

TOWNSHIP RECONSTRUCTION: THE BLUEPRINT FOR A POST-LOOTING ECONOMY



Volunteers and local workers take part in the clean up operation at the looted Bara Mall in Soweto, on July 15, 2020. - Many South Africans, taking matters into their own hands in a country where few rely on a chronically failing state, have started to clean up and repair. And the South African presidency even tweeted its thanks to "those who clean up". (Photo by LUCA SOLA / AFP)

The [events of the past week](#) have illuminated the frailties of our society. As a nation, we have been forced to face the dark underbelly of our structural [inequality](#) and the effect it has on us. By now, we all are aware that South Africa is the most unequal society in the world but, for a long time, most of us have been comfortable ignoring the volcano that could erupt beneath us. Well, the time has come, and we must ask ourselves: what next?

The [root of this violence](#) is a debate I will leave to the intelligence community and the political commentators. What I want to discuss is the effect of these recent events on townships, and the economies that drive them. The looting has hit at the heart of townships, upending years of growth and development. A rebuilding effort is now necessary to revive what were once fledgling economies.

At the centre of this destruction has been the shopping centres. Malls — which have long been touted as the sign of economic development in townships and engines for job creation — now resemble scenes from a low-budget zombie movie rather than the centres of economic activity they once were.

Some important questions need to be asked about how we have developed township economies, and why they have perpetuated inequality. The biggest question is going to be: how do we rebuild? I would like to offer up a few ideas.

Don't rebuild the malls

This might ruffle a few feathers and sound counterintuitive, considering the number of jobs lost, but I could not be more serious. The reality is that those jobs are lost, and we have to regain them somehow, but they do not have to be in malls.

The truth is, “malls suck”, as [Erky Wood](#), a leading South African urban designer, stated half a decade ago. This comment was not based on subjective taste, but rather on the economic and spatial effects of malls.

Wood outlined how malls can be destructive to local economies. They draw in a lot of energy and money, but give back little. They are hostile to anyone apart from the narrow market they cater to and they don't generate any holistic urban development; in other words, they are big show boxes in parking lots.

Malls take more from communities than they give back. Although they provide jobs, their mere existence destroys and undermines other small businesses and real-estate owners. The attraction of the mall sucks in all the economic activity and leaves some businesses with no choice but to rely on those centres to operate.

We have allowed economic monopolies to move into our most vulnerable economic spaces and, when they are gone (like they are now) they leave a huge vacuum that destabilises entire local economies.

So what should we build?

A lot is said about localisation when discussing the greater South African economy; it is a topic that divides many economists and scholars, but is a principle that is necessary to develop township economies.

Applying the idea of localisation to township economies can be broken down into three parts:

1. The localisation of the ownership of space;
2. The localisation of production; and
3. The localisation of retail. You can't make where you sell.

Township economies were built on the localisation of space and retail; corner stores punctuate almost every neighbourhood in Soweto. Townships are communities of walkers; unintentionally, they are some of the walkable neighbourhoods in the country. This spatial structure over time, based on the principle of being able to get your basics within a short distance of your house.

Multiple shops were built next to each other, often with different owners who each made their own small investment in their neighbourhood, simultaneously fulfilling a need and creating a couple jobs. These spaces tended to be flexible and allowed a variety of businesses to operate at affordable rates.

This development process might be slower than a developer swooping in and building a new, shiny mall, but it is a lot more robust: it decentralises control and allows equitable access to people who want to build on the growth of economic activity of a neighbourhood. With each development, entrepreneurs help each other to grow rather than cannibalise each other.

Some of the greatest retail districts around the world, like St George's Mall (not an actual mall) in Cape Town and Newbury Street in Boston, developed on this principle.

The concept of localisation speaks to the greater idea of commerce and business as part of a community, rather than a product that is merely consumed. We begin by imagining the communities we want to live in; then we build the economic systems to support this vision.

Strong local economies are built on strong interpersonal relations within those economies, So next time Lerato wants to open a clothing boutique, she could rent a retail space from her neighbour, or even build her own rather than paying exorbitant rentals to mall owners.

Government needs to get serious

Ultimately, the government is the missing key in this equation. The state's limited understanding and vision for the township economy is evident in the disastrous approach it has taken thus far. To this day, the government is barely able to value the township economy in any meaningful way.

To remedy this and to help the township economy grow into a robust economic ecosystem, the government has two key roles to play.

The first is to reconsider urban planning in townships, and its effects on small business. The model applied to the northern suburbs, which have limited pedestrian access points, gated communities, and many shopping centres, cannot be applied to townships. Malls and shopping centres are symptoms of bad urban planning, and local municipalities' red tape holds small businesses back.

Our zoning system needs to be more flexible to allow properties to be quickly granted permission to fulfil different functions, allowing small businesses to develop and grow. The idea that retail and residential areas must be completely separated is ridiculous and unsustainable.

The burden that inflexible zoning regulations places on informal and small business is a hindrance to their growth. It is important to note that some of the greatest cities in the world were built with no master plan or zoning code: they simply responded to the changing needs of communities over time.

The second role for the government speaks to the rands and cents of it all. A major setback for the growth of small business is access to adequate capital.

The government has subsidised the construction of many rural and township malls, which has greatly increased the profits of retail developers. A reprioritisation is necessary, and new mechanisms need to be developed to get such funding to where it's needed the most.

The money exists: it's just a matter of directing it to where it will have the greatest impact.

In short, the government needs to step up: it needs to have a real plan with real impact metrics (other than the opening of new shopping centres), as a yardstick for the development of township economies.

Where to from here

Townships in South Africa are sapling economies that have to be protected, allowed to grow and develop, before allowing big business to swoop in and destroy their fragile ecosystems.

People often warn against protectionism, but sometimes fragile economies need to be protected until they can compete.

This is not to say that big business does not have a role to play in township economies, but it can't take up all the space.

In the midst of this crisis, we have been afforded a somewhat blank canvas to reimagine and redefine what kind of society we want to live in, and how that society builds an economy around its needs — not the other way around.

Right now, as people who call townships home, we need to define our moral objectives — objectives that define our humanity — and build a new township economy around those ideals.

Do we really want to rebuild things as they were? Or can we take this tragedy to rebuild the township economy to be more equitable and sustainable. As Winston Churchill once said, "You should never let a good crisis go to waste."



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