

2.0 PROBLEM STATEMENT

(refer to Appendices 1 to 6 for detail)

“The end result of decades of short-sightedness, political expediency and the lack of effective urban policy is urban sprawl... soulless, environmentally disastrous and outrageously expensive.” (Richard Moe)

“Liveability is not some middle-class luxury. It is an economic imperative.” (Robert Solow)

In the 1960s, the Mdantsane township was conceived of as a dormitory residential "town" politically and administratively separate from East London. In spite of its ostensible development as an independent urban entity, its continued functional inter-relationships with East London, and a lack of sufficient capital investment at scale in the "new town", resulted in the development of a limited range of land use functions in Mdantsane.

This, together with the undulating and fragmented nature of the terrain upon which the township was built and the specific spatial planning concepts adopted in the design of the area, has resulted in an urban environment which imposes many social and economic costs on its resident population. Specifically, the following key development issues are noted:

- Numerous claims have been made regarding the total population residing in the study area, with estimates ranging from 180 000 to 720 000 people. However, estimates based on recent socio-economic surveys in the area, combined with a detailed count of formal and informal dwellings, indicate that the total population of the area is likely to be in the order of 230 000 and, probably, no more than 250 000 persons¹.
- Acceptance of these figures indicates that, for the size of the area, actual population densities are relatively low (a gross density of some 27 persons/ha).

¹ *These estimates are backed up by data sourced to the Central Statistical Services (dated March 1998) which indicate a total population for the Mdantsane district of some 240 000 people.*

- Whilst actual population concentrations (net densities) are higher than this per individual zonal sub-area, the overall mode of development in Mdantsane and Potsdam has been expansive and suburban in nature.
- This fact, allied with the fact that the majority of the population fall within the lower income brackets and have little or no disposable income means that thresholds for economic activity in the area are relatively poor. This has resulted in a high rate of business failures and, relative to the size of the total population, a low level of provision of business/commercial outlets and amenities.
- The above scenario is further compounded by the fact that, in keeping with the lower income nature of the population, few people have access to private means of transport and most rely on public transport to relay them to localities where goods, services and employment might be better accessed. Historically, these localities have largely been in East London.
- In sum, people residing in Mdantsane and Potsdam are disadvantaged by an environment which, ignoring their socio-economic circumstances, represents an inefficient urban arrangement: a sprawling, predominantly residential suburban area with poor access and linkages to other areas where higher order goods and services and economic opportunities might be more effectively obtained.
- Moreover, of note is the fact that development in Mdantsane has overwhelmingly been state-sponsored and carried out in terms of the Townships Regulations R293 of 1962.
- This means that almost all the existing housing stock, as well as many of the larger business/commercial complexes found in the Mdantsane Town Centre were built by the state for the people of Mdantsane. Relatively little pro-active development has occurred in the area.
- Tenure rights to land in Mdantsane are also held in terms of R293 regulations (in the form of Deeds of Grant to so-called residential or business ownership units). The fact that these rights are not full ownership rights may be held to have militated against the development of a functional land market in Mdantsane, where land and improvements might be held to be collateral assets.
- In short, land and funding for the development of housing appear, in general, to be perceived as resources to be supplied by the state.

- In the main, there appears to be little appreciation for the reality that these are, in fact, scarce resources to be managed to best advantage by both the state and individual property owners. Because the state was seen to have provided these goods in the past, it is expected that the same should happen now.
 - However, in contrast to this general perception, funding sources for new housing stock (at present, mainly the capital subsidies made available through the Provincial Housing Boards) are reportedly limited. It seems unlikely, therefore, that it would be possible to use current housing delivery methods and mechanisms to develop sufficient housing at the scale required to overcome the estimated housing shortage of some 16 500 housing units, nor the projected total 10 year demand of some 30 000 units deriving from the study area.
 - Moreover, the housing policies and associated development mechanisms presently being pursued by the national Department of Housing and its Provincial Housing Boards implicitly encourage the perpetuation of the suburban mode of urban development (i.e. the so-called "one house, one plot" mode).
 - This is in contrast to the new policy directions being advanced by the Departments of Land Affairs, Constitutional Development and Transport. These Departments, through their enabling legislation, are supportive of the consolidation and densification of South Africa's urban environments in order to maximise beneficial use of existing infrastructure and to address problems of low economic thresholds and fragmented urban space which, in turn, typically need to be overcome by costly public transportation solutions².
- Finally, to compound the above problems, the development of Mdantsane entailed the construction of relatively high levels of services infrastructure. These are both costly to develop and maintain and, consequently, the township has remained dependant on state subsidies to fund its infrastructure development and maintenance programs.
 - Given the fact that the required level of investment in the development and maintenance of the infrastructure in the study area has not been sustained over time, Mdantsane suffers from a deteriorating level of service which is likely to prove costly to upgrade.
 - In this regard, however, the East London TLC has embarked on some major programs, including the upgrade/redevelopment of the electricity network and the upgrade of the Primary east-west Distributor, Qumza Highway.
 - Notwithstanding this fact, the overriding concern with regard to the current status and future development in the Mdantsane and Potsdam area must be that of sustainability, viz.:
 - **Environmental sustainability**, in that infrastructure needs to be developed (new), upgraded (existing) and maintained to prevent pollution of water courses and the Bridledrift Dam to the south of the study area.
 - **Economic sustainability**, in that it is the stated policy of the government that the level of infrastructure provided must be maintained on the basis of the user pays. That is, the level of infrastructure provided must be in line with the ability of the consumer of those services to pay. In Mdantsane and Potsdam, this is manifestly not the case.
 - **Socio-economic sustainability**, in that the spatial layout (suburban sprawl) of Mdantsane/Potsdam places a considerable burden of social and economic costs on an already disadvantaged community, leaving them far from places of work and shopping and reliant on public transportation. The latter, of course, is forced to operate in an inefficient way, because of the low concentrations of population living in a fragmented and dispersed spatial arrangement. Access to taxis, buses and trains for most Mdantsane and Potsdam residents is not easily achieved.

Some of the key development issues/characteristics of the study area are depicted overleaf on **Plan 2**.

² *The two primary pieces of legislation in this respect are the Development Facilitation Act (Act 67 of 1995) and the Local Government Transition Act Second Amendment Act (Act 97 of 1996).*

In addition, the Department of Transport has formulated a policy termed Moving South Africa, which deals with issues arising from the spatial inefficiencies of South African cities and the negative social and economic impacts these have. Through this initiative, the Department has also sponsored so-called development corridor projects, including the Mdantsane East London Development Corridor Project (MELD), now approaching finality.