combination of multi-modal transport facility, retail and commercial services

## Areas of contention:

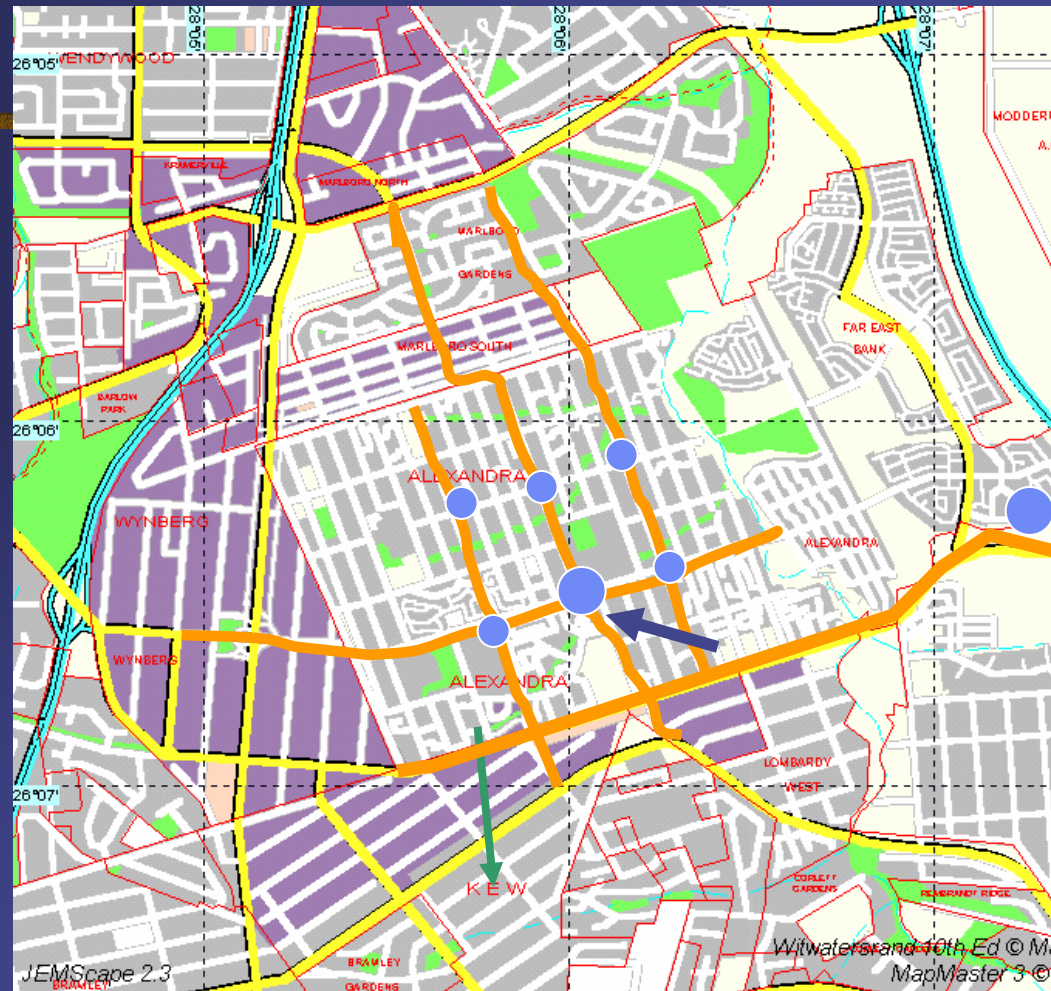
- Shopping mall mentality
- Informal sector management



# Alexandra

## Primarily residential area

- Illegal business removed
- Small retail & personal services nodes
  - BEE land & business ownership
  - Supported by improved road network
- Dirty business moved into hives nearby
- Development of institutions to deliver:
  - business services
  - skills matching services



Areas of contention: strong drive for 'orderly development', moving informal bus to 'squares', desire to apply 'by-laws'

# Biases in SA urban development

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- 'separate development'
  - 'first' vs '3<sup>rd</sup>' world conceptualisation
    - 'high road' vs 'low road'
  - Commercial interests & impact on development models
  - Manufacturing bias in industrial promotion
  - Tensions in govt mandates
  - Limited community 'voice'
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