



the dplg

Department:
Provincial and Local Government
REPUBLIC OF SOUTH AFRICA



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Mitchell's Plain Nodal Economic Development Profile

Western Cape

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Section 1: Introduction

1.1 Purpose

The intention of this paper is to serve as a succinct narrative report on the Mitchell's Plain Nodal Economic Development Profile.¹ The profile report is structured to give digestible, user-friendly and easily readable pieces of information on the economic character of the Mitchell's Plain Integrated Sustainable Urban Development (UDP) node.

1.2 The nodal economic profiling initiative

In August 2005, in a meeting with the Urban and Rural Development (URD) Branch,² the minister of Provincial and Local Government raised the importance of the dplg programmes playing a crucial role in contributing to the new economic growth targets as set out in the Accelerated and Shared Growth Initiative of South Africa (ASGISA). He indicated the need to develop an economic development programme of action for the urban and rural poverty nodes.

In response, a *Programme of Action for Building Productive and Sustainable Nodal Economies* was developed by the URD Branch in September 2005. The programme of action (PoA) is intended to stimulate economic growth and development in the poverty nodes. It is important to understand the economic potential of the nodes; identify opportunities for public and private sector investment; identify barriers and constraints to economic activity within the nodes; and acknowledge recommendations on strategic interventions for improving the nodal business climate, and the institutional recommendations for implementation.

Three high-level deliverables form the core of the PoA. These are:

- (a) Nodal Economic Profiles (in which information such as demographics, institutional capacity, potential economic interventions, space economy, competitiveness profiles and so on, is contained).
- (b) the Nodal Investment Atlas (a compendium of public and private sector investment opportunities).
- (c) the Nodal Economic Development Support Agency (recommendations and proposals).

In order to fund the PoA deliverables, various development partners were approached. The Business Trust believed in the credibility of this initiative, and funded it through the Community Investment Programme (CIP). Nonetheless, it needs to be pointed out that the Nodal Economic Profiling Project is a government-based initiative intended to raise the importance of productive and sustainable nodal economies.

¹ Information is sourced from a detailed PowerPoint profile of Mitchell's Plain.

² The Urban and Rural Development Branch is one of the deputy director-general divisions within the dplg.

Section 2: An Overview of Mitchell's Plain

2.1 Administration

Mitchell's Plain was created in the 1970s to alleviate housing shortages in the coloured community of Cape Town when communities were forcefully removed and/or relocated in terms of apartheid legislation. It was planned as a segregated, self-sufficient dormitory suburb far removed from the white areas of the city, but also isolated from the black and Indian communities. All manufacturing and industrial activity was excluded from the area in order to promote Atlantis, an industrial decentralisation area 45km to the north of Cape Town. Mitchell's Plain was built to accommodate 250 000 people, but the current population of the area far exceeds this number.

2.2 Spatial information

Sub-areas

- Sub-areas include Strandfontein, Rocklands, Tafelsig, Westridge, Portland, Beacon Valley, Lentegeur, Woodlands and Weltevreden Valley.

Transportation

- A large proportion of residents make use of public transport including buses, trains and taxis.
- Mitchell's Plain is the third-busiest modal interchange in the City of Cape Town, with about 75 000 commuters in the morning and evening peak hours.

Terrain and natural resources

- The terrain is flat and sandy.

2.3 Socio-economic information

The socio-economic character of Mitchell's Plain is described below.

Population

- The population numbers approximately 398 650 people living in an area 110,2km² in size, most of it urban. The population density is 3 618 persons/km².
- Some 22% of households live in informal houses.
- About 58% of households comprise four persons or more.
- Approximately 62% of the population are younger than 29 years of age.
- Afrikaans is spoken by 40% of the population, with IsiXhosa and English accounting for about 30% each.

Infrastructure and services

- Households without access to basic services are as follows: 18% are without electricity, 13% are without piped water, 11% are without waste removal services and 41% are without telephone services.

- There are 15 secondary and 43 primary schools, and 53 early childhood development centres.

Income and employment

- About 48% of households live below the poverty line; however, the average monthly income of the node is only slightly lower than the national average.
- Only 43% of the working age population are employed.

Education

- Very few people in Mitchell's Plain have access to higher education.
- Almost 40% of people aged 5 to 24 do not attend school. The most important reasons provided for leaving school are either to work or to look for work.

Health care

- All communities are within 2,5 km of a primary health care clinic.
- Per capita health expenditure in 2001 amounted to R357.
- There are plans to build two regional hospitals, one each in Khayelitsha and Mitchell's Plain, in 2006/2007.
- Insufficient HIV and AIDS-prevention programmes are running at present due to staff shortages. AIDS-awareness campaigns are being run in 30 schools.

2.4 Key remarks about Mitchell's Plain

The nodal overview of Mitchell's Plain highlights the following development challenges:

- Mitchell's Plain is isolated due to its distance from the city; transport costs are high and commuters have to travel for a long time each day.
- It is situated far from the centres of economic opportunity.
- Crime is endemic in the area and gang activity is infamous in this part of the Cape Flats.
- The area has a murder rate of 7/10 000 people, reported violent crime of 193/10 000, reported property crime of 415/10 000, and reported residential burglary of 93/10 000.
- Mitchell's Plain has not escaped the HIV/AIDS pandemic that is ravaging South Africa; the rapid spread of the disease has serious social and economic consequences for the nodal population.
- The provision, running and maintenance of public facilities is inadequate, resulting in stretched operating budgets and the inability of authorities to ensure the appropriate service levels.

Development projects that are currently underway in Mitchell's Plain are tabled below.

Project	Objective	Description	Budget
Mitchell's Plain CBD	Improvement of the CBD	Development of a retail and multi-purpose centre, construction of a Home Affairs office, improvement of public transport facilities, landscaping public spaces, and	R200 000 000

Project	Objective	Description	Budget
		improved safety of open spaces	
Lentegeur Station Precinct	Improved public transport facilities in an area where the majority of economically active people rely on public transport	Remodel the two stations; establish public bus routes between the town centre, the stations and the hospital; build an access road connecting Mandalay Station to the hospital, upgrade footways	R8 500 000
Mitchell's Plain Housing Programme	To facilitate housing development to alleviate formal shelter shortages	Provide 1701 new housing units within Tafelsig, provide housing in Westridge via the Cape Town Community Housing Co, develop the Westgate Mall housing site (2 500 units)	R28 000 000
Tafelsig Public Space Upgrade (Youth and Family Development Centre)	Restructuring of open space to become safer and controlled mainly by the community	Develop the Westgate Mall housing site (2 500 units), complete a public space upgrade associated with the housing projects identified, develop a Youth and Family Development Centre	R1 900 000
Swartklip Sports Complex/ Mitchell's Plain Urban Renewal Centre	To provide accessible facilities to communities in need, and to promote sport within the URP as one of the measures of uplifting the community	Develop an indoor sports complex including council meeting rooms, replace fencing of the Swartklip Sports Complex, re-align fields and sporting codes, build multi-purpose hard surfaced courts	R7 200 000
Colorado Multi-purpose Centre	To provide accessible community facilities to communities in need	Construct a community hall, ablutions, parking, a basketball court, a landscaped public square, and space for informal traders	R8 100 000

Section 3: The Economy of Mitchell's Plain

3.1 Overall GDP

The GDP of Mitchell's plain has shown growth over the past decade, although it has lagged behind provincial economic growth.

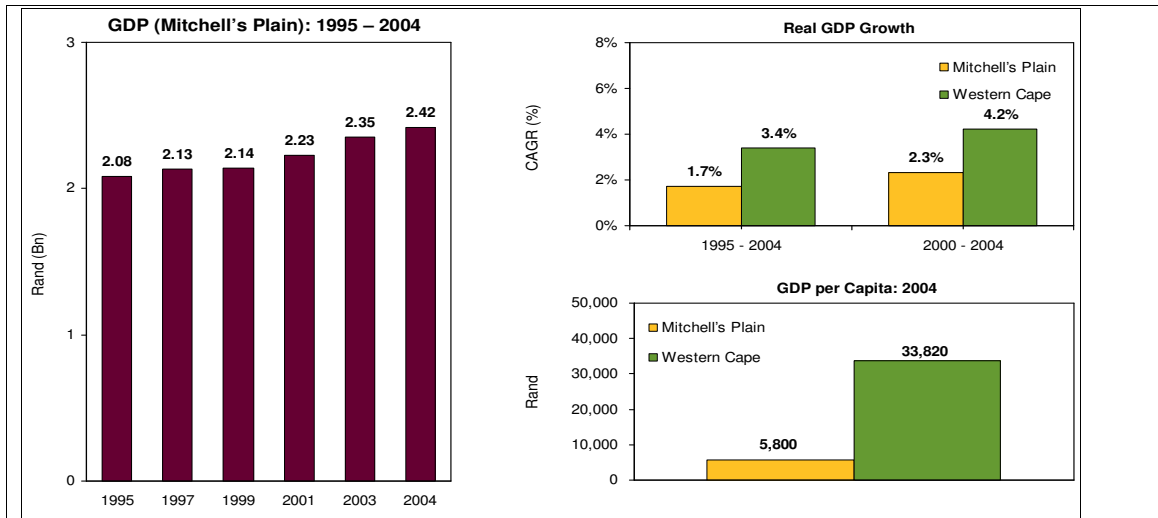


Figure 3.1.1: Mitchell's Plain GDP: 1995-2004

3.2 Sectoral contribution to GDP

The retail sector accounts for a large share of the nodal GDP; the manufacturing sector and the public sector also account for a significant share and are experiencing growth. The fastest-growing sectors are transport and communication, trade, and finance and business services.

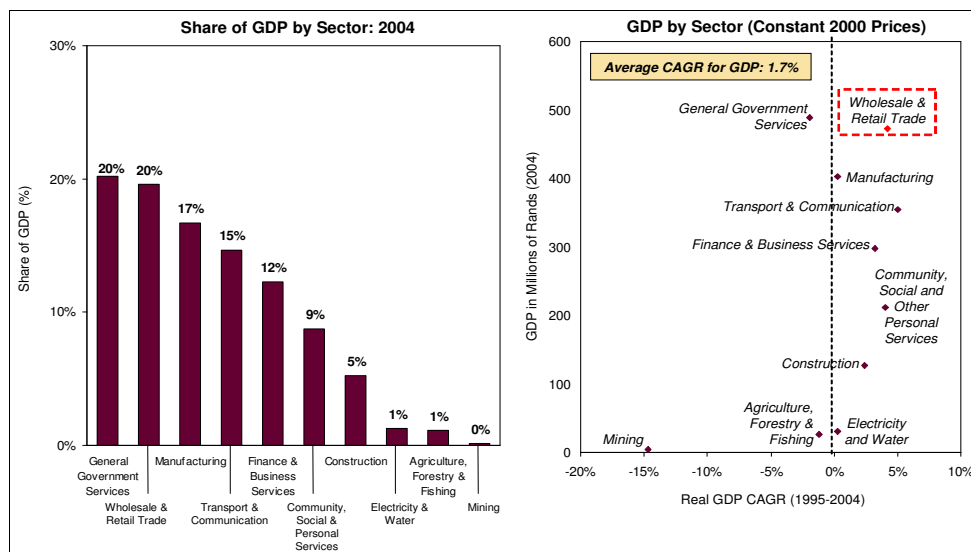


Figure 3.2.1: Share of GDP by sector, Mitchell's Plain: 1995-2004

3.3 Employment

The manufacturing, retail and public sectors are the largest employers in the node. The categories “Mining and Quarrying” and “Electricity, Gas and Water Supply” were not included in the graph as each amounts to less than 1%.

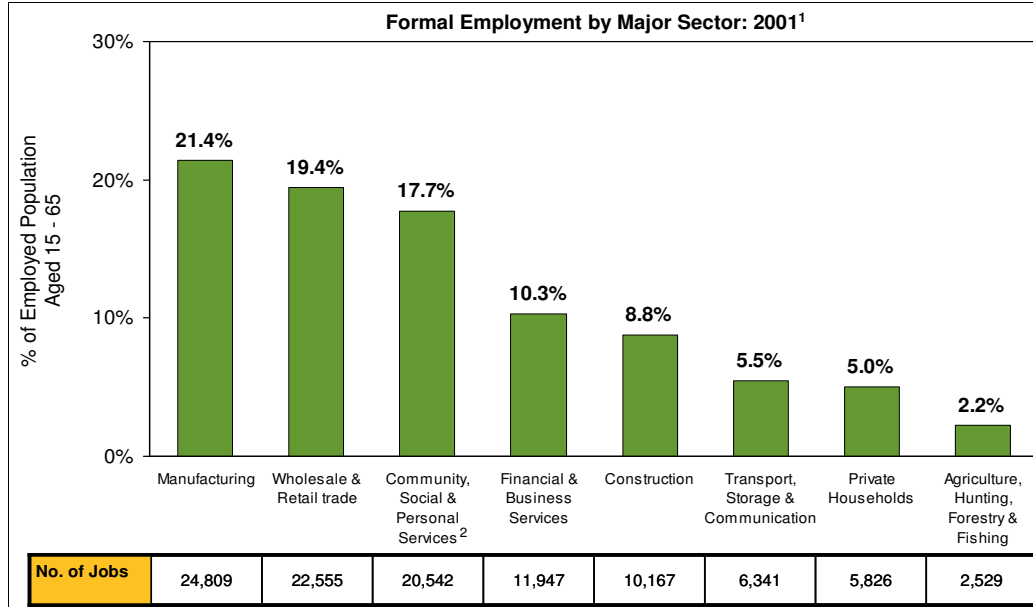


Figure 3.3.1: Formal employment by major sector: 2001

3.4 Growth in GDP and employment

The retail and financial services sectors have shown promising growth over the past decade; they are also relatively large employers and should aim to continue expanding.

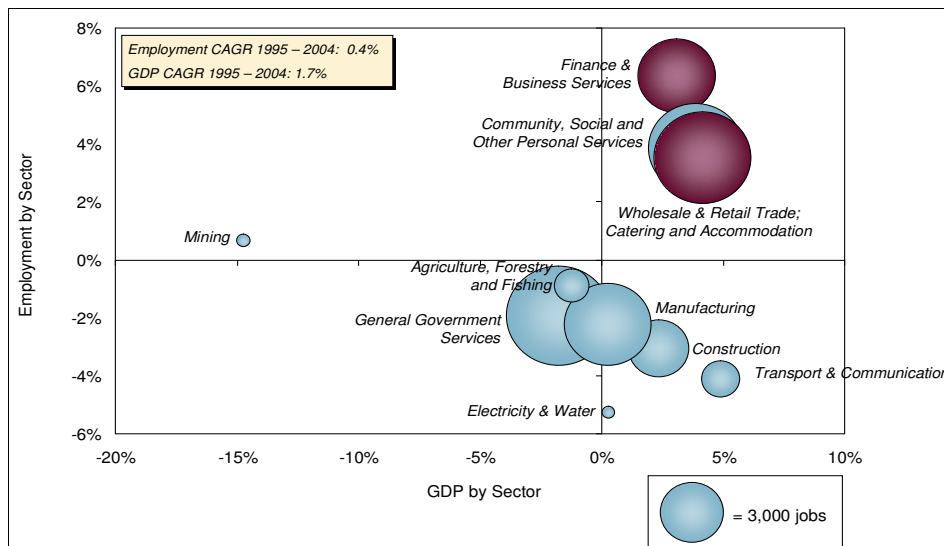


Figure 3.4.1: Growth analysis of Mitchell's Plain's economic sectors

Section 4: Enabling Environment

This section is broken down into two parts, focusing on governance and the Integrated Development Plan (IDP) assessment.

4.1 Governance

Mitchell's Plain was originally founded to alleviate housing shortages in the coloured community of Cape Town, at a time when communities were being forcefully removed in terms of apartheid legislation. The urban renewal institutional framework consists of the following:

- Executive mayor and mayoral committee
- Council's political structures
- City manager
- Urban Renewal Programme (URP) Unit
- Line managers
- Mitchell's Plain Project Steering Committee/Implementation
- Khayelitsha Project Steering Committee/Implementation
- Mitchell Plain Development Forum
- Khayelitsha Development Forum
- National, provincial and local political championships
- Multi-stakeholder Steering Committee.

4.2 IDP assessment

Mitchell's Plain falls under the City of Cape Town. The latest IDP is for the 2006/2007 year. The process was managed by the mayoral committee and the IDP is approved and adopted by the council of the municipality. The IDP is reviewed annually.

The IDP highlights key development issues and guides development of municipal resources. The information in the IDP is timely and precise. The City of Cape Town IDP serves as a high-level planning and co-ordination document. It contains strategic objectives, financial plans, and plans for restructuring and transformation. It also contains a spatial development framework and a land-use management plan.

Section 5: Economic Growth and Investment Opportunities

The goal of the Urban Renewal Programme in Mitchell's Plain is to improve residential life, commercial activity and city linkages. Most of the development projects currently underway in Mitchell's Plain are focused on improving residential life (see 2.4).

5.1 Residential life

Although the profile of housing stock in Mitchell's Plain is similar to that of the city of Cape Town as a whole, the housing stock may understate the backlog in housing because formal houses are thought to be very overcrowded. One third of households in Mitchell's Plain live in either one or two rooms, suggesting that households must manage high levels of overcrowding. This means that there is a high level of pent-up demand for low-cost housing.

In 1998, 350 households (1 500 people) were unlawfully occupying land that had been zoned for a school. The community consisted of people who had, until then, been renting rooms or backyard shacks in Mitchell's Plain. The city tried to evict the invaders, but failed on a technicality. Between 1998 and 2001, the city offered no services in Freedom Park. It was only after the establishment of the Urban Renewal Programme in Mitchell's Plain that formal negotiations began with the community. A housing development was negotiated between the city and the community over the course of three years. Numerous breakdowns in negotiations, changes in personnel and conflicts within the community's representative structures delayed finalisation of the development plan and the initial construction of houses. As a result, construction has not yet been completed.

Although not all open land is suitable for housing, large parts of Mitchell's Plain have low residential densities. In addition, there is evidence of very strong demand for housing in the affordable housing space, with median price growth of 19% per annum over the past five years. The availability of land, the population numbers and the high quality of municipal infrastructure means that Mitchell's Plain is a potentially sound investment for developers.

However, the process of having land zoned appropriately is overly lengthy and uncertain, increasing the risk and raising holding costs. For instance, rezoning the Westridge land took two years. The Schaap Kraal land is not yet rezoned and the sellers expect triple the asking price if they are to be responsible for rezoning. There are also rumours that urban planners favour some developers over others. In addition, environmental impact assessments are regarded as too onerous, and are subject to being "hijacked". There is a perception that environmental standards are being artificially raised in areas like Mitchell's Plain compared with Muizenberg or the Atlantic Seaboard. Therefore, institutional reform and capacitation are required if the risks and costs are to be reduced to encourage developers' exploitation of existing opportunities.

5.2 Commercial activity

Notwithstanding household poverty in the area, the sheer number of people has created a market large enough to justify a number of commercial hubs. More than 800 000 people live in Khayelitsha and Mitchell's Plain, and their combined purchasing power is served through a number of large, formal commercial developments. Although the relationship between commercial developments in Khayelitsha and Mitchell's Plain is, to some extent, competitive, Mitchell's Plain is a popular alternative shopping destination for Khayelitsha residents, so developments in one area affect the other.

While there are administrative boundaries, it is clear that the economies of Mitchell's Plain and Khayelitsha are bound together. The Khayelitsha/Mitchell's Plain area is too poor and too compact a space to justify more than a single high-order commercial node and a number of lower-order nodes.

By far the most developed commercial node in Mitchell's Plain/Khayelitsha is the Mitchell's Plain CBD. This is a URP anchor project and incorporates several developments. These include a 58 000 m² retail plaza, a smaller shopping centre in the train station, an extension of the town centre, two major transport interchanges, and improvements to public spaces in the area. Public investment of R150 million was made over a period of four years, a large proportion of which was spent on public transport interchange infrastructure. A strong project team from the city led the Mitchell's Plain CBD process and took responsibility for implementation and decision making at the project level. The team also helped to consolidate the highly fractured business community operating in the area and they facilitated agreement between 24 taxi associations and five hawker associations. The project has created many temporary and permanent employment opportunities for local residents.

However, an ongoing challenge in Mitchell's Plain is the high level of gang activity in the area. Gangsters continue to threaten, intimidate and extract "tribute" from businesses. Gangs are also responsible for the drug trade in the area, as most gang leaders are drug lords.

Another challenge faced by the area's commercial sector is the continued leakage to competing shopping areas. The most popular alternative shopping areas for residents of Khayelitsha/Mitchell's Plain are the Cape Town CBD, Claremont, Bellville and Parow. This could be controlled by addressing crime and improving public facilities.

The informal sector is an important employer in Mitchell's Plain, however, informal traders face many constraints. Helping informal businesses to formalise would help them to increase turnover and employ more people. Recommendations for increasing business viability focus on encouraging formalisation and increasing the longevity of existing entrepreneurs.

New developments should replicate models that have demonstrated success. Therefore, it is recommended that the Khayelitsha Trust model be replicated and

improved on in other communities. The management and operational model of Mitchell's Plain Station Plaza in Kuyasa can also be replicated.

5.3 City linkages

Most of the people living in Khayelitsha and Mitchell's Plain work outside the area. Few people living in Khayelitsha and Mitchell's Plain actually work there; the railway lines and taxi routes feeding these areas are among the busiest in Cape Town. Therefore, long travel distances and high costs are combined with long commuting times and a lack of personal safety. Cape Town's public transport system includes extensive rail, bus and taxi networks; walking times to public transport nodes are mostly under 10 minutes, but different modes of public transport compete rather than co-operate with each other, making transport delivery difficult to co-ordinate. The lack of co-operation means that passengers must buy separate tickets for every mode they use. This contributes to the difficulty of developing new routes in order to improve the transport efficiency of Cape Town's radial system. The city is investing in improving physical linkages to Cape Town's metro, although the potential of some transport hubs is currently underutilised.

It is recommended that the city focuses on coordinating modes of public transport, introducing improved safety and security on taxis and trains, establishing new routes to growth areas, and maximising the potential of new and existing transport hubs.

5.4 Philippi Industrial Area

The Philippi East Industrial Area could also be a location for development. The Philippi node links Mitchell's Plain and Khayelitsha to the north through a network of corridors. The Philippi East industrial area has been recognised as a potential development node for the south-east of the city. The area was originally developed as an industrial township because inexpensive land was plentiful and it was in close proximity to the airport and other major transport routes. Current thinking is that economic development in the area should include the expansion of industrial developments by investing in major capital projects that would generate economic and job opportunities, and the promotion of Philippi East as an attractive investment prospect to the business community. The Philippi-Khayelitsha railway line extension as well as the construction of an additional station at Stock Road should help to stimulate private sector interest.

Philippi is of strategic importance for the city's spatial development and is attractive to potential investors, but there are serious constraints to developing this area. The opportunities and constraints are listed below:

Opportunities	Constraints
<ul style="list-style-type: none"> • When development around the airport becomes saturated, industry is likely to spill over into the Philippi area. • Its location is ideal as it has access to the northern and western parts of Cape Town as well as to Claremont and the N2. It is 	<ul style="list-style-type: none"> • There seems to be a lack of investor confidence and private sector interest in the area, particularly when viewed as relative to other commercial and industrial nodes. • Other open space in Cape Town may be

Opportunities	Constraints
<p>strategically located within the east–west corridor, which links the West Coast (including Saldanha) to the airport, harbour and CBD.</p> <ul style="list-style-type: none"> • The area has potential for agriculture (crops), industry, cement manufacturing and high-density housing. • Philippi has plenty of open land that has been earmarked for development. • Property prices are low relative to the rest of the province. • The city provides incentives for private sector investment through infrastructure provision. The development of an employment and service node in Philippi will benefit the surrounding areas (including Khayelitsha/Mitchell’s Plain), as it would improve access to higher level services and economic opportunities. 	<p>more suitable for the development of an industrial zone.</p> <ul style="list-style-type: none"> • Investing in the growth of Philippi would be contrary to the trend of development in a northerly direction towards Saldanha. • It is uncertain whether road and rail infrastructure is adequate to transport freight to and from Philippi. • There is a need for a highway off-ramp leading directly to Philippi from the N2. • There is demand for small pieces of land in the area, however, a large share of the land is only being sold in large “parcels”. • Many people have a “crime and grime” perception of the area.

One recommendation is that the Philippi industrial land be repackaged so that it may be bought or rented in smaller pieces. Philippi could also be converted to a bonded area, which would increase safety and security, and help to alleviate the “crime and grime” perception of the area. Lastly, an assessment should be made to establish whether a highway off-ramp to the area is needed and feasible.

5.5 Skills development

One of the most pressing challenges facing residents of Khayelitsha and Mitchell’s Plain is a lack of job opportunities, in many cases due to a lack of skills. The FET colleges are designed to equip learners with skills that may be applied in Cape Town’s growth sectors. FET colleges aim to equip learners with marketable skills that enable people to become economically productive members of society. There are six FET colleges currently operating in over 44 different sites in the Western Cape. Khayelitsha is served by False Bay College’s Good Hope Branch, and the college has another temporary branch in Mitchell’s Plain. The FET colleges operate according to a “user pay model” which makes further education accessible to the poor, as fees increase with people’s ability to pay. The minimum fees are R650 per annum, while the average annual fee is R3 750 per annum. FET falls under the mandate of the province, and its target is for 6% of the population to be enrolled in an FET college at any one time.

Training initiatives should focus on economic sectors that the city has prioritised, i.e. craft and jewellery, film, agriculture and agri-business, boat-building and supplies, alternative energy, tourism, business process outsourcing, information and communication technology (ICT), oil and gas supplies, and clothing and textiles. However, there is limited activity in these sectors in Mitchell’s Plain, aside from tourism, crafts and film.

Section 6: Summary

Mitchell's Plain is located 20km from the City of Cape Town and is mostly a dormitory town. Most of its residents commute into the city using public transport. Mitchell's Plain is isolated due to its distance from the city; transport costs are high and commuters have to travel for long periods each day. In addition, it is situated far from the centres of economic opportunity.

The key challenges facing Mitchell's Plain are spatial marginalisation, overcrowded living conditions, HIV/AIDS, crime and lack of access to public amenities. The population of Mitchell's Plain is poor; many people are unemployed or economically inactive; and most people earn less than the household subsistence level. Mitchell's Plain's GDP has increased gradually over the past decade, but its GDP growth and GDP per capita figures are far below those of the Western Cape. Wholesale and retail trade accounts for a large share of nodal GDP as this sector shows promising growth.

Even though Mitchell's Plain is far from the city centre, the transport infrastructure is good. The rail extension and purchase of new rolling stock should alleviate some of the congestion. However, little is being done to integrate Mitchell's Plain businesses into areas outside the node.