TOWNSHIP ECONOMY: SA ECONOMIC CINDERELLA?

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TOWNSHIP ECONOMY

- Can we reverse the historical legacy of township economy
- What have we learned from post-apartheid era
- What are current economic challenges
- Can township be engine of economic growth and development
- What does RET say about LED and small business development
SPATIAL REALITIES AND LED CHALLENGES

- Inequality, Poverty and Unemployment
- Space, Territory, Place and Scale: “Territory and its potential endogenous resources is the main ‘resource’ for development, note solely a mere space- (Canazanelli 2001)
- Low Growth and Fiscal Constraints
- Structural and Regulatory Impediments
- Black Business, SME and Cooperatives
KEY FEATURES OF TOWNSHIP ECONOMY

- Low Effective demand
- Weak Value and Supply Chain
- Limited Economic diversification
- Economic leakages and structural impediments
POLICY INTERVENTION

- Inappropriate and mistargeted intervention
- Investment and business climate still perceived as risky in the townships-
- Regulatory and governance measures at variance with
- Disparate and fragmented business community organisation
- Lack of baseline, monitoring and evaluation processes.
TOWARDS INTEGRATING TOWNSHIP ECONOMY

- Manufacturing and Agro-industry
- Transport and automotive sector
- Recreation and Tourism sectors
- Expanding Access to banking services and insurance.
- Low Carbon and Renewable energies
RADICAL ECONOMIC TRANSFORMATION

- RET framework must bring qualitative changes in scale and pace.
- Prioritize the commanding heights of the economy like Resources, Agriculture and Banking.
- Remove all anti-competitive behaviors and barrier to entry - subtle and visible
- Re-orient and equip Local Government to fulfill their Developmental mandate more effectively
- Eradi
1. THE ICONIC DESTINATION HOTEL IN SOWETO

- The establishment of a black owned and controlled commercial bank is an advanced stage.
- To address lack of access to finance is the
2. RESOURCES AND ENERGY IN KZN TOWNSHIP

- Beneficiation and Energy with a high SMME involvement
3. THE BLACK BANK PROJECT

- Plans are advanced to establish a black-owned and controlled business Bank
- Innovative product will focus on working capital, trade financing and supply chain funding.
“When all is said and done, often more is said than done.”

— Thank you