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Humanities Faculty: Sociology Department

Spatial Mismatch in Cape Town: Business location and the impacts on workers


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This thesis presented in partial fulfillment of the requirements
for the degree in Masters in Social Sciences at the University of Cape Town.

Declaration

I, Claudia Naidu, do hereby declare that this thesis is my own original work and that all sources have been accurately reported and acknowledged and that this document has not previously, either in its entirety or part been submitted at any university in order to obtain an academic qualification.


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February 2009

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Abstract

The south east and cape flats regions of Cape Town is home to abundant supplies of cheap and available unskilled labour. With the awareness that Cape Town may be slowly following the developmental path of Johannesburg and many other cities of the world, as decentralization, suburbanization, and the overall processes of economic 'tertiarisation' and urban transformation encompass the entire structure and culture of the city, we wonder about how the cities unskilled workforces are faring. Development has focused on the north of the city while the south east has been bypassed, causing residents to have to travel far out to find jobs and work. There is a clear spatial mismatch between places of work and places of residence for the workers of the South east, and overcoming this disconnection is challenged further by an inefficient and expensive public transport service, upon which they are fully dependent.

By way of the interviews with businesses from various industrial areas in Cape Town, this thesis shows that many owners and management do not place much importance on where their workers, in particular unskilled and semi skilled manual workers live and how they travel. It seems that when choosing a location for their businesses, size, price, and availability may limit owners' options of location choice and interviews reveal that owners may be responding to rather than driving development. Findings reveal that unskilled manual workers typically reside in the south east, while business owners, management and other white collar workers typically live in the northern and southern suburbs, as well as other central areas. Furthermore, transport patterns were evaluated and it is clear that the unskilled workers rely heavily on public transport while higher skilled occupational groups either have their own car, or are part of lift-clubs. The problem of a spatial mismatch is clearly skewed towards workers of the south east who rely on public transport, by intensifying the burdens of commuting times and costs. A further finding is that many businesses resort to highly informal methods of recruitment, such as word-of-mouth and internal referral techniques, revealing the significance of social networks in gaining access to job opportunities. This is especially important for workers trying to find employment in areas outside of the traditional economic nodes as it is expensive to commute to those areas regularly in search of employment. Having access to those businesses through employed family members, neighbours and relatives, is therefore critical.

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1. Introduction

Cities are continually undergoing changes. Recent developments in many cities across the world include expanding suburbanization, edge city and citadel development, and the emergence of new forms of ghettos, all of which tend to increase the physical spaces between the wealthy and the poor (Marcuse and van Kempen, 2001). These spatial developments have occurred alongside changes in the economic functioning of the city as well as continual shifts away from traditional forms of production and manufacturing and towards more service-oriented and commercial activity. As a result, opportunities for white collar workers have continued to increase whilst generally leaving traditional blue collar workers in a precarious situation (Sassen, 1994). Furthermore, economic activity and opportunities, in increasingly relocating away from the traditional nodes and further away from the poor and unskilled has made them more vulnerable and isolated. This has made gaining access to employment opportunities difficult for the poor and unskilled workers as they face not only a skills mismatch in this new economy of financial and commercial services, but also a spatial mismatch between places of work and opportunity and places of residence (Wilson, 1996). The public transport system, on which these types of workers are largely dependent, thus plays a pivotal role in connecting workers to locations of economic opportunity.

In Cape Town, the south east and cape flats regions are home to large numbers of unskilled blue collar workers. The city is growing and changing but minimal development has been targeted at the south east areas but instead, drawn towards the north, away from these workers (Turok, 2001). Close to many economic nuclei spread around the city, small informal settlements exist which enable residents to find employment at the nearby businesses. For those living further away however it means a daily commute to and from these nodes. This means expense and time. It also involves a reliance on the public transport system which is largely fragmented and inefficient making the spatial mismatch between places of work and places of residence a difficult challenge to overcome (Clark and Crouse, 2002).

In this research paper, one of the issues I examine is that surrounding choice of business location in an effort to grasp an understanding of why the north and other areas away from the south east are attractive and popular locations for development and business-establishment and why the south east, which is close to large pools of labour, is not suitable. I consider whether it is a matter of the type of labour needed, issues of image, safety, convenience, or business considerations such as good investment potential. A key focus is an examination on the existence of a spatial mismatch between places of work and residence, and a

discussion of the challenges of this physical disconnection for different types of workers/occupational groups.

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2. Literature Review

2.1. *The Spatial-Mismatch debate*

The notion of a spatial mismatch between where workers live and work was first conceptualized in the 1960s. In this work, John Kain (1968) aimed to explain the problems of unemployment and poverty faced by inner city black minorities and other disadvantaged communities within the urban areas of America. He emphasized the role of space rather than race, arguing that discriminatory housing policies trapped African-Americans in the inner cities and thereby affected their and other non-white's opportunities for employment. This problem was further intensified by economic restructuring and the increasing outflow of business from the central city and their re-establishment in the suburban areas further away from the ghetto areas of the inner city.

Empirical support for the hypothesis, based on quantitative research studies, has continuously been challenged¹ however and the notion of the spatial mismatch as the key to the black employment problem remains a contentious one (Kain, 1992., Pugh, 1998). Wilson (1996) writing in the mid-1990s on inner-city black employment problems, also points to the issues of the growing suburbanization of businesses and jobs and the effects this has on the job prospects for inner city residents. Wilson draws attention to inner city residents' reliance on the public transport system and the time, costs and difficulties involved in having to travel out to the suburbs. He stressed that the physical distances away from available job opportunities and social networks meant that they were spatially disconnected and isolated from the growing economic hubs.

Some support for the spatial mismatch theory has been documented by Margaret Pugh (1998). Based on research findings and the patterns exhibited in American cities, she emphasizes that not all cities or areas experience an equal degree of mismatch. Instead the intensity of this 'mismatch' is dependent on or influenced by four main factors. These are: the demographic and geographic size of the metropolitan area; racial segregation; labour market tightness between central city and suburb; and the effectiveness of the metropolitan transport system (Pugh, 1998). Results on the 5-city study illustrates that transport is a key aspect of the spatial mismatch problem and it may indicate that the challenge lies with the accessibility and

¹ A wide range of measures and indicators have been used across a number of studies examining the spatial mismatch theory. As a result, findings have been inconsistent (Kasarda and Ting, 1996).

efficiency of the available forms of transport rather than physical distances *per se*. In other words, implying that overcoming the spatial distance between jobs and work is not the primary problem but the lack of effective means to actually do so.

2.2. *An added dimension: The skills-mismatch debate*

Kasarda and Ting (1996) in an analysis of the unemployment and poverty problems² faced by inner city residents incorporate the notion of a skills mismatch into their evaluation. This hypothesis postulates that the transformation and reorganization of economic sectors in major cities, and the shift from traditional blue-collar manufacturing to knowledge-intensive service industries, leads to processes becoming capital intensive, automated and computerized. Accompanying these shifts has been a change in the skills demanded with blue-collar workers becoming largely irrelevant in the new advanced service economy. As a result, while the new economic nodes located in the suburbs may be spatially accessible to those living in the inner city³, functionally, it is not as there is a growing mismatch between the skills that is needed to service those sectors and the skills possessed by the unskilled, and disadvantaged workers typical of the inner city ghettos.

As a result of the changing global economy and advancing technology therefore, a double barrier manifests, as the changing skills demands of the new economy as well as the growth and migration of industries to suburban locations and away from inner city areas, translates into both a spatial and skills mismatch for inner city residents. These are two factors which lead to inner city residents' social and economic isolation. Firstly, they do not have the necessary skills required by the new service industries. And secondly, the physical distances between jobs and places of work means that they are also spatially disconnected from potential opportunities.

² Kasarda and Ting (1996) analyzed whether the problems of poverty and unemployment is due to structural barriers such as the divide between homes and jobs or should be attributed to the state- welfare programmes which create a disincentive for residents to work. According to the latter paradigm, inner city residents are therefore voluntarily and rationally choosing to not work due to the availability and 'generosity' of the welfare programmes. Their findings showed support for both perspectives.

³ Inner city residents would be typically low skilled, poorly educated and generally have occupied blue collar positions in traditional manufacturing industries.

2.3. *Global City development and changing spatial orders.*

The processes of deindustrialization, whereby the economy shifts from being a manufacturing based one to a service and information economy, along with the decline of old industrialized regions has severe social implications such as rising social and income inequalities and higher levels of unemployment. This is because, unlike the traditional manufacturing industries which enhanced productivity and enabled growing numbers of middle-income workers⁴, the new service economy is found to be significantly more unequal.

In industrialized countries, high level producer services, advanced technology industries, distribution network centres and tourism are the primary growth industries (O'Loughlin and Friedrichs, 1996). Most theorists agree that the new service and high technology economy leads to changing employment patterns which led to overall absolute increases in the numbers of managerial and professional jobs. The matter of unskilled jobs is disputed however (Borel-Saladin and Crankshaw, forthcoming). How each theorist deals with this matter however depends on whether they are analyzing sectoral employment growth or decline in absolute or relative terms. Also pivotal to the analysis of changing skills demands in the new economy, would be the way low-skilled and high-skilled work or workers are conceptualized. Sassen (1994) a leading proponent of the social polarization thesis argues that the service sector tends to employ large numbers of high skilled, highly paid workers as well as large numbers of low skilled, low paid workers, while positions for 'middle income' workers gradually diminish, creating a highly polarized employment structure and fuelling inequality between the two extremes⁵. In her discussion, low skilled work comprises non-professional occupations while high skilled work are professional occupations (Borel-Saladin and Crankshaw, forthcoming). While the polarization thesis is highly debated and some argue for a trend towards professionalization, Lemanski (2007) finds that segregation within the city in some form or other is a common theme in these debates. It manifested firstly, through the development of and investment in certain areas and the non- or under development of others, and secondly through the growing socio-spatial divisions between groups based on class.

⁴ Traditional unskilled entry level jobs allowed for workers to move up to better positions within the industry. However service industry entry level jobs are considered to be dead-end jobs (O'Loughlin and Friedrichs, 1996). In addition, traditional manufacturing industries enabled high levels of unionization, through which workers could benefit from higher negotiated wages. In the service sector, attaining high levels of unionization has proved to be difficult to achieve.

⁵ Hamnett (1994) in contrast however argues that the post-industrial economy is characterized more by a trend of 'professionalization', and considers the patterns of polarization to emerge only in those cities where there are large-scale in-migrations.

In addition to the economic restructuring and transformations in the employment and income structures, the social and spatial character of the city has also undergone significant changes. This is reflected as businesses, jobs and opportunities increasingly settle or relocate to the suburban fringes intensifying socio-spatial segregation between the wealthy and poor. Marcuse and Van Kempen (2001) describe the new urban society as 'increasingly socially and spatially disconnected, fragmented and polarized.' Marcuse (1997) argues that many of these new spatial developments can also be found in cities that are not always necessarily considered 'global' ones. He outlines three key and mutually reinforcing spatial developments typically seen in many American cities since the 1970s. The first is the emergence of a new form of ghetto⁶, one which is now largely excluded and separate, often physically, to other parts of the city. The second refers to the creation of edge cities which is a form of urban growth whereby businesses, shopping malls, and entertainment concentrate in areas which were traditionally residential suburbs. These edge cities typically develop near to major highways and interchanges, and are largely independent of the rest of the major city and in many cases compete with it. The third development refers to the emergence of citadels. These are areas which are described as upper-class luxury residences which have been transformed into separate areas, and physically, economically, and socially separated from other parts of the city (Marcuse, 1997). The overarching trends are the boundaries and divisions being instituted between and even within these spatial developments. Initially flourishing suburbs and edge cities were open only to whites, but soon racial segregation has given way to a class-based form of segregation. It has also become more market driven, rather than state imposed. The increasing movement of commerce and entertainment activities followed by the wealthy segments of society to the suburbs has left the inner city emptied, abandoned, and largely isolated.

Marcuse (1997) also emphasizes that many of these 'recent' developments are not new and some can be traced back to medieval times such as the formation of walled citadels. Beauregard and Haila (1997) make a similar argument and suggest that the modern city has not been displaced by a 'postmodern' or 'post-Fordist' one, but that both old and new urban processes and forces operate in complex ways making predictions of the outcomes difficult. They dismiss the notion of a 'new form of city' and instead argue that cities are incomplete, and always have been.

⁶ 'Ghetto' as used by Marcuse (1997) refers to an area which is spatially concentrated and used to separate a racially defined and 'inferior' population group from the dominant society.

Nevertheless, the increasing divisions and inequalities between societies' wealthy and poor are being spatially reflected and the notion of a dual city⁷ has often been cited. Uneven urban sprawl has led to the growth of the suburb, where the wealthy reside, to the exclusion of the poor. This has happened as low-skilled service, professional as well as manufacturing jobs in the new globalizing economy migrate to economic hubs located in the suburbs. Key to this mobility is the reduced dependence on manual labour and the progressively advancing technologies making production highly capital intensive and automated. The growth of interconnectedness and global markets, together with advancing technologies and industries has thus shifted the demands for certain types of labour, and has led to deep divisions between labour sectors. This has caused increased fragmentation and segregation between the city's population groups, nurturing the inequalities of wealth and income as many of the excluded inner city residents, are unemployed, have few skills and low levels of education. Those low skilled, low wage workers are increasingly becoming largely irrelevant to the modern knowledge economy, and are trapped in areas of poverty and crime, with limited opportunities and prospects for growth, and face deep social isolation and dislocation (Wilson, 1996).

⁷ See Mollenkopf and Castells, 1991. Marcuse (1989) takes this metaphor further by describing cities as quartered and offers five divisions: the ghetto, the luxury city, the gentrified city, the suburban city, and the tenement city.

2.4. International Case Studies

Boston, USA serves as a noteworthy example of how economic restructuring can impact on industry, employment and the spatial dynamics of a city. From the early 1970s, Boston has undergone a '*triple revolution*' working itself up from a period of high unemployment, deepening poverty and increasing levels of crime, and is today no longer viewed as the 'troubled city' it once was (Bluestone and Stevenson, 2000). The first revolution transformed the city from being highly white ethnocentric to a multi-cultural one, while the second transformed the city from a mill based one to a modern service and knowledge economy. Traditional blue-collar manufacturing industries have declined, while service and digital sectors have expanded, accompanied by an ever increasing demand for skilled workers. The economic and industrial shifts have benefitted those with the skills and education, affording them higher wages and upward mobility while poorer unskilled workers have faced a skills mismatch as there have been limited opportunities and demand for unskilled and low-skilled blue-collar labour.

Institutional and market forces enabled the migration of manufacturing, retail, and residence to the suburbs which flourished while the highly concentrated central city's population declined. This was Boston's third revolution. Demand for space as well as safety motivated many decisions to relocate to suburban locations. Relocation to the suburbs was also made easier by the construction of highways which made commuting between the suburbs and central city easy. Economic growth has thus been accompanied by a social duality as the poor have concentrated in socio-spatially segregated neighbourhoods in the central city, while the wealthy flocked to the outlying flourishing suburban areas (Bluestone & Stevenson, 2000). In addition to their lack of skills; poor, black residents of the central city have also faced a spatial mismatch as the physical distances to jobs for which they were qualified has served as an impediment to employment.

Teaford (1993) provides an elaborate account of the suburbanization and restructuring processes which has occurred in Atlanta, USA during the 1950-1960s. In the 1920s Atlanta was a leader in the country's cotton and textile industry. Growth paused during the Great Depression, but expanded again with the onset of World War II. After the war, housing conditions and supply needed to be addressed as soldiers returned home. The post war era and the construction of highways made suburbs more easily accessible to residents, business, shopping and entertainment, manufacturing industries and even government departments. They became increasingly attractive due to their perceived safety and security, their abundant parking facilities and the image of modernity.

Changing transport patterns allowed middle class groups greater choice and flexibility in the choice of residence, and caused an outflow of middle income population, particularly whites, to the suburbs in the North. As the population continued to grow, the city was easily able to expand outwards without any legal or geographical obstacles (Hartshorn & Ihlanfeldt, 2000). This suburban boom has stimulated economic growth and during the 1970s Atlanta grew faster than the United States as a whole. This growth has in turn stimulated the escalation of both high and low skilled jobs (Hartshorn & Ihlanfeldt, 2000). As Atlanta's service and information economy matured, this growth has continued.

According to 1990 Census Data, 70% of the city of Atlanta (being those not residing in the suburbs) is black (Pugh, 1998). Other data shows that the successive shifting from the central city to inner suburbs and then to outer suburbs is predominantly a white middle class phenomenon, but that during the 1980s a growing number of mobile blacks have moved to the suburbs (Hartshorn & Ihlanfeldt, 2000). Significantly however is that income differences between blacks and whites are higher in the northern suburbs than in the southern suburbs, and that the southern suburbs has always lagged behind the north in terms of growth. In the south, there are suburbs which are predominantly black or white. Black districts surround the inner city, and beyond them lay the white dominated suburbs. In the north however, all districts are predominantly white. Data for the period between 1980 and 1996 reveals that the white north side's share of jobs has increased from 14% to 54%, while the southern suburbs' share has remained at 20% (Hartshorn & Ihlanfeldt, 2000). The job losses of the inner city have therefore been the north side's gain. Within the southern suburbs, the black districts have experienced a 3% decline in jobs while the white south side has had a 4% job growth.

Within the inner city therefore have remained poor blacks and other minorities, and this reflects the hyper segregation and fragmentation between the suburbs and the central city, the poor and wealthy, of Atlanta. Inefficient public transport systems has exacerbated the problem of urban sprawl by making mobility between the central city and suburbs, particularly the northern ones, even more challenging for those without cars. The level of low skill job decentralization has been the highest in the nation, and entry level jobs have been found to be plentiful (and also offer higher wages) in the northern suburban locations (Ihlanfeldt & Sjoquist, 2000). Many of these are vacant as most potential workers who are willing to travel from the central city, have difficulty reaching those areas.

According to Pugh (1998) approximately 40% of inner city residents do not own cars or access to any. Furthermore, Pugh reports that the expansion of the transit system is claimed to have been actively resisted by many suburban residents, and those transport options which do exist are highly inadequate. These groups are thus spatially disconnected and mismatched to the modern booming economy, a situation which is clearly strongly exacerbated by the lack of efficient public transport systems.

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2.5. Local Trends and Patterns: Johannesburg

Johannesburg, South Africa has exhibited similar urban spatial trends to that evidenced in many other cities across the world. During the 1950s-1960s racial segregation reinforced the spatial order of the city which comprised of a middle class North and a working class South⁸. The creation of carriageways from the outer suburbs to the city centre enabled easy access and commuting by cars and allowed for greater expansion of the suburbs. State housing subsidies for whites and their occupational mobility allowed them to easily migrate to the outer suburbs (Beall *et al.*, 2002). Non white population groups on the other hand, were forcibly removed from northern areas of the city and concentrated in the south-western areas.

Through the highly privatized housing market, urban stratification and socio-spatial divisions between the wealthy white-collar middle class north and a poor black, blue-collar working class south deepened (Tomlinson, *et al.*, 2003). As the manufacturing sector began to decline and service sector expanded, job opportunities for the working class South shrunk while growth and opportunities for the wealthier and skilled in the North boomed. Over time the racial divisions and inequalities in the city's population evolved into a class based one and soon middle class non-white residents began to move out of the southern and south-western areas and relocated in the north⁹ (Beall, *et al.*, 2002). Manufacturing and service sectors remained in the CBD through to the 1960s but in the later decades there were many closures and relocations to the northern suburbs, as business and industry was attracted to its 'easy highway access, adequate security, a good public image, and plentiful parking spaces' (Beall, *et al.*, 2002).

In the 1970s, Crankshaw explains (2008), northern neighbourhoods because of its primary residential function could be described simply as residential suburbs but as malls, business, offices, manufacturing and entertainment centres moved in, these areas became fully functional and independent of the city centre and rest of the city too. The north of the city thus continued to flourish as industry, retail and residential developments expanded (Beavon, 2004). A new trend was that households were no longer dependant on the CBD for employment and soon had no reason to travel to the CBD at all. Been emptied of most manufacturing, retail, entertainment and commercial functions, the CBD thus attracted minimal investment and vacancy rates were high. It soon began to cater for the needs of primarily the African working class, and dominated by informal street traders.

⁸ In this regard, the low skilled poor residents are dissimilar to their US counterparts who are usually trapped within the inner city.

⁹ As shown by Crankshaw (2008) there has been significant amount of desegregation within these northern suburbs, illustrating the growing significance of class over race.

As expected, job losses in the CBD were felt mostly by the poor, black residents of the South who were largely excluded from the growing economic hubs located in the north and were trapped in areas which offered them minimal employment opportunities, upward mobility and lacked an efficient public transport system to connect them to developing suburban economic nuclei and job opportunities. Between 1980 and 2001, there had been a loss of 90 000 jobs in the manufacturing sector, while in services¹⁰, employment grew by 121 000 (Crankshaw, 2008).

Crankshaw and Parnell (2004) used data from the 1996 Population Census to illustrate that the growing service sectors were associated with greater skill polarization, and left unskilled manual workers with limited opportunities and hence facing a skills mismatch. The shortage of low cost housing and the lack of public transport to unskilled jobs in the northern industrial nodes, left low skilled workers of the southern areas spatially mismatched too (Beall, *et al.*, 2002).

From the 1990s, after Apartheid, there has been what appears to be an obsession with security and privacy, and residents of the North, in particular have begun to fence off their areas and put up security-guarded entry points which restrict access, and aim to improve security and prevent crime. Three forms, or hybrids, of gated communities are said to exist in Johannesburg (Murray, 2004). The first is referred to as 'lifestyle communities' who use gates and walls to separate themselves and environment for their private leisure activities. The second type is 'prestige communities' who use exclusion and restriction as ways of symbolizing status and hierarchy as well as a means of protecting property values. The third type is 'security zones' which are designed to provide barriers and walls to insulate themselves from crime and intrusions. Murray (2004) considers that the type of security estates found in the northern suburbs of Johannesburg are on a level unseen by historical standards as they appear to comprise the lifestyle, prestige and security components of the traditional forms, creating a new form-'luxury estates with distinctive South African characteristics.'

¹⁰ This comprises an employment growth of 12000 in the community, personal and social services sector; an employment growth of 9000 in the commercial sector and 100 000 in the financial intermediation, insurance, real estate and business services sector (FIRE). In total this FIRE sector makes up 73% of employment (Crankshaw, 2008).

2.6. Economic and Spatial Restructuring in Cape Town

Settlement Patterns in Cape Town, 1950s-

Under Apartheid¹¹, a social and political policy of racial segregation and discrimination, settlement planning and development of the city was designed so as to geographically separate racially defined groups and limit African urbanization. Government emphasized separate development of races and instituted legislation which segregated education, healthcare, sports, transport as well as other services and facilities. Blacks, being considered as temporary migrant workers, were placed in settlements with poor and inferior service provision and were educated to be the 'labouring' class. Under the Apartheid ideology, the Cape in particular was considered as a 'Coloured-labour preference area'.

In Cape Town, the Group Areas Act legalized the forced removals of all 'non Europeans' from areas throughout the northern and southern suburbs as they were declared white-only areas. These population groups were placed in a number of settlements across the Cape Flats, some dedicated to Africans and others to Coloureds. Africans living in the city without government permission also occupied informal settlements based in the South-East sector of the city. As a result of international pressure and opposition to their forced eviction by the Apartheid government, these 'residents' were later moved to new government-created townships, such as Khayelitsha. The Cape's African population continued to grow despite government's attempts to limit it, and informal settlements continued to emerge around the cities' periphery wherever space was available (Wilkinson, 2000).

Africans were not allowed to own businesses without a permit, and townships in general were 'denied industrial, commercial and retail development' (Turok, 2001). Service provision in these areas was poor, houses inadequate and overcrowded, roads and infrastructure hardly maintained, and there were limited employment opportunities. In contrast white-areas performed well economically, had good education systems, service provision, transport facilities, housing and recreation facilities.

¹¹ The Apartheid regime has strong ties with the pass laws introduced by the British colonialists of the 19th century. It was formally instituted and legalized however by the National Party which came into power in 1948. The regime was dismantled in the early 1990s.

The railways system in Cape Town was completed in 1961. The first railway line connected the city centre to Simons Town (this route extends from the CBD and through areas such as Salt River, Woodstock, Mowbray, Claremont, Wynberg, Retreat, Muizenberg, Fish Hoek and ends in Simons Town). The next main rail line extended eastwards through the interior, and out to Bellville (this route extends from the CBD and through areas such as Woodstock, Salt River, Maitland, Goodwood, Parow, and as far as Bellville, Strand, Stellenbosch and Wellington). Suburbs were developed along these two main rail routes. The other main route, the Cape Flats line was developed later and mainly served to connect the coloured and African townships to employment centres (Behrens and Wilkinson, 2003).

The city is also serviced by motorised bus services, a monopoly company known as Golden Arrow Bus Services, as well as by informal mini-bus/taxi operations, which has increasingly become a strong competitor to the bus services. Buses run on a schedule, and cover 900 planned routes. Only 37% of these routes have more than one service a day however. The four routes which carry more than 900 passengers daily are the Mitchell's Plain to Cape Town, Mitchell's Plain to Claremont, Nyanga to Bellville and Khayelitsha to Wynberg. Mini-buses cover only 300 routes, the majority of which extend from the Cape Flats region and out northwards, northwest, and west. The average fare trip for rail is R1.50, for bus R2.80 and for min bus/taxis R2.60. For 60% of Africans and 40% of Coloureds this would amount to 8% (for rail), 15% (for bus) and 14% (for taxis) of their annual income¹². In addition, as there is currently no interlinking between the three services, there is no 'through ticketing.' This means that commuters who use more than mode of transport per journey would have to pay the fare for each mode (Clark and Crouse, 2002).

In Cape Town, the railways have the greatest market share (approximately 60%), followed by taxis (with a 24% share). This is in contrast to the rest of the country whereby 60% of commuters use taxi services. Demand for rail services has always grown but it is now increasingly dominated by low income passengers, while high income passengers, known as 'choice users' are opting for more private forms of transport (Clark and Crouse, 2002). The calculated mean morning peak work trip is 14km (for buses it is averages at 15.2km, trains 12.2km and taxis 10.6), which by international standards is quite long. A key problem faced by those captive to public transport services, is that due to the physical distances between they live and

¹² This pertains to those Africans and Coloureds who have an income of R9600 per annum, based on key socio-economic data for the Cape Metropolitan Area (Clark and Crouse, 2002).

where employment is, accessibility to jobs and opportunities are low (Behrens & Wilkinson, 2003). This is further complicated by the quality of transport services.

As car ownership remains low (only 170 cars per thousand people), and is primarily concentrated in the high income groups (Wilkinson, 2000), reliance on public transport is clearly skewed. According to Smith (2005), 42% of Africans rely on public transport, 33% of Coloureds, with only 1 in 16 of whites who are dependent on public transport services. Given that 80% of jobs are located in the CBD, the South and North, this means long commuting distances¹³ and times for those living in the Cape Flats (Turok, 2001). It also means high transport cost as Africans spend approximately 10% and Coloureds 28% of their personal income on transport (Behrens & Wilkinson, 2003). Subsidies (for rail and bus transport) are provided in order to make travelling to work affordable to low income workers, however these are becoming burdensome to government and in many ways also reinforcing the inscribed divisions and imbalances in society. In the year 2000, the subsidy amounted to R470 million, and each year these amounts are increasing.

Economic and urban development, C19th –

The local economy in the 19th century was dominated by trade, fishing and agriculture. During that time, there was an emerging British professional class, a growing British working class, emancipated artisans and craft workers, and Dutch and German farmers. During WW1, the manufacturing sector in Cape Town grew, enabling the expansion and diversification of the economy. Prior to that, they had depended on imports from other countries. Shortly after World War II ended, Cape Town's local economy as well as those in Durban and Johannesburg began to experience unprecedented levels of growth and prosperity. This brought increasing mobility to the wealthy (whites) and induced greater suburban development. The construction of extensive freeways in the 1960s served as an important determinant of urban sprawl away from the CBD and towards the North, South and East (Dewar, 2004). Since the 1970s, new shopping malls have also been attracted to the freeways, locating close to major interchanges and thriving suburbs. Wider access to the rest of the city has enabled the decentralization of businesses as the suburbs are said to offer lower prices for land, greater access and the ability to service local suburban clientele (Dewar, 2004).

¹³ On average, lower income groups typical of the Cape Flats areas travel 3 km more to work than high income workers.

Economic Development and Industrial Restructuring: 'Tertiarisation' of the local economy

The reintegration of South Africa as a whole into the global economic network, has led to significant restructuring of its local economies. National policy shifts and the opening of the economy to the global market and international competition have led to increased trade and investment flows between South Africa and other countries. Increased competition has led to pressurized demands for greater productivity and lower costs of labour. As with cities of the North, the economy has also become highly commerce, finance and service oriented. Abedian (2004) using data from the October Household Survey of 1995 illustrates that nearly half of all formal jobs are in the services sector. The commerce sector in particular dominates in terms of employment while the finance sector contributes more to the GVA, a measure of economic activity (Lemanski, 2007). In terms of output, manufacturing, trade and catering, services, finance and real estate comprise 84% of the total, and employment trends follow a similar pattern (Wilkinson, 2000).

The manufacturing sector which was traditionally the largest employment generator has experienced overall declines¹⁴, and most of the industries which remain have high capital to labour ratios. Employment in this sector has decreased in all major South African cities, but this trend has been most severe in Cape Town, falling from 21.9% in 1996 to 18.4% in 2001 (Smith, 2005). Not only due to the growth of the service industries but also because businesses in traditional manufacturing are tending to become more capital and skills intensive, the consequent increased demand for skilled workers provides these workers with numerous opportunities making them increasingly upwardly mobile while on the other end, the lack of growth in labour intensive industries has left a large number of unskilled workers unemployed and irrelevant to the new economy's labour market (CCT, 2001a). The concern raised by Wesgro¹⁵ is that most of the sectors, of which manufacturing is one, which are expected to perform well in terms of future output and employment are also likely to continue to demand skilled service workers, making employment opportunities for unskilled manual workers minimal (CCT, 2001a).

Borel-Saladin and Crankshaw (forthcoming, 2009), show that there has been an absolute growth of the high-skilled, high income employment category comprising managers, professionals, associate professional and technicians. Based on their categorizations of low skilled, low income occupations and middle-income

¹⁴ The manufacturing sector has been in decline since the 1980s but trade liberalization and an open economy, has had a significant effect in its steady progression (Lemanski, 2007).

¹⁵ The official trade and investment promotion agency for the Western Cape

occupations they also find that there had been growth in both of these occupational groups, with the latter showing slightly less growth (a difference of 11000 jobs). While the unskilled manual low income workers group has exhibited the most growth compared with each separate category within the broader group of high skilled high income occupations, taken as a whole the high skilled high income occupational group has experienced the most absolute growth. They also show that the middle income group has not been declining, but instead that middle income manufacturing workers are being replaced by middle income service sector workers. Borel-Saladin and Crankshaw (forthcoming) interpret these findings as evidence of a trend towards professionalization rather than one of polarization between the income groups. This is disputed by Lemanski (2007) however who argues that the absolute numbers of unskilled workers has increased while the absolute numbers of middle income workers had decreased, suggesting a polarised employment structure.

The 'tertiarisation' of the city, adopting the terminology used by Wilkinson (2004), has also induced accelerated growth, in terms of both output and employment, in the informalization of economic activities (CCT, 2001a). The formal economy is no longer able to absorb surplus labour and reports published in 2001, inform that the informal sector contributes 12% of economic output and employs approximately 18% of the labour force (IDP, 2003). This has led to changes in job quality with increases in the levels of casualization as subcontracting and other forms of peripheral work have become popular employment strategies for businesses in the new economy. Trends over the ten year period from 1991 to 2002, show that formal sector employment has declined from 77% in 1991 to 64% in 2001 (IDP, 2003).

Current Urban Spatial development trends

Despite the acknowledged need to integrate the city and direct efforts to reducing the inequalities and fragmentation between the South East/Cape Flats and the rest of the city, property development data¹⁶ indicates continued and increasing investment in areas such as Tygervalley and Milnerton (in the north), the Waterfront and the CBD (central Cape Town) and Claremont (in the south) (Turok, 2001). The South East has been largely bypassed and in some instances leapfrogged as development has been directed at regions beyond it such as Somerset West. Turok (2001) provides a relatively comprehensive account of the trends affecting Cape Town's spatial structure, economy, property investment and development. In particular, he identifies four prime trends, namely: decentralization, deconcentration, northern drift and

¹⁶ Non-residential property data

differentiation. Decentralization processes involve the movement of economic activity away from the traditional city centre and relocation in the outer suburbs. It appears retail activity had taken the lead in this shift to the suburbs. The second aspect of deconcentration pertains to the movement of activity away from established areas and relocation in a number of other areas, rather than one main economic node. Deconcentration is said to follow a rather fragmented and dispersed development pattern. 'Northern drift' as the term implies encompasses the consistent movement of the city's core economic activities northwards. Finally, the last characteristic of spatial trends in Cape Town, as identified by Turok (2001) is that aspect of differentiation, which refers to where the different economic nodes and segments begin to target different consumer markets. We can see this occurring in Claremont, Waterfront, Constantia and Tygervalley which are considerably more upmarket, catering for the wealthier whilst Bellville, Parow and Wynberg for instance cater for the lower income groups. Similarly, the function of the traditional CBD has changed, as it now appears to cater primarily for lower-income workers (Turok and Watson, 2001., Dewar, 2004).

In contrast to many other city centres, Cape Town's CBD has continued to thrive despite the decentralization of commercial and retail activity to the suburbs. Remaining a popular tourist destination, it has also continued to attract investment and development and currently contains approximately 29% of all formal businesses in Cape Town and generates 27% of formal employment (Dewar, 2004). Activity has also expanded from simple trade into 'investing, services and creative industry' (Pirie, 2007). The continued interest in the CBD may be partly explained by the number of urban renewal initiatives implemented since 2000 to reverse the damaging consequences of the decentralization processes, 'white migration' out of the CBD areas, and overall disinvestment in CBD businesses and suburbanization. Other factors which may be contributing to the attractiveness of the CBD may be its close proximity to the Waterfront, and investments in the convention centre and the port (CCT, 2001a). There has also been an increasing residential element to the CBD area, as many offices are being converted to residential apartments (Pirie, 2007)

The Cape Town Partnership, consisting of a public-private partnership between Cape Town businesses, the City Improvement District and the local government and which was established to promote inner city investment and guide urban planning, early acknowledged the need to promote the residential function of the CBD as well as place crime and grime as a top priority (Dewar, 2004). Capital flight has since been reported as having dropped significantly, and investment in the CBD has been positive since the CCP was established and in operation (Lemanski, 2007). Further factors which may be contributing to the continued appeal of the CBD may be the processes or aspects of gentrification that seem to be occurring in some of

appeal of the CBD may be the processes or aspects of gentrification that seem to be occurring in some of the areas surrounding the CBD, as it can often change the whole character of a district (Kotze and van der Merwe, 2000). Gentrification often occurs as a result of markets responding to the displacement of working class residents by middle to high income earners, and the renovation of buildings. It thus encompasses a social and economic change. Despite the shortage of literature on gentrification processes in South African inner cities in general however, Visser (2002) suggests that this process does appear to be 'taking root', and the limited research does indicate the process to have been driven by the middle class working professionals' movement into traditional 'working class' areas. According to the study by Kotze and van der Merwe (2000) a number of areas such as Lower Gardens and De Waterkant surrounding the CBD do appear to be exhibiting a significant number of the characteristics of the gentrification process, while areas further away such as Woodstock, Walmer Estate, Salt River and Bo-Kaap show less significant characteristics.

Alongside the CBD urban renewal initiatives, there has been an emphasis placed on removing 'undesirable elements' such as beggars, and vandals. It would appear that the CBD is to cater for the wealthy and tourists, to the exclusion of the poor (Lemanski, 2007). That aside, recent upgrading efforts of existing infrastructure in the south east townships areas are also said to have reduced the demands for racial integration and residential re-integration thereby leading to the acceptance and perpetuation of these 'ghettos' (Christopher, 2004).

- Spatial trends in Industrial activity:

Industry was initially concentrated in the CBD and gradually moved into areas such as Salt River and Woodstock. In later years when larger and more affordable land was needed, activity spread to Paarden Eiland, Maitland and Epping, and after that to areas such as Blackheath and Somerset West. Access to the railways was always an important factor in the decision of location. Currently, the areas listed above continue to be sites of industrial activity, but newer nodes have been established in areas such as Montague Gardens and Airport Industria. Still today, data indicates that affordable land and road access remain key factors in location determination, continuing to make Blackheath and Brackenfell attractive to investment (CCT, 2001a). Airport Industria appears to have developed as a good location for storage, warehousing and distribution activities while Montague Gardens, one of the fastest growing areas, has become an area catering for light industry. Areas in the North have also become attractive locations for specialized high tech businesses, which place emphasis on image, road accessibility, and a skilled labour

force. A final significant finding is that the industrial areas near the Cape Flats have not shown significant growth and investment¹⁷. Factors such as crime and image are often cited as investor-averse elements (CCT, 2001a).

- Spatial trends in office and retail activity:

The CBD was also the prime location for office and retail activity, and clusters later developed along railway routes and major intersections through to areas such as Claremont, Wynberg and Bellville. Clusters also developed in areas extending to the Cape Flats, often in response to strong market demands. Retail was always the first to lead the way, while office activity concentrated primarily in the main nodes. According to RSC levy paying data, the CBD continues to dominate as a main commercial area though in terms of growth, the North and north-east of the city has indicated the greatest growth. As indicated earlier, some areas are beginning to specialize in certain activities. Claremont for one appears to be an attractive location for financial houses and banking institutions, while areas in the North are gearing towards IT and management services.

- Residential Spatial Trends:

Outward lying prosperous suburbs such as Blaauwberg, Platteklouf and Durbanville have also increasingly become attractive locations for middle and high income housing (Haferburg, 2003., CCT, 2001a). These expanding nodes are highly car-oriented and not easily accessible via commuter rail and bus networks. In the attempts to secure and insulate their houses and areas from the crime and other social ills, residents tend to gate themselves away from the outside world and fortify their residences with high walls and access-controlled entry points. Though open market housing policies enable all racial groups to live in any area they choose, housing prices make it extremely difficult for low-income earners to move into areas which are better-located in terms of employment, service provision and access. There are also many lending restrictions by financial institutions which cause further complications (Turok and Watson, 2001). Low income earners are thus excluded from wealthier parts of the city, as low income housing continues to be concentrated on cheap land, which is typically found in the Cape Flats of the south-east region (Haferburg, 2003; CCT, 2001a). Social class has thus replaced race as the determinant of urban spatial development (Turok, 2001).

¹⁷ There has been some investment in areas such as Mitchells Plain, Athlone and Khayelitsha for example but on the whole it is generally avoided (Smith, 2005).

Market force v Institutional Practice

Private developers claim that the patterns of development being exhibited is directed and shaped by occupier demand (Turok, 2001). Three forces are said to be at play here (Turok and Watson, 2001). The first dynamic is that high income areas, which are considered to home a stable and predictable consumer market, demand easy access and convenience. This attracts all forms of retail and commercial services and businesses to those areas. Related to this, is that many owners of the businesses that locate in these new nodes either live in or employ people who live in those areas and therefore locating their business close to management and/or workers would seem logical as it reduces transport times and costs. In addition, Smith (2005) explains that current spatial patterns are also reinforced by the 'particular growth trends of the city' as sectors such as finance and information technology continue to grow. As these sectors typically depend on more highly skilled labour, they locate closer to those areas where those skills are located.

The second dynamic are those environmental factors which drive business and investment out of the older established areas. These factors include crime, parking, litter, grime, and so forth which affect the character of the area and reduce its appeal. The third important force is the quality of buildings in older areas compared to newly established ones. Many firms, especially those involved in the IT and finance, place strong emphasis on the image and identity of the firm. Older buildings do not satisfy this need for modern corporate images. Private investment and commercial activity is attracted to areas of high amenity value, safety and with good infrastructure (CCT, 2001a). Once again, these attributes are typical to the wealthier parts of the CMA, areas such as the northern suburbs of Cape Town. Buildings in the CBD and other established nodes on the other hand, are older and often do not meet the requirements of modern work processes (Turok, 2001). Turok (2001) considers this last factor to be significantly demonstrative of the **active** role played by private developers in shaping urban development patterns.

It can be said that the very factors which stimulate investment and development in wealthy areas explain the lack of investment in the South East region of the city. Declining incomes mean that residents of the South-East are not a stable and lucrative market for many types of businesses and services. Similarly, new service industries typically depend on a skilled and educated workforce, which most residents of the South East are not. Thus on the argument that businesses often locate close to the areas where they draw their workers from, in this scenario they would not be locating close to areas of the South east. Furthermore,

aside from the lack of adequate infrastructure, a 'good public image' and a skilled and professional labour force, there is a reluctance to invest in these areas as investors and business-owners appear to be deterred by the climate of uncertainty. There have negative perceptions due to the risks relating to safety and security as well as the accompanying high management costs (CCT, 2001a). In addition, by locating businesses in the south-eastern suburbs, it would often mean long commuting for senior staff (Turok, 2001).

2.7. Spatial trends and their impact on employment

There have been few studies which aim to examine the impact which a city's spatial organization has on labour market dynamics in developing countries such as South Africa. Rospade and Selod (2006), using data from the 2002 RSC Levy, the 1996 Census and a study of *Migration and Settlement in the Cape Metropolitan Area* undertaken in 1999 to investigate what effect city structure has on the employment dynamics of Cape Town's unskilled workers. They examine the employment probabilities of workers according to race and location, and emphasize two explanations for the problem of urban unemployment. The first is that spatial distances between where unskilled workers live and where jobs are available create a spatial mismatch, causing long commuting times and high costs, and the second involves and relates to the degree of residential segregation. Segregation impacts on human capital acquisition, as it leads to the concentration of low skill learners into certain schools. As a students' success has been found to be largely dependent on the socioeconomic characteristics of his/her peers, this undermines school and learner achievements. A further consequence, and one which is particularly relevant in this discussion of spatial mismatch, is that segregation breaks down and undermines the quality of social networks. As unskilled and poor workers typically resort to informal job searching methods, such as social networks and personal contacts, segregation within disadvantaged and poor communities clearly impacts on their prospects of finding jobs. Those that are fortunate to find employment, it is likely to be of poor quality due to the quality of their social networks to begin with. Related to the issue of the spatial mismatch between jobs and residential locations is that information about employment opportunities decreases with distance, and this in turn affects job searching behavior.

Rospade and Selod (2006), use a number of indicators¹⁸ in their attempt to quantitatively analyze the employment situation in Cape Town. A clear disconnection was found between job locations and respective residential locations, although it did not affect all races equally. Their measures illustrated that Asians and Whites are less spatially mismatched than are Coloureds and Africans. Their findings also show that 70% of Africans and Coloureds, which are concentrated in the South East of the city, rely on public transport or walk/ride a bicycle to work, compared to only 20% of Whites and 30% of Asians. In contrast to the research findings of Smith (2005) however, their results show that Africans have the highest commuting times and incur the highest costs. Rospade and Selod (2006) conclude from their findings that location is an important determinant of employment for Cape Town workers. This is aside from the obvious educational discrepancies across race groups as well as the skills mismatch in the context of a growing knowledge intensive economy (Rospade and Selod, 2006).

Urban spatial growth has continued to widen the gaps between the poor and the affluent, and further contributed to growing inequality, exclusion and fragmentation. Areas of the South-East have remained poverty stricken, and residents continue to suffer from a number of social problems which is in sharp contrast to the rest of the city which has benefitted from investment, development, renewal efforts, and improvement districts. The changing industrial and space economy of Cape Town is thus reinforcing the divisions between the poor south east and the rest of the city, typifying a class based polarized and market driven segregated development pattern.

The continuing trend of low cost housing developments being concentrated in the south east while economic development spreads in the north and the west coast exacerbates the challenges of integration. The inadequate public transport system further complicates this matter as it makes certain areas largely inaccessible to those users. The problem of low cost housing being zoned in areas too far away from economic opportunities is evident by the establishment of new informal 'settlements' which repeatedly crop up close to major economic nodes¹⁹. These occupants rather than travel far distances to and fro each day

¹⁸ Dissimilarity Index, which represents the percentage population of one of these two groups which would have to be relocated in order to obtain a uniform mix of both groups in each suburb of the urban area. It is thus a measure of Residential segregation. Other statistics used, pertain to measurements, regressions and models relating to the influence of individuals' and neighbourhood characteristics on job employment probabilities.

¹⁹ Informal settlements primarily emerge as a result of the housing shortage as well as an inability to afford the housing, forcing populations to find a place in an informal settlement. The chosen location for these settlements are likely determined by available space and influenced by nearness to economic opportunities.

in search of employment or to attend work in these areas, instead set up 'homes' at these settlements, and thereby save on travelling costs and time.

It is apparent that not only are the physical distances between workers of the southeast and new economic hubs in the northern suburbs increasing, but the lack of effective and affordable public transport may be instrumental in this disconnection between places of work and residence. The high levels of unemployment as well as the generally low wages earned by those with jobs, means that the poor and disadvantaged are captive to the public transport system for access to all services and opportunities. This problem of space is further intensified by the lack of efficient rail²⁰ and bus links between newly developing economic nodes located further away from the established economic centres, which they were initially designed to connect to (Clark and Crouse, 2000). Spatial distances and poor public transport networks therefore make developing urban opportunities highly inaccessible to the low-skilled African and Coloured majority, especially those living in the South-East.

²⁰ According to Clark and Crouse (2002), rail provides the most capacity and has the largest market share in terms of passenger-km.

3. Research Objectives

3.1. Research Questions

The aim was to investigate the various factors which influenced business-owners' choices and decisions on location choice in order to understand which factors contributes to or perhaps causes the movement away from the older, traditional areas and location in newer areas; what makes certain areas more suitable than others; how significant is the issue of parking; is security and safety influential; the role of space; is there a desire for newer, modern buildings and why; are workers interests considered; or if business location was simply about management and owners' convenience.

I then sought to determine what types of workers were needed across the various industrial areas as well as across the different types of businesses. In other words, *are certain areas dominated by certain types of industry? How are different companies affected by being located in the North?* This was a key element in order to establish whether the North was increasingly being dominated by service-oriented businesses and therefore increasingly dependent on non-manual white collar workers and in light of that, if and how it related to the choice of business location. That is, *are those types of businesses locating in the north so as to be close to the labour which they depend on?*

A major focus was on different workers' commuting patterns and transport strategies. This was also linked to the above aspect of what types of businesses (and therefore what types of workers) were predominant in certain industrial areas. This was to discover the effects, if any of the northward movement of businesses on workers who lived in the South-east areas of Cape Town.

Overall, the aim was to analyze how business location, especially in the north impacted on workers' from the South East. From the analysis of the literature, it was found that workers residing in the inner city found it difficult to find and maintain employment in the newly developing suburban economic nodes due to on one hand, a skills mismatch and on the other, the inability or difficulties in commuting to the far out suburbs. Given our generally inefficient transport system, we therefore wanted to gain an understanding of the difficulties faced by workers who have to travel to the north using public transport.

3.2. *Research Design and Methodology*

A qualitative research approach was adopted as it allowed for researcher-subject interaction. This approach believes an individual's perception of reality to be dependent on and highly influenced by their particular context (Kane & O'Reilly de-Brun', 2001; Silverman, 2005). Qualitative researchers thus attempt to discover, investigate and to as accurately as possible, interpret, understand and report on the beliefs of the research subject (Silverman, 2005). Given the subjective opinions and ideas held by the respondents of this study, this strength of the qualitative approach to research was very important.

Unlike quantitative forms of research which begins with intention to test or verify a theory, a key feature of a qualitative research design is that patterns and theories emerge during and throughout data gathering and analysis. They are derived inductively. While the findings and theories gathered through these forms of approaches may not necessarily be applied to the general population, it can reveal deep and insightful information which can enhance awareness and greater understanding, and possibly indicate and identify new areas of research as well as refine existing areas (Creswell, 1994; Flick, 1998). In this project, the research commenced with an awareness of what has been evidenced in other cities around the globe, which revealed common features between those cities and enabled me to focus on and investigate those aspects further. The trends and experiences of other cities thus informed this research and general theories and assumptions relating to the topic of spatial mismatch guided certain areas of the research study. While theory may have guided and shaped this research structure by informing me of particular areas of significance it did not narrow the research process by limiting me to only areas of interest.

Using a qualitative design was appropriate for this endeavour, as it is best suited to the task of generating rich and detailed information on the particular areas of interest. The intention of this research was to grasp an understanding of 'why' business owners choose the locations they do, what motivates them during this process, 'how' they select among alternatives and the 'consequences' this may have on workers. Collecting contextual information was important in order to understand the respondents' behaviour and choices in terms of their beliefs and perceptions as well as businesses' characteristics and needs. Being interested in understanding the specifics of each respondent, as well as understanding and knowing the context was essential in order to truly 'understand' the details of each respondent's experience and their behaviour (Flick, 1998).

The In-depth Interview:

The primary technique used to collect data for this project was through in-depth unstructured interviews. As this technique is highly explorative, it was most suitable for this project as there is limited research on the existence of a spatial mismatch in Cape Town, as well as the mechanisms which give rise to it. A *general interview guide approach* was selected for two particular reasons. Firstly, as it involves the preparation of an interview schedule which could be used to guide the interviews and ensure that relevant focus topics were covered. Secondly, it also allows the researcher and respondents the freedom to branch off and explore further areas of interest which had perhaps not been initially considered (Silverman, 2005; Flick, 1998).

Respondents were allowed a degree of free reign, especially during the start of the interview where questions were more general. This was done so as not to limit the type of information elicited and to also allow room for unexpected and potentially significant areas to emerge. It allowed for details on experiences, motivations, opinions, intentions and behaviour to be revealed (Creswell, 1994). This approach also encouraged an atmosphere where respondents would feel the freedom to express themselves and offer any information they may have considered relevant to the research subject.

The Interview schedule:

The interview schedule (Appendix A) was structured into six separate sets of questions or areas of interest being:

- Economic activity of the company
- Characteristics of the industrial premises and location issues
- Ownership characteristics of the company
- Labour issues: Workers, skills requirements, transport strategies
- Recruitment issues
- Client/Supplier location issues

Whilst each set of questions usually contained only two to three questions, they served primarily as key points from which to branch off into finer details, the direction of which depended on the responses of the respondents. During the interview, new questions were created and new issues raised. The questions were very much linked to the specific context of each interview.

The purpose of the first set of questions was to acquire details pertaining to the nature of the business, brief details of the company history or origin, what type of services or production the company was involved in, who their suppliers and clients were, where suppliers and clients were located, and how goods were produced and transported.

The second set of questions related to whether the premises were owned or rented, and details relating to the location of the business. I wanted to know how long the business had been located at that premises; what motivated their choice of selection, if they had ever relocated, and if so where they were based prior to relocation, when had they relocated, what were the motivations behind the relocation, what were the factors taken into consideration when selecting a place to relocate to, and what made certain areas or premises particularly appealing. These questions enabled me to identify which factors were relevant to the decision of choice of location. It also provided an insight into the features which make certain areas more or less appealing when compared to others. In addition, it created awareness of areas or factors which had not been considered or incorporated into the research review and questionnaire. It allowed me the opportunity to determine whether the responses supported the accepted and generalized theories on the perceptions of business owners, the trends seen in other cities, and the beliefs and motivations behind the decision.

The third section dealt with ownership issues such as how many owners there were, whether owners and managers were separate identities, whether the business was a part of franchise, and if it was locally or foreign owned. Where possible, the size of the land and information on the costs of renting or buying was also obtained. The significance of these questions was to establish which members of management or in ownership were involved in the decision-making on choice of location. This was important so as to attempt to schedule additional interviews with other persons which we may have considered more suitable to interview. By establishing whether the business was foreign or locally owned, I was interested in determining whether there were any distinct differences in the motivations and factors which were considered important or perceptions between local and foreign owners.

The fourth set of questions pertained to detailed information on the workforces. Questions covered the number of employees, their various occupations and job descriptions, employment status, skills levels,

qualifications, gender and race, places of residence, modes of commuting, and time involved in this commute. These questions were designed to obtain relatively basic but valuable information on the details of the employees so as to determine the patterns of where workers live and how they travel, what their skills are and what type of position they fill, and if this is linked to places of residence, and furthermore to link those associations to forms of travel between work and home.

The next section established how staff members were typically recruited, what media were used, what skills are typically requested. The question on whether location of the business had any bearing on how labour was recruited was also addressed.

The final set of questions addressed aspects such as whether the product or service had any influence on the selection choices and final decision of where to locate. In other words therefore, whether the manner in which the service provided (i.e. face-to-face, via phone, email or fax) was particularly relevant to the choice of location, and lastly whether the location provided easy access to facilities or infrastructure (i.e. rail or road) which was relevant to their delivery of services or products to their clients, and therefore significant factors in location choices.

As explained above, these sets of questions served primarily as a guide and most interviews did not progress according to this specific sequence of questions. Respondents were usually given the freedom to discuss areas which they considered relevant. This was encouraged as we felt that relevant information could emerge through this approach. Areas which were by-passed during the first interview and issues which were confusing or simply unclear were later clarified through follow up interviews.

Sampling:

A non-probabilistic sampling technique was adopted. This meant that not every person in the general population had the same equal chance of being selected. This was appropriate as I was interested in interviewing business owners or managers from industrial areas particularly in the developing northern suburbs and older industrial areas in the South-East or central cape town. The selection technique, to some extent, therefore followed that of purposeful sampling. Using a purposeful sampling technique was methodologically appropriate because it is usually used in field research which is exploratory in nature, as this one is (Neuman, 1994). Using this method, I was able to select respondents based on specific criteria

and with specific purposes in mind, that being the comparison of companies based in different locations. As this methods purpose is more suited to allowing researchers the ability to gain deep insights into varying types of respondents, rather than to create samples which are representative of the general population and to whom findings may apply, it was most appropriate for this project where I was aiming to find special and atypical situations (Neuman, 1994). A variety of perspectives and contexts were thus explored (Schut, 2003).

Industrial areas in Cape Town such as Blackheath Industria, Montague Gardens, Paarden Eiland, Philippi, Stikland, Westlake and Airport Industria were visited. The aim was to compare companies from different locations around Cape Town and areas were selected according to convenience and purposive sampling methods. As described above, the purposive sampling procedure was particularly appropriate as this research used qualitative methods and was primarily exploratory. Within area, approximately 15 to 20 businesses were approached. The team usually conducted about two to three interviews with each field trip. As with the choice of industrial areas, specific businesses were also selected using a combination of convenience and purposive sampling. While the aim was to achieve some diversity, this was not always possible as it was generally difficult to determine the nature of a company from the roadside. The final sample consisted of 14 respondents. Data from only 12 of these respondents were used in this paper (and are listed in the Appendix). Three interviews were conducted in Paarden Eiland, two each from Blackheath, Killarney Gardens, Airport Industria, Montague Gardens, and one each from Philippi, Stikland, and Westlake. This meant approximately, five from the North, five from the South-east region, one from the southern suburbs, and three from central Cape Town.

Research Team: As there were three Masters students working on this topic, we conducted fieldwork in groups. While each of us were present at most interviews, we were responsible for 4-5 interviews each. We thus shared the tasks of conducting interviews, transcribing, and follow-ups accordingly.

Entering the field: Prior to entering the field, maps of the areas were studied. The team worked alongside each other, forming groups of two or three. Mental notes of the areas were taken so as to be aware of access and exit points. This provided us with a degree of security and assurance should we have encountered any compromising and unsafe situations.

Appointments and Settings:

The company receptionist was usually the person first encountered, from whom contact numbers of relevant persons with whom interviews could be scheduled were requested. The purpose of the research, why they had been chosen to be part of the research, and the expected duration of the interview were explained to each person contacted. Interviews were conducted at the respondents' business/workplace, at times which were most suitable to them.

The Interview:

Upon arrival, the aim and value of the research was briefly presented to the respondents after which they were offered the opportunity to ask questions or raise any concerns. A friendly, yet professional manner was adopted. As the interview topic was very straightforward and not of an intrusive and sensitive nature, establishing relationships of trust was not essential to the research process. Respondents wanted to know what the research was for and what topics it would cover, but we were not turned away based on the research questions/topic *per se*.

The interviews usually lasted roughly 30 to 45 minutes each. Where tape recorders were utilized, respondents' consents were first sought. Most interviews were conducted by two interviewers. While one asked the respondents the interview questions, the other took notes and operated the tape recorder. Upon completion of each interview, those researchers present would discuss ideas which had emerged during the interview. This provided a good opportunity to raise and include issues which we thought was relevant into the questionnaire. Ways in which our interview techniques could be improved was also raised. This was advantageous in that the different interviewers often thought of different questions, and thus it allowed more information to be obtained. When follow-up interviews were needed it was usually done over the phone or via email. Any significant issues which needed elaboration and/or clarification were thus dealt with in this manner.

Issues with access:

Aside from many of the premises in Airport Industria, approaching businesses and reception areas was relatively easy to do. Gaining access to the owners and managers was more difficult however as they were usually in meetings or preoccupied with other matters. This was somewhat expected as we hardly ever called prior to arrival, or requested for appointments to be made. We found most receptionists to be helpful

and friendly. They were willing to provide us with contact numbers and in many instances, would capture our contact details and information too. In Montague Gardens a handful of businesses had security gates, but gaining entry was not problematic. In Airport Industria however, most of the businesses we approached had security gates as well as guards. We were expected to explain the purpose of our 'visit' to the security guards before they allowed us to enter. In addition, we often had to complete visitor entry forms. There were a few occasions where we were unable to gain entry as we did not have an arranged appointment.

The greatest difficulty encountered was that of willingness. Many of the businesses approached turned us away, and others provided us with contact details but later appeared to have no intention of setting time aside to be interviewed. Some respondents, who were willing to be interviewed, were nevertheless not very patient to go into some of the finer aspects. In retrospect, I feel that many answers provided by respondents were somewhat superficial and believe that further probing was needed in order to flesh out the details.

Secondary Data:

Interviews conducted during our 2006 Honours Research Project on the same topic were also used in this analysis. A similar interview guide was used that year, and the overall method adopted in terms of sampling and fieldwork, was very much the same as this project's approach. Approximately 15 interviews of that project were used in this analysis, and are listed in the Appendix section of this paper. The advantage of using this data was that it allowed us to use and compare greater amount of data without having to expend the time and resources in going out to collect it. Many of those interviews had revealed important information which we considered could be particularly relevant and advantageous to include. Furthermore, while this project was in no way a quantitative one, greater amounts of data allowed us to identify and report on possible trends and patterns of behavior by business-owners. As this data had been collected by the same team two years ago, we also did not encounter the issues surrounding questionable data reliability and accuracy as when usually using secondary data. A possible disadvantage of using the secondary data was that it had been collected in 2006, and this made it difficult to clarify and follow up on certain issues raised in the interview. Furthermore issues raised in the interview may not have been interrogated as they might have been if they were collected in the present time, based on that researchers had acquired a deeper knowledge of the subject matter.

3.3. Overview of Industrial areas

Airport Industria:

This area comprises a mix of storage, warehousing, distribution, wholesale, and manufacturing users. It is becoming an increasingly popular area due to its proximity to the Airport as well as its reasonable land prices (compared to other fast growing areas in the Cape). According to Airport City developer, Storm Durr this area has been particularly appealing to courier and freight companies (Cape Business News, July 2003). It has good access to and from the N2, and is situated within 20 minutes from the CBD (22 km), Claremont, Bellville and the Helderburg region. Travelling to the area is generally against peak traffic for those commuting from the South and South East. The area is served by bus services which run through the area and alongside Borchard's Quarry main road located on its periphery. There is currently no direct railway link between the city and the area surrounding the airport, meaning that those commuting by train would generally make use of taxis or buses for the remaining distance. It is relatively close to labour pools located in the South East.

Blackheath:

This is one of the oldest and cheapest industrial areas in Cape Town. Property data for 2005 shows a minor 22% price increase for land in the area²¹ (Cape Business News, March 2005). In 2001, CCT data show that the area accounted for about 4800 industrial jobs out of a total of 155 000 such jobs in the Cape Metropolitan area. It seems to be predominantly home to heavy manufacturing industry. A R400 million shopping mall is currently being developed in the area which is stated to be 'fuelling a business boom' in the area (Cape Business News, March 2008). Cheaper land prices and road access also make this area attractive (CCT, 2001a). Situated in the general Cape Flats region, it has good arterial access, and is well served by bus and taxi services. Commuter railways extending from the CBD to Bellville pass through the area. It is located relatively close to the Airport and Bellville (both approximately a 10 minutes drive away). The area is surrounded by a number of small township settlements such as Happy Valley, Mfuleni, and Blue Downs, making it an easily accessible area for some labour pools located in the South East. It is also well situated between northern areas such as Stellenbosch, Kuils River and Brackenfell.

²¹ This is comparable to increases of 50% to 150% experienced in areas such as Parow, Epping, Airport Industria, and Montague Gardens (Cape Business News, March 2005).

Epping Industria:

Epping Industria is another major industrial area in Cape Town. It is situated approximately 10km east from the CBD, and is accessible via a number of routes such as the N2, the M16 and Vanguard Drive. It harbours a number of small to medium sized factories, workshops, wholesale and other related businesses. Despite it being a relatively old area, Epping continues to show growth according to CCT data (2001a). It contains approximately 30 000 industrial jobs of the 155000 mentioned above (CCT, 2001a). This is the highest concentration of industrial employment of all industrial areas. The areas to the North and the West are residential areas, and a highway flanks the eastern border. A commuter railway line from the CBD to Bellville runs along the South of Epping. Commuters get off at the Bonte-huwel station, which is approximately 10 minutes away from the industrial area itself. It is generally well serviced by all transport forms.

Killarney Gardens:

Killarney Gardens is an increasingly attractive location for commercial investment. It is located in the North, approximately 20 minutes from the CBD and neighbours the Tableview area. It is accessed via the nN7, off the N1 or through Koeberg Road which extends from the M5 Northwards. The area is popular for its motor racing complex, which was founded in 1938. It is close to the informal settlement of Du Noon and the poor Doornbacht community. In being so close to these settlements, investment in a sophisticated surveillance system has been made so as to lower and prevent crime in the area (TygerBurger, March 2008). The area contains many old businesses which have been there since the area was first developed as well as many new light industries. A new multi-use business park node, Racing Park has also been developed opposite of Killarney Gardens and all units have been reported to have been sold prior to completion, illustrating the growing popularity of the area (Property News, August 2007). In 2005, land prices in the area grew by almost 150% (Cape Business News, March 2005).

Montague Gardens:

Montague Gardens is situated approximately 11km north of the CBD and within 10 minutes drive from the port and the airport. It is home to hundreds of factories, light and heavy manufacturers, retailers and distributors. This large and growing industrial area runs along a major road, Koeberg Road, which is connected to the M5 freeway. It is also easily accessible via the N7 off the major N1 freeway. Close by is the Ysterplaat Airforce Base, Canal Walk shopping Mall, business parks, popular athletics and sports

grounds and the Milnerton Turf Club. It is surrounded by a variety of residential areas, such as the lower income townships of Phoenix and Joe Slovo and the lower income residential area of Brooklyn, relatively middle income Milnerton and Monte Vista areas, and the newly developed high income apartment style Century City. Taxis and buses transport passengers from the rest of the city into the area. The closest commuter railway route runs from the CBD to Bellville. The Goodwood station is roughly a 25 minute walk from the industrial area. This area has experienced very strong growth and accounts for about 10 000 industrial jobs in the CMA (CCT, 2001a). This area hosts many businesses which are capital intensive and therefore employment is not as high as in many other areas. Good security, road access and smaller units are considered as a major attraction of the area.

Paarden Eiland:

Paarden Eiland is another one of Cape Town's older industrial areas, proclaimed an industrial area since 1935. It is located along the West coast and is a relative central area, located close to the harbour and is within 5-10 km from the CBD and other major economic nodes such as Claremont, Wynberg, and Epping. The area has a railway station and is also well serviced by buses and taxis. The N1 freeway runs partly parallel to the area and it is also accessible via the N2 and the M5 freeways. It is situated on a busy intersection and home to hundreds of factories, warehousing, light manufacturing and distribution and servicing of finished goods. It is also becoming increasingly commercial and retail oriented. Sectional title ownership is becoming increasingly common too. Entertainment is considered as the next major growing feature of the area. Rates in this area is 13% higher than the Cape Metropolitan area (according to RSC Levy Data 2002)²². Proposed development to the nearby port may fuel also further investment in the area.

Philippi:

This area developed as an industrial node in the 1970s. It is located in the South East, close to many of the townships, especially Crossroads and Nyanga. It is also close to the airport and well accessible via the N2. It is a relatively run-down area, with many vacant lots. Many vacated buildings now appear to be occupied by a number of very small service businesses. However there are a number of bigger manufacturing businesses too. There has been some recent investment in the area however the area's poor image tends to keep investors away (CCT, 2001a). While the number of new businesses in the areas has remained low, in terms of the increase in hectares of land used, Philippi exhibited an approximate 200% growth between

²² CCT, 2001a

1988 and 1998 (CCT, 2001a). The area has a railway station and taxi and bus services operate in the area as well. The Wetton-Lansdowne-Philippi Corridor which is currently being developed to link the south east areas to jobs, facilities and services.

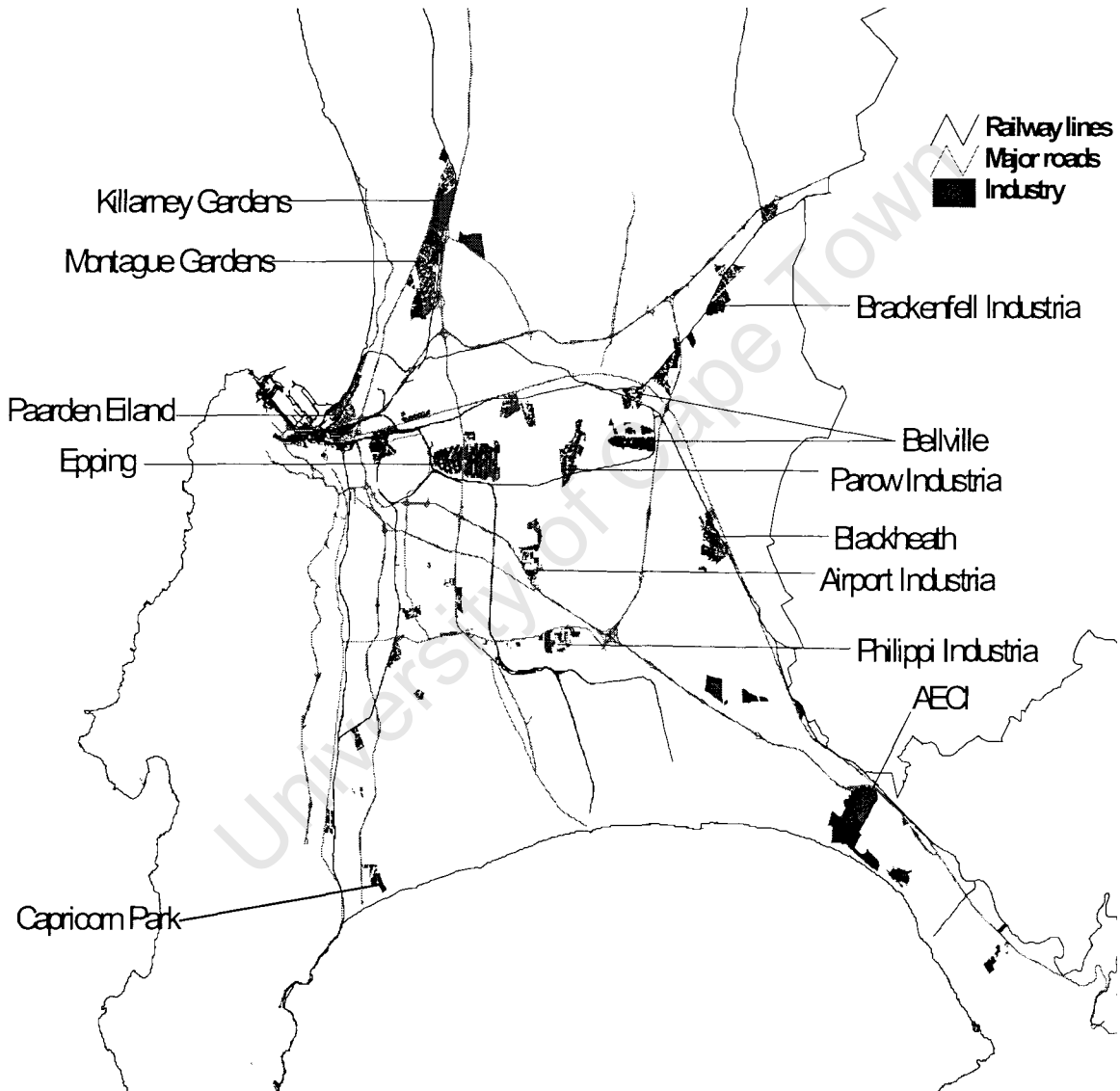
Stikland:

Stikland, a main industrial belt in Cape Town, is located near Bellville in the North (Tygerberg region). Between 1988 and 1998, the area had experienced a 24% growth in hectares of industrial land usage (CCT, 2001a). It has also seen a 17% increase in hectares of commercial land usage between 1988 and 1998 and is placed at number 7 of the top 15 in terms of this growth. None of the other main industrial areas falls in this top 15, illustrating the potentially changing nature of the Stikland area. Stikland borders the R300 and can be accessed via the N1 and the N2. While the area hosts a diverse range of businesses and production forms, the top 5 types of businesses are panel-beaters, transport contractors, engineering, gearbox and radiator manufacturers (Online Yellow Pages).

Westlake Business Park:

Westlake is a new mixed development surrounded by and consisting of a town house residential neighbourhood, low income housing, large office and industrial parks (involved in retail and light manufacturing), a shopping centre, the United States Embassy and a private school, Reddam High School. It was fully sold out within three years despite land prices reaching up to R850/sqm (Business Day, December 2004). It is easily accessible via the M3, which merges with the N2 making the northern suburbs as well as the CBD easily accessible. Commuter railway lines extend along and run in the same direction as the M3. Train commuters would most likely still require taxi or bus transport from the nearest station, such as the Retreat station, to the business park however. It is also serviced by taxis and buses too.

Map of Industrial areas in Cape Town



Source: Graham, 2007

4. Analysis

4.1. Initial Findings

When I approached this topic and in selecting the areas in which to conduct the fieldwork, I expected to find the areas listed and described above, with the exception of Westlake Business Park to be dominated by industrial activity. Once conducting fieldwork however, while I found many manufacturing and light industry businesses, there were also many involved in retail, storage, distribution, and even recruitment services. This was true for all areas and particularly so for Montague Gardens which surprisingly was found to have a very strong retail and services element. In some cases my expectations were met as with Airport Industria where I found the area to be particularly appealing to parcel and cargo centres, as well as distribution and warehousing. I also found however that there were also a number of other types of businesses such as construction, manufacturing, and light industry too. I consider therefore that, some of these areas while clearly displaying trends towards certain types of businesses and/or activities, do attract a diverse range of other businesses and services too.

2001 CCT (CCT, 2001a) findings also reveal that many of the industrial jobs are not even located in what are considered the 'the major industrial areas'. Their data suggests that 48% of manufacturing/industrial jobs are located outside of the formal industrial areas of Cape Town (CCT, 2001a). This illustrates that industrial areas (and vice versa for 'non-industrial' areas) in Cape Town are not characterized by or concentrated with any one form of business type and therefore job or skill group. As mentioned above and which will be investigated further below however, is that there are areas which show clear trends of being slightly dominated by or appealing to certain business activities.

This section begins with a discussion of the different types of workers employed by different kinds of companies, and thereafter focuses on where these different categories of workers live and how they commute between place of work and home, as well as differences in the recruitment strategies adopted by companies for different categories of workers. The discussion reveals which types of workers, in terms of occupation, income, or skill, all of which are inherently linked, face a spatial mismatch between places of work and residence, and how this mismatch may affect them and their opportunities.

4.2. Types of workers employed by different companies

Unskilled manual workers: Unskilled manual workers comprise those workers which occupy the lowest-skilled blue-collar positions. These general trends applied to all businesses, whether they were involved in manufacturing, retail or other service functions. These workers perform manual activities such as cleaning, making tea, packing, offloading, and menial yard work. They usually do not require any minimum levels of education, experience, or basic skills. These positions are usually casual ones and are highly dependent on peak periods. This is not true for cleaners however. Even though in many cases they do not work every day, their employment is permanent but not full time. In some cases²³, casuals are hired during busy periods as helpers to other workshop workers and many are later trained to perform the various tasks, and thereby made permanent. Overall what was observed was that Africans and a much lower proportion of Coloureds typically filled these elementary positions. A company²⁴ in Montague Gardens is an exception in this regard as most of their elementary unskilled workers are coloured. This is because 90% of their workers come from a predominantly coloured area, Atlantis where the company was previously located. Recruitment procedures for these positions are in many cases highly informal where casuals come in off the street. This is especially true for those workers who perform tasks such as packing and offloading. Cleaners on the other hand are typically subcontracted through a cleaning company. In many other cases, these unskilled manual workers are recruited through referral by friends and family. Here, workers who are sick and unable to attend work will often send their families members to replace them, as these positions do not require any skills or education.

Semi-skilled manual workers: Machine operators, assemblers, boilers, riggers, fork lift drivers, truck and bus drivers, workshop trainees and artisans, are classified as either semi skilled or skilled manual workers (discussed below). Typically, a minimum of standard 8 or 10 is required²⁵ as well as the relevant licenses for the **semi skilled** manual workers such as the drivers, boilers, and riggers. An N3 or N4 qualification, which is simply a substitute to what would normally be a grade 12 [N3] and one additional year of studies [N4] was often cited as sufficient²⁶.

²³ VYE Graphics for example, interviewed 3rd May, 2006.

²⁴ Lincac Distribution and Packaging, interviewed 12th July, 2006.

²⁵ R & M Boatbuilders in Paarden Eiland (interviewed 28th March 2008) however has a minimum education requirement of Std 5 for their manual workers as they find it difficult to attain workers with a higher education.

²⁶ The difference between a matric and the N3 certificate, is that the subjects completed are dependent on the qualification they want to attain. Therefore if workers want to work in mechanics, they complete subjects which are relevant to that area of work.

Many of the workers in this category of semi-skilled manual workers attain these positions by first working as apprentices or assistants and on the job training is very popular. For example, workers at one company²⁷ are required to have a minimum of Std 8, but are given training and then sent to get their licenses as welders, for example. In some cases²⁸, workers are hired without any skills or education and are trained on the job and some are sent to get their relevant artisan licenses. There are cases where, aptitude is considered more important than education and skills²⁹. These workers are thereafter provided with on-going training as they move on to new areas of work.

Skilled Manual Workers: Aside from the general education requirements as described above for semi-skilled manual workers, a formal qualification or diploma from a technical college is usually expected from the **skilled** manual workers such as electricians, mechanics, and other skilled workshop and craft/trades people, who constitute the manual skilled workforces. As mentioned above, there are cases where school education is the minimum requirement and workers are trained and sent to get their qualification before taking the position³⁰. The ability to speak English and communicate with clients attains greater importance for these types of workers, as many are in the positions where they may interact with customers and in some instances, such as the drivers could be considered as representative of the company. In a few cases, all that may be required is that the applicant has the necessary experience³¹. From the interviews, I determined that Coloureds typically filled these positions, and to a lesser extent Africans. One business³² in Blackheath was unique in this regard, as all of their drivers were African.

Routine non-manual workers: Routine non-manual workers are those involved in sales, services and clerical functions. The type and levels of skills demanded is highly dependent on and varies according to the position which they are occupying in the company. Some positions, as observed from the interviews,

²⁷ CTC in Airport Industria, interviewed 07th May, 2008.

²⁸ VYE Graphics in Epping, interviewed 3rd May 2006 and SGB Scaffolding interviewed 01st November 2006.

²⁹ At Autotrade Supplies (interviewed 27th September 2006) this applies to the pulling staff or retrievers, who basically pull the stock which is when orders come in, they receive picking slips and a computerized system informs them of the bin location of the product they are looking for. They therefore do not need to know exactly where each type of product is located on the shelves, and perform routine work, for which very little education is needed. Similarly, at Hosefit in Paarden Eiland, new workers need only be 'technically-minded' and seen to be capable of handling the tasks given to them.

³⁰ CTC in Airport Industria, interviewed 07th May, 2008.

³¹ Tomotex (interviewed 11th October 2006) is one example of this. They are involved in the manufacturing of fabrics and textile material and employ 4-5 knitters, who need to be very experienced. Fabric and Textile Warehouse in Montague Gardens (interviewed 31st July 2006) applies a similar principle. They have two seamstresses who sew cushions and other bedding items and are required to have good experience.

³² Stone Age, interviewed 17th April 2008.

typically require a minimum education level of Grade 12, computer literacy, satisfactory typing capabilities, good communication skills and English-speaking abilities. These are the minimum skills required however. Usually, for receptionist and bookkeeping positions, these workers are also required to have some form of admin or bookkeeping certificate as well as a number of years of experience. This applied especially to bigger companies³³. For other companies, experience alone was enough to satisfy business requirements³⁴. This occupation group comprised mainly of coloureds and whites. A recruitment company³⁵ based in Montague Gardens was a rare exception to this trend. Of their 12 marketers, 3 were African. Typically secretarial and other admin occupations were occupied by females while many of the sales and marketing positions were held by men.

Highly Skilled (generally non-manual) workers: This group typically includes all persons who have formal tertiary/university qualifications and/or those which occupy high status positions within the company. Whites were found to dominate in this category. This category of skilled non-manual workers comprise of not only management and professionals but also of highly skilled technicians such as computer technicians, for example. While the nature of their work is typically not considered as manual, there were a few cases where it was. For example, technicians at a distribution company³⁶ in Montague Gardens operate in the workshop but given their high qualifications (mechanical engineering degrees) they are deemed to be highly skilled workers as opposed to skilled manual workers such as general electricians or mechanics. In some cases strong experience in the industry is sufficient but for others³⁷ experience needs to be complemented by a degree and extensive training.

What is therefore apparent, and to a large extent expected, is that there is a clear racial dimension to skill levels and occupations as whites typically occupy the higher skilled, higher status, white-collar positions, and Africans occupy the manual, lower skilled blue collar jobs. Coloureds fall between these two extremes occupying many of the semi-skilled manual jobs and routine, non-manual positions. While I did not encounter Africans in any highly skilled positions, there were a few coloureds in these positions.

³³ Daikin Air-conditioning (interviewed 12th June 2006), Linpac Packaging and Distribution (interviewed 12th July 2006) and Stocks Buildings (interviewed 12th October 2006).

³⁴ At Stone Age in Blackheath (interviewed 17th April 2008) for example, while courses in various positions are preferred, it is not a requirement.

³⁵ PrimeServ Outsourcing, interviewed 18th March 2008.

³⁶ Daikin Air-Conditioning, interviewed 12th June 2006. A similar case was found at Yelland, Omran Automation and Control Equipment (interviewed 04th August 2006), who also has four highly qualified technicians.

³⁷ Such as employees at CHIETA, interviewed 18th March 2008.

Furthermore, I identified a trend where businesses involved in manufacturing, distribution, construction and similar forms of companies typically employed a large proportion of unskilled and semi-skilled manual workers, complemented by a handful of white-collar workers while service-oriented businesses generally employed a large proportion of white-collar workers with only a couple of largely unskilled workers. This finding conforms with the general awareness that the increasingly service oriented economy is becoming less and less dependent on traditional blue-collar manual workers, while still relying on some unskilled workers who would usually perform basic tasks such as cleaning and making tea.

4.3. Workers: General Residential Patterns and Transport Strategies

Irrespective of the area in which they worked, I found that unskilled and semi-skilled manual workers typically came from areas located in the south east while non-manual routine workers, managers, professionals and other highly skilled workers generally came from areas in the north or the wealthier southern suburbs. As described above, unskilled and semi-skilled workers were typically found to be African and Coloured, while non-routine workers and professionals were typically found to be White, and to a lesser extent Coloured. Many of the Coloured non-manual workers such as the sales-workers resided in predominantly coloured areas in the North such as Bellville. They also typically commuted with company cars. Another clear trend was that unskilled, semi-skilled as well as skilled manual workers³⁸ generally travelled by public transport while most non-manual white collar workers travelled by car. On the other hand, there were some cases which were different. At Linpac Packaging and Distribution for example, 90% of their blue collar unskilled and semi-skilled workers came from Atlantis and areas such as Paarl, which is located in north-east, where the company had been previously located. In addition, Linpac provides these workers with a transport service, which is largely subsidized by the company. A similar case exists at Autotrade Supplies in Airport Industria. Here, while all unskilled and semi-skilled manual workers live in the South east, except for one who comes from Wynberg in the South, they usually travel by car as Autotrade Supplies arranges for them to be transported to and from work by other workers who own cars or who are using company cars.

³⁸ Drivers were typically the exception for this group as they usually drove company vehicles and therefore often travelled to and from work with them.

The general transport trends however is clearly typified in the following few examples.

At Daikin Air-Conditioning, in Montague Gardens, unskilled and semi-skilled manual workers commute from a number of residential areas in the Cape Flats and only one commuting from Joe Slovo, which is situated near Montague Gardens. Those from the Cape Flats travel by train to work. Most sales personnel, skilled electricians, and management staff on the other hand travel by car (either their own, the company's or with colleagues) from areas such as Noordhoek, Tokai and Hout Bay in the southern parts of Cape Town, and Durbanville, Parklands and Brackenfell in the North. At VYE Graphics in Epping, manual workers travel by train and taxi from areas such as Langa, Khayelitsha and Nyanga in the South East while non-manual higher skilled workers travel by car from areas in the south and north. At Lukas Abrasives, all the staff with the exception of the driver are non-manual white-collar workers. They all live in the northern suburbs and have their own cars by which they travel to work. Similarly at Veypack, all engineers, administrative staff, and managers live in areas in the northern suburbs, wealthy southern suburbs and City Bowl area and all travel by car. The receptionist is the exception in that she lives in the Cape Flats, though she has her own car by which she travels. All low-skilled general workers however live in areas such as Khayelitsha and Mitchell's Plain in the South East and a couple from more central areas such as Maitland and Salt River. They all depend on public transport to get to work however. The same is true for manual workers at R& M Boatbuilders in Paarden Eiland who travel to work by taxi and train combinations, which takes them approximately 45 minutes each way. All other employees live in Bellville, one from Sea Point and another from Grassy Park, all of whom travel by car. At SEA in Westlake, all staff are highly skilled and travel by car (most of them have their own, with one getting a lift from another) and live in areas such as Muizenburg, Noordhoek, the CBD, and Westlake itself.

What was found therefore is that unskilled and semi-skilled manual workers who typically reside in the south east, predominantly depend on public transport to commute to work while the various categories of non-manual workers generally come from areas in the north and some from the south³⁹ and either have their own cars or commute to work through car pools. The movement of businesses away from traditional areas and further away from the south east thus has clear impacts on workers who reside in those areas, making commuting between work and home longer and more expensive. Given that these workers are relatively unskilled and occupy the lowest paid occupations, the increasing commuting costs cause significant hardship. The spatial mismatch therefore does not appear to result in workers from the south

³⁹ And a few from the central areas of Cape Town

east not being able to find and maintain employment in economic areas further away from the south-east, but does certainly complicate their efforts by intensifying the burdens of commuting and possibly job searching. In contrast, this burden is not felt by those who travel by car, be it their own or someone else's, as road transport is always easy and relatively efficient. Travelling by train however, which is the most cost effective form, and perhaps the only option for many low-income workers, is highly inconvenient. Railways service older areas such as Epping, Paarden Eiland and the CBD well but for newer areas out in the North and even in some areas of the South, the system is highly fragmented. Routes do not seem to follow a systematic structure and workers have to walk or take another mode of transport before actually reaching their destination. Bus and taxi transport each have their inefficiencies too. Despite state subsidies, buses are expensive and many routes are not in operation at regular short time intervals. Taxis on the other hand do not run on any form of time structure but instead begin the journey only once they have reached full load capacity in order to attain cost efficiency. If these workers commuted by car the inefficiencies of being located far away from opportunities would be significantly reduced. Many employers are aware of the problems with the transport system. John from BB Transport criticizes the weak transport system in general, and explains that in Killarney Gardens, there are no train services nearby. This is important as rail is the cheapest form of transport. Furthermore, John shares that while taxis and buses do operate, it is largely a 'free-for-all' system where taxis come and go only when they are full and where buses only operate every few hours. The respondent from Frankpile also made mention of the public transport system suggesting that with a better system in place, the Philippi area may be more desirable to investment. At SEA in Westlake, Megan also reveals that the area is poorly served by the public transport system. One of their workers has to travel by train from Kwa-Langa in the South east to Salt River, and thereafter transfer to another line towards Retreat. From that station, he then has to take a taxi to Westlake. This example is not unique, and many workers have to rely on a number of different legs of transport when travelling to various areas in the city. The problems of a spatial mismatch between work and home for those who rely on public transport are clear. This is line with Pugh's (1998) argument that the intensity of the spatial mismatch between places of work and residence is dependent on five factors, one of which is the effectiveness of the public transport system and which was found to be a key element of the spatial mismatch problem in her 5 city study of Atlanta, Los Angeles, Chicago, Milwaukee and Philadelphia (Pugh, 1998). With regard to the study of Milwaukee, researchers consider that the lack of coordination between city and suburban transit systems limit low-income residents' job access. This can be likened to the lack of coordination between the various systems of transport in Cape Town. Currently, there is no through-

ticketing, resulting in commuters having to pay for each mode of transportation used in travelling to one destination. The costs involved are significant given that it is low income workers who predominantly utilize the public transport system. The lack of coordination between and within each of the transport systems is only one dimension of the problem however. Each system needs to be upgraded to service more areas, on a reasonably regular basis, to make commuting less time consuming. Greater coordination could assist in making the systems more cost efficient making it more affordable to low income workers.

4.4. Recruitment Patterns

While recruitment strategies and behavior was not initially a key area of interest, during the analysis stages I was surprised to find that there appeared to be clear trends in the types of recruitment behaviour across the various respondents. With the exception of positions for highly-qualified individuals, such as professionals, businesses were found to adopt relatively informal methods of recruitment. This was especially true for unskilled and semi-skilled manual workers but as mentioned above, applied to most other skill categories too. Word of mouth methods of recruiting was a popular method for many businesses⁴⁰. When a position opens up at these businesses, owners or managers simply inform their employees of the vacancies, enabling them to bring in family members, friends or other acquaintances whereupon the first suitable candidate is hired.

The other very popular strategy was to recruit internally. Following this method, companies thus first look to their current workforce for suitable candidates to fill vacancies, and where there are none they resort to advertising or to an employment agency. Businesses such as LeFarge Cement for example, in fact go so far as to invest in their workers and help them move up in the company. Here, 'general' unskilled workers can work their way up to becoming a load operator, dispatcher and thereafter supervisor. The current dispatcher, Thembeni is presently studying towards a civil engineering degree, financed by the company. On completion of this qualification, he will become a manager. At CTC, receptionists and administrative assistants are also sent on further courses at the companies expense, so as to become qualified PAs. CTC also generally employs a number of assistants in the workshops too, which are enrolled into apprenticeship programs and are trained under skilled artisans. Drivers at CTC each have an assistant as well, who can move up to becoming the driver once they acquired their license. When vacancies open, they fill these positions and thereafter new helpers are hired through referrals. The same situation applies at BB

⁴⁰ including Autotrade, SGB Scaffolding, Tomotex, Hosefit, R&M Boatbuilders, BB Transport, Frankipile and Stone Age.

Transport where general workers whom are considered trustworthy and reliable are moved into drivers' positions, Similarly, at Lukas Abrasives, workers are trained and given the opportunity to fill vacancies. Both the current storeman and store assistant started as drivers but were given first preference when in-shop positions became available.

Other businesses such as VYE Graphics, Fabric and Textile Warehouse, PrimeServ Outsourcing, SEA and the Shisana Factory Store all place media advertisements, conduct interviews and select the most suitable candidate while other companies such as Veypack, Mvelaphandla, Bryco Metals, and Frankipile⁴¹ make use of local recruitment agencies. Branches of nationwide companies such as Golden Arrow and CHIETA on the other hand however are not involved in recruitment issues. Instead they each have a central recruitment office which is located in Johannesburg, and which handles all recruitment responsibilities.

Internal recruiting and word of mouth referrals are therefore often the first strategies adopted when hiring for vacant or new positions. As will be shown below, this is important to the discussion on the existence and implications of a spatial mismatch in Cape Town.

⁴¹ This is for the qualified positions including fitters, turners, etc. more general unskilled workers are recruited via word of mouth techniques.

4.5. *Consequences of the spatial mismatch*

While there is a clear spatial mismatch in terms of where many unskilled and semi-skilled manual workers reside and where work and job opportunities exist, this does not appear to cause unemployment in a strict sense as it is apparent that there are many workers who are able to find employment and work in areas far away from their homes in the south east. The findings also reveal that some business owners or managers, regardless of where the business is located, express that they do not concern themselves with where their workers live or how they travel. Many seem to accept that workers need to simply find their own way to work, and ensure that they arrive on a timely basis. There are some employers however who do consider applicant's residential location as relevant and discriminate accordingly or where business owners do arrange transport facilities for their staff who work overtime and inconvenient hours or who live quite a distance away. What is apparent however is that many workers, who travel from the south east, typically rely on public transport to commute between their places of work and residence. It is this reliance on an inefficient public transport system, which may cause the greatest difficulty and exacerbate the challenge of finding and maintaining work in areas far away from where workers live, as it means lengthy and expensive commuting. It is in this way that the spatial mismatch may manifest as an impediment to employment. How severely the spatial mismatch appears to affect employment cannot be ascertained however given that this research did not focus on interviewing workers or job seekers, through which valuable information regarding the ways in which the costs and time involved in using public transport impacts on their job searching behaviour and success at finding employment in particular areas.

What is evident from the interviews is that many businesses rely on highly informal methods of recruitment, namely word-of-mouth and internal referral techniques, especially for unskilled and semi-skilled manual positions. This has the greatest implications for workers from the south east (who typically fill these types of positions) trying to find jobs especially in areas further away such as in the North, as gaining access to that employment opportunity would essentially require having strong social networks. In other words because many businesses do not advertise positions in local newspapers or utilize agency services, work-seekers whether they reside in the south east or anywhere else, would not have knowledge of those employment vacancies and generally struggle to secure employment in these areas due to the heavy expenses of having to travel to these far-away areas daily or even weekly in search of opportunities. On the other hand, if a work-seeker was acquainted or related to a worker employed at Company A for example, he/she would have a good chance of finding out about new opportunities arising not only at Company A but possibly at

other companies which are located within the vicinity too. Having good social networks with other employed workers in the area is clearly a key to gaining easy access to job opportunities, especially when one lives quite a distance away.

Given the clear problems created as a result of firms' movements further away from large pools of unskilled and semi-skilled workers, it is necessary to examine what has motivated this movement. Is it a conscious movement or does the south east area simply not offer what owners are looking for? The literature suggests many possible reasons relating to space, parking, safety, as well as locating close to where workers or management reside as factors which largely determine location or movement away from traditional areas. Given the new service economy's increased reliance on more skilled workers accommodated by a decreasing demand for unskilled and semi-skilled workers, this could help to explain the migration away from the South East, which primarily harbours unskilled and semi-skilled workers, or at least why there is hardly any movement towards it or investment in the area.

4.6. Main factors affecting choice of location

The interviews reveal that there are a number of factors which are taken into consideration by respondents when deciding on the choice of business location. There are four aspects however which were repeatedly cited as playing a pivotal role in the decision as to what makes an area suitable. These are the areas' 'centrality', 'accessibility', 'affordability' and the 'need for space'. These aspects as well as other common features are discussed below. The importance of these features sometimes differed between the businesses of the different areas.

Centrality

Many respondents list their areas' 'centrality' as key to what makes that area suitable to their needs⁴².

In many cases it appears that when respondents speak of 'centrality' however, it is specific to where *their* clients and suppliers are located rather than in terms of actual geographical setting. VYE Graphics, a business involved in the mass production of signboards, and based in Epping is one such example. They have been located in that area for 15 years and find it suitable because they are central to their clients and suppliers, the latter who are predominantly based in areas such as Paarden Eiland, Montague Gardens, Maitland, Epping, and Ndabeni. Daikin Air-conditioning based in Montague Gardens expressed similar outlook. They were initially based in Paarden Eiland and relocated in search of bigger premises. Montague Gardens was suitable because it allowed for them to be central to their clients as well as still remaining relatively close to the CBD area as they have regular meetings with engineers and architects which are based there. On the other hand for some businesses⁴³ the idea of 'centrality' is quite vague. Respondents here claim that they have clients and suppliers '*based all over the Western Cape*⁴⁴', and therefore that their area is suitable due to it being situated in the '*middle of the peninsula*⁴⁵' or central to all areas in Cape Town. The notion of geographical centrality is thus brought into question. The respondents' idea of the 'Western Cape' needs further interrogation and the notion of centrality thus needs to be treated as highly subjective. There is an obvious incongruity between owners in Montague Gardens and owners in Epping for example, who both consider their respective area to be central while geographically-speaking Epping

⁴² This feature did not seem to be an important element for the businesses interviewed in Airport Industria however. There was only one respondent, the general manager of Autotrade Supplies, who mentioned centrality as a factor. Autotrade Supplies imports and distributes motor spares and as they do many deliveries, being central as well as close to the South where most of their clients are located is important.

⁴³ Such as Stone Age (interviewed April 17th 2008) and SGB Scaffolding (01st November 2006) in Blackheath, Tomotex in Epping (interviewed 11th October 2006), Hosefit in Paarden Eiland (interviewed 10th April 2008) and Lukas Quality Abrasives in Montague Gardens (interviewed 04th August 2006).

⁴⁴ Interview with SGB Scaffolding, 01st November 2006

⁴⁵ Interview with Stone Age, 17th April 2008.

would generally be accepted as more central in terms of the greater Cape Metropolitan Area. This idea of 'centrality' thus clearly needs to be clarified further. Nevertheless while it's meaning may differ between respondents, 'centrality' was found to be a key factor in the choice of business location. The factor of 'centrality' is likely less important for high-end service companies such as SPSS OLRAC and SEA. These businesses are not involved in production or even retail where suppliers' locations, client's locations' and easy transport of goods would be critical.

Accessibility

Related to the aspect of centrality, is the idea of accessibility. It refers mainly to how easily accessible and close the area is to main highways, clients, suppliers, the general public and other business-specific infrastructure such as the airport or harbour⁴⁶. The report on economic trends compiled by the City of Cape Town found good road access to be a key factor when it came to choice of location for industry (CCT, 2001a).

The factor of 'accessibility' was a popular one for many of the respondents which are based in Montague Gardens, Killarney Gardens and Paarden Eiland⁴⁷. R&M Boatbuilders in Paarden Eiland find their location to be suitable due to it being accessible in terms of its closeness to the railway station and highways. As they are involved in the construction of boats, being close to the harbour, was especially beneficial as it made transporting much simpler. The other business interviewed in Paarden Eiland, Hosefit also finds the area's accessibility in terms of closeness to main highways as beneficial. Being so close to the harbour which is one of their main clients was also ideal. SPSS OLRAC, based in Westlake considers their area to be suitable as it provides good access to the M3, and makes travelling out to the North and the CBD easier. This company holds many meetings and training sessions, and therefore being easily accessible is very important. The respondent at Frankpile in Philippi also made mention of the access to highways as beneficial. They do repair work for big companies such as Murray and Roberts, and as they transport heavy and large equipment, they need to be able to move easily and quickly. They find the area good in terms of their transportation needs, especially in comparison to other areas such as Killarney Gardens, Montague Gardens, and Paarden Eiland. They consider that Montague Gardens would be especially hard to operate

⁴⁶ Not all businesses would consider close proximity to the airport, for example as significant to their operations while for other businesses it may be pivotal such as an airfreight company.

⁴⁷ In the other areas, namely Airport Industria, Epping and Blackheath Industria as there was only one case where it was mentioned. This was by the director of Stocks Building, a construction company based in Airport Industria who considers good accessibility to the N2 as convenient.

in as it difficult to get in and out of the area. It is clear that what respondents consider as 'easily accessible' is highly subjective and largely dependent on their specific circumstances and business operations. Businesses interviewed in Killarney Gardens who are also involved in heavy transportation and trucking, in contrast to the respondent from Frankpile in fact find the area to be very accessible. BB Transport, for example, which has been located in Killarney Gardens for approximately 6 years, finds the area to be good for them as it allows for quick and easy access onto the N1, N2 and N7. They also find that the area has good accessibility to the harbour as well as the airport, where they often deliver or load goods. Accessibility is a huge issue for them as it motivated their relocation from Stikland, where they had been for 6 years. These types of findings therefore complement those of the City of Cape Town (CCT, 2001a) where road and railway access are cited as important determinants of business location, while in some cases this factor was not found to be relevant. Being close to rail and highways for manufacturing businesses is important for transportation of goods, while being close to highways for service businesses is important in terms of clients being able to locate them easily.

Affordability

The affordability of certain areas over others is another major factor in the choice of business location. This also supports the findings of the report compiled by the City of Cape Town, mentioned earlier (CCT, 2001a). According to the findings, premises in areas such as Epping, Blackheath and Airport Industria are often opted over Montague Gardens, and other northern areas as well as some areas in the southern suburbs⁴⁸ based on price differentials. The respondent at Frankpile reports that they found it cheaper to buy in Philippi than Paarden Eiland or Airport Industria and price was an important factor because of the large land size needed for their operations. Owners of Stocks Building in Airport Industria also considered Montague Gardens too expensive when deciding on where to locate. They always had land in Airport Industria, and eventually decided to base their head offices there. When they relocated to Epping 15 years ago, VYE Graphics found the area to be cheaper than alternatives such as Montague Gardens due to the buildings in Epping being older⁴⁹. Veypack, a company involved in engineering and warehouse distribution, moved to Blackheath approximately 12 years ago. They were initially based in Epping but needed more space and also wanted to own rather than rent. They searched for established premises in Montague

⁴⁸ In the cases of Tomotex (interviewed 11th October 2006) and Shisana Factory (interviewed 31st July 2006) for example.

⁴⁹ Similarly, Tomotex (interviewed 11th October 2006) and Mvelaphandla (interviewed 11th October 2006) both of which are based in Epping also considered the area to be relatively well priced compared to the alternatives.

Gardens and Killarney Gardens but settled in Blackheath due to its good price compared to the alternatives mentioned. PrimeServ in Montague Gardens admit that the rents are much higher than in their previous premises in Pinelands. It is nevertheless a good area for them as they are now closer to many of their clients. For other businesses in Montague Gardens however, they found the area to offer premises at favourable prices⁵⁰.

The need for space

The issue of space is particularly relevant. Many owners state the need for space as a primary motivation for their relocation and selection of premises in their respective areas. This factor was not present in accounts by owners which are located in Epping however and this may be due to the generally smaller-sized units in this older, more congested area. Businesses that locate there may not be particularly concerned with a need for large amounts of space. As mentioned earlier, this area seems to be popular to smaller businesses.

Autotrade Supplies and Extra Attic in Airport Industria both emphasize the need for space as key in their location choice. The former company which was previously located in the Parow Valley area, relocated to Airport Industria because of their increased need for space so as to enable greater amounts of stock to be held. As a result, they needed bigger premises and found one which was suitable and well priced, being auctioned off in Airport Industria. Space was also an important issue for the owners of Frankipile in Philippi. They chose that area over considered-alternatives such as Airport Industria and Paarden Eiland, based on space considerations. The demand for space also appears to be a key element for many of the businesses interviewed in Montague Gardens⁵¹. Linpac Packaging and Distribution has been in Montague Gardens for 13 years. Initially situated in Atlantis and then Paarl, they relocated due to company expansion and the need for more space. Unaware of the finer details, the manager interviewed surmised that Epping may have been an alternative but that it may have been decided against because the traffic in that area was

⁵⁰ This is true for Lukas Quality Abrasives (interviewed 04th August, 2006) who found premises at a price lower than the costs in Paarden Eiland where they had been previously located. CHIETA (interviewed 18th March, 2008) also finds the prices in Montague Gardens to be cheaper, though this is relative to the rental prices previously paid for their premises in the CBD⁵⁰. While price considerations was not mentioned as relevant by the businesses interviewed in Paarden Eiland, one respondent, the owner of R&M Boatbuilders (interviewed 28th March 2008) did mention that the rent was higher in Paarden Eiland than in Montague Gardens.

⁵¹ Lukas Abrasives (04th August, 2006), Shisana Factory Shop (31st July 2006), Daikin Air-Conditioning (12th June, 2006), Bryco Metals (10th June 2006), and Linpac Distribution (11th July, 2006) all relocated from areas such as Paarden Eiland, Lansdowne, and Atlantis and found Montague Gardens to be ideal based on the availability of larger premises.

becoming very congested at that time. In addition, Montague Gardens was a newly growing industrial area that was been marketed really well and which might have been what primarily attracted the owners to that specific area.

Daikin Air-conditioning Systems has been situated in Montague Gardens for 8 years. They were previously located in Paarden Eiland and like Lukas Abrasives, Shisana Factory Shop and Bryco, they also relocated due to company growth and the need for bigger premises. As mentioned above, Montague Gardens was considered suitable as it was central to their clients as well as not too far from town where they had dealings with contractors. Though the manager had considered Paarden Eiland to be more central and thus more suitable, but found the buildings there were older and smaller and hence inappropriate. This shows a pattern consistent with the literature, which attributes the need for space as a key factor in the movement northwards or away from traditional areas. Many of the businesses located in Montague Gardens and particularly those interviewed however, are relatively small sized businesses in comparison to those seen and interviewed in Airport Industria and Blackheath Industria however. Most of the businesses located in these latter areas occupy much more land and they would likely not consider Montague Gardens to easily cater for that amount of space. This is true for H.Roemer Transport for example who had initially set up in Montague Gardens and left after a year as they expanded and needed more space. They found this in Killarney Gardens which at that time had not been developed much. There are however a number of very relatively medium-large sized plants in Montague Gardens such as PPC Cement, the Woolworths Distribution Centre and Linpac Distribution. What makes an area 'large' enough is therefore relative. This is evident in the case of Hosefit who relocated from Pinelands to Paarden Eiland due to company expansion and the need for more space. As mentioned above, there many other businesses such as Daikin and Lukas Abrasives which had left that very area based on limited space or businesses such as SGB Scaffolding which wanted to but didn't locate there because of its lack of space.

Availability

Linked to the need for space as well as price considerations, many owners claim that finding suitably-sized land is difficult. This indicates that many business owners make their decision based on what is available, and they are therefore responding to and not driving development. The manager of Autotrade Supplies in Airport Industria described that were lucky to find the premises they did, as land that size and at that price was hard to find and *'that it was the best option available to them'*. Similarly, the owner of CTC Plant Co.

also in Airport Industria was approached with a good offer to buy the land, and finding that well-priced land was hard to find, he accepted and relocated his business from Epping. He now owns the land next to the initial premises as well as rents the land opposite it. In Blackheath, the owner of SGB Scaffolding explained that he had wanted to open up in Paarden Eiland but space and land prices limited his options. Stone Age in Blackheath also based his decision on the availability of large, well-priced premises. When they established their business, they looked at areas such as Parow, Brackenfell and even Muizenburg but finding large enough land at a good price was difficult. As expressed by Wadia from the Shisana Factory Shop in Montague Gardens, *'it is not about location, it is about where there is the necessary space*⁵².

Parking

Parking is an important issue for some businesses such as SPSS OLRACC and SEA in Westlake. In terms of SPSS OLRACC based on their type of business, being the development of and training in statistical software, they report needing adequate parking facilities for their many clients as well as for their staff. This company holds many meetings and training sessions and therefore the availability of parking is important. Similarly, at SEA also located in Westlake, the majority of the staff members have their own car but limited number of parking bays places strain on what is available to them. CHIETA in Montague Gardens expressed the difficulties of parking at their previous premises in the CBD. They used to occupy premises at the SafMarine building where they were allocated only two parking bays. Given the parking difficulties faced by all in the CBD, parking for staff was very expensive and for clients it was quite frustrating. While they are still only allocated two bays at their new premises, the situation is much better as there are sufficient parking spaces outside of though close by to their office park. PrimeServe which is located in the same office park as CHIETA however finds that their parking situation has worsened with the move to Montague Gardens from Pinelands. They were forced to relocate as their previous premises burned down and they decided on Montague Gardens in order to be close to their clients as well as competitors. They are currently negotiating with the landlord to purchase more bays. All other businesses interviewed did not raise the issue of parking spaces suggesting that it is not an important factor⁵³. Parking appears to be more of a concern for service businesses as described above where image of the company and clients' convenience is relevant whereas for manufacturing and production related businesses, parking availability

⁵² CHIETA in Montague Gardens (interviewed 18th March 2008), and Tomotex in Epping (interviewed 11th October, 2006), all express that finding suitable premises at good prices was hard, implying their limited choices in the relocation decision.

⁵³ When directly questioned on the matter, they affirmed that they are satisfied with the current availability of spaces. Many of them felt that roadside parking is sufficient.

takes a backseat to priorities such as easy highway access, and adequate space and facilities for production activities. Where adequate parking facilities are necessary, it is likely that businesses would choose to locate in newer economic areas such as those expanding in the north and newer ones emerging in the south, where space is available. Older areas are generally highly condensed and would not meet that need.

Safety

The issue of safety and security was hardly raised by respondents themselves. Two cases where the issue was mentioned were VYE Graphics in Epping and Shisana Factory Store in Montague Gardens. The owner of VYE Graphics felt that their area was safer than the alternatives such as Maitland, Paarden Eiland, and Airport Industria. This influenced their choice in where to locate their business. Wadia from the Shisana Factory Shop in Montague Gardens also mentioned the importance of safety. As they are an outlet with their warehouse at the back, their goods are stored on the site making security an important aspect.

The aspect of security likely holds differing meanings for manufacturing, retail and high-end service businesses. For companies involved in production and even retail, security concerns likely pertain more to equipment and machinery, whereas for high-end service businesses, personal security may be found to be more important. When directly questioned about the safety and security of the respective areas, most businesses do not report it to be of much significance in terms of location choice. All businesses interviewed do have one or more forms of security installed however. In addition, many of them whom expressed problems with theft and trespassing suspected that it was inside jobs. This was an especially big problem for John at BB Transport in Killarney Gardens who has had a 120% staff turnover in the space of 6 months due to issues of theft. Areas such as Airport Industria and Blackheath which are closer to the South East would have been assumed as having the biggest safety and security threats. Interviews reveal however that the perceptions of these areas as the '*wild west*⁵⁴' are often misplaced. As most issues seem to centre around 'inside jobs', it is clear that regardless of where one is located, this issue of security exists. Some respondents find that the Improvement Districts operating in their area plays a key role in keeping crime at bay and keeping the area safe and investment friendly. The respondent at Frankpile based in Philippi also states that with Metro Police being based in the area, it has improved things greatly. He

⁵⁴ Based on interview with Garth at Autotrade Supplies, 27th September 2006.

reports that while most issues are environmental and theft-related, the stigma attached to the area certainly does keep business away. This is what the literature suggests too.

While many respondents claim an area's 'centrality' and 'accessibility' to be pivotal to an area's suitability in the choice of location for their business, it would appear that price and availability limits their choices and therefore to an extent in fact largely determines them. In other words therefore, owners may first filter their options based on price considerations and what is available according to their land size needs and only thereafter have the freedom to select according to their specific preferences with respect to where clients and suppliers are situated, or where workers or managers reside, for example. Any movement northwards could therefore be attributed more to a matter of where suitable premises are available, particularly with regard to price and size rather than to factors suggested in the literature relating to issues of parking, safety and worker/management's residential proximity.

While the movement further away from the south-east area may not be acknowledged or admitted as intentional, it is nevertheless occurring due to a variety of reasons. It seems obvious that this is affecting workers from the south east more than business in general, and this may be due to either that these businesses do not need labour from these areas⁵⁵ or that these workers are simply finding ways to obtain employment and get to work despite the consequences of a disconnection between place of work and home. These businesses however, even the service-oriented ones do rely on at least a few unskilled manual workers, and many of them are in fact from the south east therefore indicating that somehow, these workers are finding their way to work. The spatial mismatch in this way as mentioned earlier, while not strictly causing unemployment, it does intensify the burden of commuting times and costs for these workers as well as makes finding employment more complicated and strongly tied to social networks.

While businesses may not always acknowledge a link between the nature of the business, the type of staff utilized and the choice of business location, there does seem to be some form of relationship between all or some of these aspects. In other words, some business owners may look at certain areas as more suitable based on a certain characteristics of the area or may find certain areas more amenable to their needs based on their staffing requirements for example.

⁵⁵ That is, do not require unskilled or semi-skilled workers.

4.7. Concentration of certain types of businesses in particular areas

Some of the areas do seem to attract certain types of businesses but this may not be due so much to the area itself but perhaps related to the size or general characteristics of the premises available in certain areas. For example, in Airport Industria land and premises are relatively large sized while many businesses in Epping and even Montague Gardens require smaller units which are not readily available in an area like Airport Industria. Thus the land sizes in Airport Industria may be what attracts particular types of businesses (who typically need a lot of space such as warehousing and storage companies) or what serves to force other potential occupiers (such as small printing shops and small scale textile manufacturers) to areas where smaller sizes are available to them, such as Epping or Montague Gardens.

Another explanation for a trend towards the concentration of particular types of business/services may be what one respondent stated as '*it is business logic to follow the networks of other businesses*⁵⁶.'

In other words, that in deciding where to locate, business owners may begin by looking or focusing on which areas similar businesses are located in and/or the general movement of businesses⁵⁷. Economic logic would dictate that an agent locate his business closer to his competitor rather than further away, as that way he stands the chance of getting some of his competitors clients too. This is especially true if he is able to offer lower prices, more services or better deals than his competitors. This was found to be true in two of the interviews. PrimeServ which had relocated to Montague Gardens mention that they are now also closer to many of their competitors which are located in that area. While this was not the main motive in their relocation decision, it is mentioned as a factor. Similarly, the owner of Hosefit in Paarden Eiland also states that he is located directly opposite to a competitor which he considers an advantage because he offers better services and deals and is therefore able to capture some of his competitor's customers. R&M Boatbuilders in Paarden Eiland also shares that the area is a popular one for businesses of their nature. They find being close to the same or related business is beneficial not based on competitiveness but as they are able to '*interact and share knowledge*', as well as exchange and borrow materials.

⁵⁶ Interview with Yelland Omran and Automation, 04th August 2006.

⁵⁷ This is consistent with what the literature which states that businesses follow others out of the traditional economic centres and to newly developing nuclei.

It is thus possible that as more similar or related businesses begin to concentrate in certain areas, that area becomes identified with certain products and services. Clients in search of that product would therefore look to that area. The respondent interviewed from Mike's Car Parts in Montague Gardens clearly stated that the area was a good choice for them because there are many panel beaters and mechanics in that area and that the area is a popular one for customers looking for car products. In this way it is possible that many owners when deciding to relocate (or establish their businesses) will consider where their target market would go when searching for their type of product and would therefore base their location decision on that very important factor. The result would be the dominance of a certain type of business in particular areas. Similarly, Anthony at H.Roemer Transport in Killarney Gardens finds that Montague Gardens was not appropriate for them, but is more suitable to office-type work. Many business owners may feel similarly and consequently look to an area which they perceive caters or suits businesses of their nature better.

While these research findings are not meant to be representative, our interviews tend to display the northern suburbs as having a strong and growing services and retail element and therefore increasingly reliant on white collar employment with minimal positions for blue collar manual workers. The character of On the other hand, older areas while diverse in the range of businesses do not display as a strong a services character, and do seem to rely heavily on more manual forms of labour. This is also because the type of activity between the north and other areas differs with the former being more capital intensive and thus requiring more skilled workers as opposed to labour intensive industries which use large numbers of low skilled manual workers (CCT, 2001a). The type of labour used in a company may in fact therefore be an important factor in the choice of location. As described earlier, it is argued that that one of the forces driving development northwards is that businesses in the modern economy increasingly depend on high-skilled workers and they will tend to locate close to areas where they draw their labour from (Turok, 2001., Smith, 2005). With the strong growth in the service and business sectors of the economy, and declining significance of manufacturing, this would mean that demand for white collar workers would be on the increase. These workers are typically located in the northern and southern suburbs of Cape Town while the South-East contains large numbers of blue-collar manual workers. Based on the above argument therefore, businesses located in the North and South would likely tend to be more service orientated and dependant on white collar workers while businesses located in areas closer to the south-east would likely be involved in manufacturing and production work and thus dependant on a blue collar workforce. While this is not a quantitative analysis, from the interviews conducted, businesses in the north did tend to hire more white

collar workers and be involved in more service and retail types of work. In addition to the notion that businesses will locate close to where they draw their labour from, it is also suggested that owners may locate to areas close to where they themselves reside, in order to reduce their own transport costs and commuting times. We may then find that some businesses choose business locations according to what is convenient for themselves and/or managers.

4.8. Links between business type, staff and location choice.

Thus while respondents do not admit or concede to any link between business type, staff requirements and business location, the north does seem to be attractive to more service types of businesses which utilize higher numbers of non-manual workers, who typically reside in areas of the north and southern suburbs. While this link could be attributed to the 'business logic' of locating close to competitors and related-businesses, or because of an areas 'identity', it is clearly contributing to the spatial mismatch. This however is no cause for concern for these types of businesses because the labour on which they depend is easily accessible to them from these decentralized areas. Locating in the south east on the other hand would not suit them because they need very few manual blue collar workers. Thus, business owners may in fact locate in areas based more on their convenience in terms of their travelling and their staff than what they are willing to admit or perhaps realize. Some respondents did in fact admit to this⁵⁸.

ORACC SPSS is a perfect example of this dynamic. Given that they are a purely service business of an IT-related nature, and highly dependent on professionals and other white collar workers, locating in the southern suburbs suited them well as they are close enough to the types of labour which they need. The issue of traffic was also an important one for owners of this company, and in wanting to avoid it, the area provided for that as well as catered for their parking needs. This business clearly did not need to be located anywhere close to the south east and in fact doing so would likely not have suited them at all, firstly as it is highly unlikely that they service anyone in that area at all and secondly, it is also unlikely that they would be drawing any or much of their labour from that area too. Furthermore, there are many low income areas close to Westlake as well as most other suburban locations, which can supply labour to these businesses if and when they are needed. Locating in the suburbs was therefore ideal based on business needs as well as owners and staff convenience and suitability.

⁵⁸As in the case of CHIETA, interviewed 18th March 2008.

SEA is another such example. They too are primarily a service business, involved in designing models and systems for sustaining energy and advising local government policy makers on such developments. Staff is thus white collar skilled and professional workers, and come from various northern and southern suburbs in Cape Town. Surprisingly one staff member, the project coordinator resides in Langa (south east). Westlake was suitable as a choice of location as two of the directors and two staff members live close to the area, making commuting convenient and quick. Given that their clients come to them and they often hold meetings, parking space and traffic issues were important and being located off the M3 in opposite direction to the CBD and other key economic areas eases these problems. As with SPSS OLRAC, this area suited this service business well based on business needs such as owning the property for investment purposes and which could serve as a demo building to promote the concept of energy efficiency. It also served senior staff needs as two directors as well as two staff members resided close to the Westlake area. Any unskilled and semi-skilled manual workers needed are also easily available from the nearby low cost housing areas. They are in fact prescribed by government to give preference to workers from Westlake⁵⁹.

Another purely service business is CHIETA, which is located in Montague Gardens. This location suited their business needs in terms of where their clients are predominantly located as well as staff as two of the senior staff members (one being the director) resided in Tableview, making their commuting efficient. Parking had been an issue for them at their previous premises in the CBD and thus was also somewhat of a priority when it came to choosing a location. The business park which they located in provides them with some bays, but the area also enables clients to park on the roadside. This was extremely difficult to do in the CBD, where clients and staff may have to walk many blocks from the car to the office.

Relationships between service businesses, staff and choice of location do seem to be strong. These owners choose locations which satisfy their business and staff needs well. Locating in the suburbs and away from traditional areas enables less traffic issues, provides substantially more parking, and also keeps them close to the types of workers on which they are dependant. This kind of location behaviour impacts on the low-skilled manual workers of the south east, who have to travel complex, expensive and time-consuming routes to work. Aside from that, it may also affect their employment chances not only in terms of informal recruitment methods adopted by many such businesses but also because of the new low income

⁵⁹ This may be due to that the area had initially been an illegal squatter settlement and the residents were displaced as a result of the development in the area.

locations which spring up wherever they can in order to service these newly established nodes and which can only accommodate limited numbers of residents. Owners, while they say 'where workers live does not matter' will likely opt for the applicant who lives closer making the employment chances for the worker from the south east who already does not have the financial ability to search for jobs in far out suburbs daily, slim. Many business owners admit to such preferences. Russell Judds from Linpac Distribution in Montague Gardens states that while there should be no discrimination when recruiting, the selection of workers should make business sense. Thus if applicants were matched on all aspects, except residence they would select the applicant who lived closer to the business. Victor Marks of Yelland-Omran in Montague Gardens feels the same, explaining that area of residence is significant in terms of employability at their company. They had a female employee who lived in Fish Hoek working for them previously. She relied on public transport, and would often miss trains or she was late too often, and her living so far away made the situation worse. John of BB Transport in Killarney Gardens reveals that he has no hesitation in preferring workers who live close by to the area. He prefers to hire workers who reside in Du Noon, a nearby township area as it makes things easier for himself as he often has to take drivers home after shifts, as well as for workers themselves who are able to save on commuting costs. By business owners following such procedures, the employment chances of workers who live further away become slim. Thus as long as there are workers and work-seekers who have a spatial advantage in being in close proximity to employment centres, the spatial mismatch will continue to affect the employment potentials of workers from the south east whom have no spatial advantages as investment and development is not targeted towards areas in that region. While for those who are able to find employment at these nodes, they still suffer the consequences of being spatially disconnected through the increased burdens of commuting far distances between work and home.

With regard to less-service oriented companies on the other hand, I consider that location choice while perhaps sometimes influenced by what is convenient for management/owners, is tied more strongly to the identity of the area and how the location works in terms of their production and product transportation needs. Where clients and suppliers are located holds greater significance for these types of businesses, relative to service businesses, as they deal with tangible materials and products which cannot be handled over the phone, fax and email. While being close and easily accessible to clients is advantageous and convenient for service companies, it literally translates to profits for manufacturing and production businesses, in terms of both time considerations and financial costs of fetching or waiting for supplies and

transporting of finished products. The decision of where to locate would depend more on those types of considerations than it would on where staff is located therefore. This is especially true as the types of labour on which they are primarily dependant, being unskilled and semi-skilled manual workers, is increasingly available, regardless of where they are situated. As discussed earlier, workers simply find their way to work or physically move closer. As expressed by Stanley from SGB Scaffolding in Blackheath, if he were to be located in Paarden Eiland he would simply 'employ workers who resided that side'.

As discussed above as well, the identity of the area and other businesses do play a role in what makes certain areas suitable. For workers of the South-east this has serious implications because for as long as that region remains unpopular to investment and development, more businesses will move away from the area based on their sustainability considerations. The area may continue to lose whatever successful businesses are left in the area, further contributing to the area's lack of appeal and will likely result in a downward spiral which will be costly and difficult to reverse. For workers and work-seekers this ultimately means having to rely on employment in decentralized locations.

The impacts and difficulties created by the spatial mismatch may also be tied to the trend of new low-income locations springing up close to newly established economic nuclei across the city. These residents set up home on any available land within close proximity to employment opportunities in order to soften the burdens of commuting between work and home. For these workers and work-seekers, locating closer to work opportunities and reducing the physical distances is a matter of economics. Doing this allows them the ability to enter these areas regularly to seek work, and thereby maximizing their chances while for those who already have employment in the area, locating closer eases the burden of commuting times and expenses. As the interviews also reveal, there are many instances where casual labour is needed simply to load and offload trucks or other menial tasks. These workers usually live in areas surrounding the economic node, and wait at street corners for such an opportunity. If these work-seekers lived in the south east, travelling out to the industrial area each day on a possible chance of such once-off casual employment would not be viable. For those who reside nearby however, it costs nothing and is thus easy to do.

The spatial mismatch may also be affecting these workers in ways I have not been able to identify in this research, in other words their employment potentials. While unskilled and semi-skilled workers are needed by all types of businesses, in all different areas, it does not necessarily mean that these workers are always

and only from the south east areas. By businesses locating away from the south east, this improves the employment chances of work-seekers who live close by while having the reverse effect on work-seekers who reside in the south east. In this way, the spatial mismatch may therefore be slowly causing some degree of employment loss for workers from the south east as business owners develop a preference for similar skilled workers who live closer. On the other hand however, as stated above, it may be that workers from the south east may be physically relocating closer to these employment nodes and thereby eliminating the spatial mismatch and any of its consequences. Whichever way, workers from the south-east are the clear losers.

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5. Conclusion

Place of work and residence is clearly separated for a majority of unskilled and semi-skilled workers who live in the South East. This means that they are physically disconnected and spatially mismatched from jobs not only in the developing north but also from areas in the southern suburbs such as Westlake Business Park. With the fragmented public transport system operating in the city, workers depending on this form of travel face difficulties in firstly finding employment in areas further away from their place of residence, and secondly maintaining jobs in those areas. This is due not only to high costs and long commuting but also because the public transport system is highly unreliable and inefficient, sometimes causing workers to be late and at times absent from work. This can be a problem for employers and result in them preferring to hire workers from areas closer by as in the case of SEA in Westlake.

The problems and challenges of the public transport system is unfortunately borne by the most vulnerable and poor, as interviews reveal that many non-manual white collar workers and some higher paid semi-skilled and skilled manual workers such as drivers and qualified artisans, either have their own cars or have access to car transport and are therefore not affected by the inefficiencies of the city's public transport services. Access to jobs and opportunities are therefore hindered for a large number of manual workers living in the South East. Interviews also reveal that transport issues are not often seen as a concern of management, though there are some fortunate workers whose employers or management provide them with transport services and thereby lessening the burdens of overcoming the spatial mismatch.

Public transport may also be an important dimension to where workers look for jobs. This was in fact raised by the respondent at Fabric and Textile Warehouse in Montague Gardens who suggested that when workers apply for jobs they look at which transport facilities and infrastructure are available to them. While workers were not questioned on this issue, it seems highly plausible. Physical disconnections may thus also play a part in workers job searching behaviour as well. Access to information on job opportunities is often limited and largely dependent on social networks, and this becomes a bigger issue as businesses increasingly rely on word-of-mouth and internal referral techniques to fill vacant positions. As interviews reveal, this method of recruitment is a very popular one, in particular for manual positions whereas agencies and advertisements are used for more qualified positions.

The problem of commuting is not only limited to commuting to areas which are far away. As the system is so highly fragmented, even for workers travelling to areas such as Airport Industria which is relatively close to the South East, this is not a simple journey. Airport Industria is not close to the railway lines and while the area is serviced by buses and taxis, this is expensive and time-consuming. It would appear that the older traditional areas such as Paarden Eiland and Epping are the most accessible and well serviced by the public transport system. This may be because the system was designed and modified according to the structure of the city at that time, but has been unable to efficiently incorporate and design new routes to cater for workers travelling out to newer non-traditional economic areas.

This research has therefore revealed that a spatial mismatch between place of work and residence may not have resulted in workers who live in the South East not being able to find jobs in areas far out such as in the north but it may make it more difficult, and costly to do so. What is clear is that the public transport system plays a very important role in overcoming the spatial mismatch and the inefficiencies of that system do cause a great deal of difficulty for workers. Workers either manage to handle the increased time and costs of commuting or may find themselves with no choice but for they themselves to relocate to settlements closer to employment centres. Findings also suggest that social networks are another important aspect of gaining access to job information and opportunities, and this seems to be regardless of company type or location. This issue is especially relevant, as businesses tend to resort to highly informal methods of recruitment, making social networks key to accessing these opportunities. For workers who may be looking for employment in the north, these networks gains further significance as travelling out that far each day is not often possible due to the transport costs involved. The efficiency of the public transport system becomes critical in this regard too.

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Appendix A

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Interview Topics for Spatial and Skills Mismatch

1. Economic activity of the company:

What commodities does it produce or what services does it offer?

Who are the clients? Where are they located?

2. Characteristics of the premises:

Location

Owned or rented

Has the company always been located at these premises or did it move from other premises? Why?

Has the company expanded onto these premises from another site?

Why did the company choose this location?

3. Ownership characteristics of the company

Is the owner the manager? Does the manager have any influence over the choice of location?

Is the company a branch of a larger company or franchise?

Is it locally owned or foreign owned? Is this relevant to locational choice?

What is the cost of renting or owning per month (per sq.metre)? How does this compare to other locations?

4. Labour Issues

What are the different occupational and skill levels (qualifications) of the workforce?

Where does the workforce live?

How do they commute to the premises? How much time does the commute take? What does it cost? Break this down by occupational and skill characteristics.

What are the racial, gender and language characteristics of the workforce?

Are the workers employed full time, part time, casually, temporarily, sub-contracted or permanent? Break this down by occupational and skill characteristics.

How is labour recruited? Does the location of the premises have any bearing on recruitment?

5. Recruitment Issues

How are workers recruited? Does this differ across occupational categories or skills levels?

What are the advantages of one method over the others?

Does location have any importance when hiring?

6. Location Issues

Does the product/service influence the choice of the company's location?

For example, what is the location of the clients that are provided with products or services? Is this important for their location? Is the question of highway, air or rail access important for the delivery of products to clients or of raw materials to the premises?

Is the service provided face to face or by telephone or email? Does this have an impact on choice of location?

Appendix BList of Primary Data **used** in this paper (Interviews conducted for Masters level 2007-2008)

Name of Business	Interviewee	Contact #
AIRPORT INDUSTRIA		
CTC Plant Company	Hank (Accountant)	386 4190
LeFarge Cement	Them bani Nogqola (Despatcher)	386 9572
BLACKHEATH		
Stone Age	Martin Steenberg (Co-Owner)	905 2449
Veypack	Peter Aldridge	905 3780
KILLARNEY GARDENS		
BB Transport	John (Manager)	557 7846
H.Roemer Transport	Anthony Roemer (Manager)	557 6708
MONTAGUE GARDENS		
CHIETA	Roger Adriaanse (Skills Adv)	551 1113
PrimeServ	Wayne Ramsey (BDO)	5283900
PAARDEN EILAND		
Hosefit	George Diesel (Rep)	510 4299
R&M Boat Builders	Manuel Mendez (Owner)	511 8500
PHILIPPI		
Frankipile SA (PTY)	Mr Hobbs, Plant Manager	315137
WESTLAKE		
Sustainable Energy Africa	Megan Anderson (Manager)	702 3622

List of Secondary Data used in this paper (Interviews conducted for Honours level 2006)

Name of Business	Interviewee	Contact #
AIRPORT INDUSTRIA		
Autotrade Supplies	Garth DeNobrega (Manager)	380 8500
Extra Attic Storage	Marlies Stephan	386 0386
Stocks Building Africa	Chris von Ess (Director)	386 6336
BLACKHEATH		
SGB Scaffolding	Stanley Smith (Owner)	905 0775
EPPING		
Mvelaphandla	Luis Lopes (Manager)	5355012
Tomotex	Shaun (Owner)	534 1795
VYE Graphics	Jetta (Owner)	534 7368/9
MONTAGUE GARDENS		
Bryco Metals	Gideon van der Walt	551- 5981
Daikin	Serge Jeannet (Manager)	551-7776
Fabric Warehouse	Bradley (Manager)	552 2878
Linpac Distribution	Russell Judds (HR Manager)	529 380
Lukas Abrasives	Tyron (Sales Rep)	551-0090
Mike's Car Parts	Peter (Bookkeeper)	552 9304
Shisana Factory Shop	Wadia (Manager)	551 6578
Yelland Control	Victor Marks (MD)	551 2448
WESTLAKE		
OLRAC SPSS	Mike Berg (Partner)	702 4111

Primary Interviews

Interview with Hank, Accountant at CTC Plant Company.
Airport Industria, Ph: 021 386 4190

Interview conducted by One' Mazile and Claudia Naidu, 07th May 2008.

CTC is a locally owned company which buys and sells used earth moving and materials handling equipment and supplies machinery to the mining, construction and plant hire industries. They buy the machinery from farmers and building companies who do not need them anymore or have replaced them with newer models. Purchase prices range from approximately R400 000 – R1000 000. Sometimes the machinery can be sold as is, while others first need to be serviced and repainted. On site, there are the admin offices, a workshop, an engineering bay, a spray room, and another section where the vehicles are dismantled and put together again.

Their clients are situated throughout the country, and CTC delivers to them using heavy duty low bed trailers or large trucks. They own 5 low bed trailers. There are clients who have their own low-bed trailers and therefore collect while some others opt to use a third party for delivery. CTC sometimes delivers as far as Namibia.

Locational Choice:

In the early 1990s, there was a company called Hitashi which was located at the premises next to where CTC is situated. Collin, the owner of CTC, was an apprentice at Hitashi at that time. In 1992 he saw a gap on the market for used earth moving machinery, and initially started the business renting property in Epping. The man who owned the property where CTC is now located knew Collin and when he was selling in 1995, he contacted Collin with an offer to purchase. Collin considered the price to be good so took the offer. A few years later, they also bought over the property where Hitashi had been. They also rent a large part of land opposite the road, which is owned by the airport. CTC stores the machinery, trailers and other vehicles in that area, as it is fenced off. Their staff also uses that area to park their cars.

Hank spent some time talking about the very high land prices in Cape Town and how they are on the rise. He mentioned that it is very hard to get land for under R1500 per square metre, and says that nowadays it is cheaper to hold onto land rather than build and then sell when the opportunity arises. He also believes that as land in Airport Industria becomes fully used up, people will move onto Blackheath Industria where there is land available.

Staff Profile:

All the staff is permanent. Occasionally there may be a need for a temp to help in the dismantling of the vehicle but this is rare.

There are approximately 90 employees at CTC. There is 6-7 admin staff. The bookkeeper requires a matric and previous experience. They also need to be pc literate and able to operate a switchboard. The PAs typically start off as bookkeepers therefore need the same skills. One PA was sent on a night course so as to be promoted to a PA position. Many of the staff work their way up.

As an accountant, Hank needs to have a degree.

In the Wash bay, there are 3 people who wash the machines. They do not require any skills.

In the spray room, there is 1 skilled spray painter, 2 apprentices.

In the workshop, there 2 qualified welders (certificates), 1 apprentice and 2 helpers. There is also a parts manager, and 3-4 'youngsters' who help him.

In the Engine bay, there is 1 qualified engineer (degree), and he has two helpers. There is also one auto-electrician and his helper. There are 6 qualified mechanics, 3 apprentices and 5 helpers.

There are 5 drivers who need to have a code 14 license, and they each have an assistant as well. These assistants become drivers when they get the required license and as soon as a vehicle is available for them to use.

For the helpers mentioned above, matric is typically essential. Either the standard matric or the NTC type. These helpers move on to become apprentices. Merseta however restricts the number of apprentices they can take on however, which CTC finds frustrating. They would like to have an apprentice for each mechanic but Merseta only wants them to have one. Each year Merseta sets out the number and type of apprentice they should have.

Residence and Transport:

Most of the staff live in the areas further South. There are some from Tableview and Ottery.

Most either have their own car, or have lift clubs. There are no trains running to Airport Industria, so those that use public transport would rely on a bus or taxi such as the cleaners.

Many of those in the workshop work overtime, so Hank suspects that they organize lifts with those that have cars. Most however have their own cars however and infact the company assisted three of them in buying cars. Qualified persons all have their own cars.

Safety and Security:

They have an alarm system and a 24 hour security guard which is subcontracted. They pay R30 000 per month for the guard. Their last break-in was in 1998. Hank says that the area as a whole has improved a lot as more businesses have moved in to the area. In 1999 5 policemen were shot dead at the bottle store but that was the last incident. Businesses in the area pay levies for the CID operation. CTC has also sponsored 3 of the vehicles for this.

**Interview with Thembani Nogqola, Dispatcher at LeFarge Cement
Monreal Drive, Airport Industria, Ph: 021 386 9572**

Conducted by One' Mazile and Claudia Naidu, 07th May 2008.

LeFarge is a French-owned company which makes and supplies ready-mixed concrete. They operate internationally (76 countries to be exact), and within Cape Town alone they are 13 plants. This number can fluctuate according to the size of their projects, where they set up mobile plants until the building work is complete such as in Green Point where they are supplying the concrete for the building of the 2010 stadium. Other plants in Cape Town include Wetton, Paarden Eiland, and Blue Downs.

Their clients are situated all over the country, but each plant services those clients which are located within 60km of the plant. So this plant generally supplies the areas around the Airport. They supply anyone in need of cement as well as big construction companies such as Murray and Roberts. They deliver the concrete to the client's site.

The location of suppliers vary. They get the cement and slag from PPC in Epping, dune sand from a company called Broksand, stones from quarries in Tygerberg and another company called Peak Quarries. LeFarge also owns quarries. These quarries blast stone into different sizes to be used in the cement.

The Concrete-Manufacturing Process:

PPC delivers cement, known as OPC which is stored in a tall round structure. The slag supplied by PPC is also stored in such a structure. Slag is a powder which comes from steel and it is used to strengthen the cement and make it durable. These materials are pumped into the towers similar to the way large petrol trucks pump petrol into the stations. Water is also stored and pumped from large water cylinders located on the side of the cement and slag towers. All of these structures are connected to and pass through a mixer. Aggregates are different sized stones/rock fragments which are added with the cement and to this, water is added. The amount of cement which is added determines the strength. Different strength grades are used for different types of building work. For example, when building a house the initial trenches only require a grade of 10 MPA, but for major building, strength of 50 MPA is necessary. Additives such as plasticizers, water-repellants etc. are sometimes added to the concrete mixture. They improve properties of the concrete such as setting time, viscosity, and porosity. These raw materials and additives are dosed and put in the mixer, where they form a homogenous concrete mixture. When a truck comes to fill concrete they park in an area where the raw materials are added one at a time into the drum and mixed. The dispatcher working at this station has a panel of controls and counters. The amounts of each raw material needed for that strength of cement is calculated using computer software. He pushes the button for cement to be released and on the computer screen a blue bar shows the amount being filled, and provides figures as well. When too much is filled, the bar goes red. In wet weather, the dispatcher would need to assess how wet the aggregates and dune sand is, and accordingly readjust on the computer how much is needed of water for example. This is to ensure that the cement is not too wet or too dry. The wet concrete is then transported to work sites in cement trucks equipped with revolving drums.

Locational Choice:

The plant is a new one. It was set up 3 years ago. The location was chosen to cater for clients in the area. In Airport Industria there was a lot of new development and building and hence potential clients for LeFarge. The closest plants to Airport Industria is Paarden Eiland and Blue Downs, so it made sense to build one in the area.

Staff Profiles:

There are 5 permanent staff at the plant. They are the manager, supervisor, dispatcher, load operators and a general worker.

They are all male. The dispatcher, load operator and general worker are all African.

The dispatcher is involved in controlling the mixing and dispatching of concrete to clients. For this position, one would need a matric and some experience in the concrete business.

The supervisor is often someone who has worked himself up from being a dispatcher. They are responsible for organizing the work around the plant.

There is usually one manager per plant. In some cases, managers have to look after more than one plant i.e. when the other manager is sick or away. The manager has to have civil engineering qualification.

The load operator picks the stones and places it on scales, using a machine. He is thus required to have a certificate showing his ability to operate the machine. LeFarge typically trains the general worker into this position. The general worker does not require any skills or education. He cleans the areas outside. As mentioned, they usually move up to become load operators.

LeFarge subcontracts their cleaner who comes in once a week. They also subcontract their drivers. The number of drivers needed depends on the project they are providing concrete for. A few subcontractors are used, and shared across the different plants. LeFarge has their logos and details places on the trucks however. Drivers would need to have a code 14 license as well as some safety training.

Recruitment:

LeFarge grooms most of their workers. They always try to recruit internally, and only if they do not find a suitable candidate do they advertise with the newspaper. Thembani at this moment is studying for civil engineering degree at Technikon SA. LeFarge is paying for his studies. If he fails however, he would have to pay the company back. He is hoping to become a manager after attaining his degree.

Transport:

The dispatcher needs to have his own car because he often needs to be able to move from plant to plant as needed. The company does not provide a car however and also do not give petrol allowances. The supervisor and manager have their own cars too. Technical guys who actually design the concrete and mixtures, colours etc are the only ones provided with cars and allowances as well 50% of their home loan/bond. There are no technical guys permanently at this plant however.

The load operator and general worker live in Nyanga and therefore walk to work. It takes them less than 20 min. Where workers live do not make a difference. There are situations where LeFarge will transfer a worker to a plant which is closer to his place of residence however.

Safety and Security:

As far as security is concerned they have an alarm as well a 24hr guard which they subcontract. These guards work shifts.

Interview with Martin Steenberg, Co-Owner of Stone Age.
Wimbledon Road, Blackheath, Ph: 021 905 2449/ 083 285 0282

Interview conducted by One' Mazile, Ludwe Mbhele and Claudia Naidu, 17th April 2008.

Stone Age makes cobble paving, paving designs, paving slabs, smart stone paving, etc. In the old days, these types of paving were made from natural materials/stones. This is very expensive however. Instead Stone Age makes simulated stone products, which are designed and moulded from the original natural stone product. It is now made with cement and thus is cheaper. Stone Age is a franchise. The HQ is in Pretoria and there are other branches in SA. It is locally owned by Martin and his brother.

They supply their paving and scabs to contractors, architects, builders all over the Western Cape including places such as Swellendam, Gansbaai and Langebaan. They deliver orders to the clients. Any person off the street can also purchase from them.

The mixture can be made within 2 hours. Cement is mixed with colour and the moulds take approximately 1.5 hours to dry in sunlight.

Locational Choice:

Stone Age was established in 2000. At that time they rented the land, and considered it cheap compared to areas such as Muizenburg, Brackenfell, Parow, and Sac Circle. The choice of location was decided by Martin and his brother. Finding large enough land at a good price was difficult. They also felt it was a good location as it is seen to be in the middle of the peninsula and it is easy to go to places further away too. The major factors however were the price as well as that it was relatively close to Bellville, where the owners live. In addition they also thought it would be near to their workers, though they do not always know where they come from. In 2002, they bought the land. Blackheath was a growing area as it was relatively close to the airport. They considered it important to own the land as with a rental agreement, the owner decides what he wants to do with the land and could decide to do something else with it and have the tenants move out. This makes it costly and risky to rent. When they bought the land, the rent had been approximately R50000/R60000. When buying it, their bond was only R10 000 per month and the value of the land is now ten times more than when they bought it. It was thus a good investment for them. Martin is also involved in property development and both he and his brother are planning to develop the land into a 'buiekop', which is basically where the ground floor is used as a working area and the top consists of office. They would then sell off most of the offices. If they did this, they would like to relocate to other premises in Blackheath.

In terms of parking, they have no problems as there is sufficient space available within their premises as well as on the roadside.

They speak Afrikaans, English and some Xhosa.

Staff Profile:

During full production periods, they have approximately 140 workers on site. 38 of these are full time staff while the others are subcontracted. At the moment, there are only 80 people working in total. 12 of them are white.

The owner is white and lives in Bellville. He travels by car. The other owner, Martin's brother, presently does not live in Cape Town.

The debtors clerk (white female) lives in Durbanville. She travels by car.

The bookkeeper (white female) lives in Kuilsriver and also travels by car. For both of these positions, it is only experience that is required of them to get the job. It is preferred that the bookkeeper to have done course in that field of work.

The receptionist (coloured female) lives in Mitchells Plain and travels by bus. She is required to have completed some form of secretarial course.

The order and delivery clerk (coloured female) also lives in Mitchells Plain and travels by bus. For this position they take on someone who can do the job, has a friendly personality, and who is hands on. There is no degree or qualification needed. For most of the admin positions, experience is the main factor.

The plant manager (male), is white, lives in Durbanville and drives a company car.

There are 12 marketers, two of which are female. Three of these are African, the rest being white. The three Africans live in Paarl, Kuilsriver and the Cape Flats and all travel by car. For this position, they need experience, be dedicated and independent. They are given a budget which they use towards getting new clients for the company. Often marketers are people who have retired from the building industry (there are 4 of them currently). They are considered as being the best marketers. They visit landscapers, architects, developers, contractors etc. They all have their own cars and receive a petrol allowance when they get about 50 clients. They go out to these clients weekly. These clients always remain theirs.

They have 10 full time lorry drivers and 10 full time yard workers. The lorry drivers are all African, and live in areas such as De Noon and around the Blackheath area. None of them are from the Cape Flats areas. They do the deliveries to clients. The lorry drivers often pick up and drop off yard workers, especially when they work very early or late.

The production line staff is subcontracted. There is a small business operating within Stone Age. The 'owner' employs how many workers he needs and is responsible for paying these workers. Most of these workers were originally employees of Stone Age. Some time ago they went on strike, whereupon Stone Age fired them and then subcontracted them. In this way they have no hassles concerning strikes etc. the subcontractor is responsible for making sure Stone Age has the labour they need to produce orders. All the machinery is outsourced as well. Stone Age does not know much detail on these workers in terms of where they live and how they travel. There are times however when these workers have to work very late. The lorry drivers usually drop them off in these cases.

They have one domestic lady, who is African.

Recruitment:

Martin as mentioned also owns a property development company as well as a brokerage firm. When in need of more workers at Stone Age, he often draws labour from his other businesses. They also use the newspapers and word of mouth methods to advertise available positions. They do not utilize employment agencies as they find these too expensive.

Safety and Security:

They have experienced some break-ins and trespassing, but it has not been a major problem for them they have upgraded their fencing to prevent trespassing and they also plan to install an electric fence as it is difficult to have put their machines away each evening. There have been no break-ins for the last 6 months, but the alarm does go off at least once a month. There was one incident of theft but this was found to be an inside job. They have a security guard which looks after the area where the vehicles and their other plant is, opposite the road. They also have an armed response. Given that Martin and his brother want to remain in the area even after selling off the property, these problems concerning security is not significant to them.

Interview with Peter Aldridge of VEYPACK: Packaging Line Solutions
Wimbledon Park, Wimbledon Road, Blackheath. Cell: 082 513 6481 Tel: 021 905 3780

Interview Conducted by One' Mazile, Ludwe Mbhele and Claudia Naidu, 17th April 2008

Location:

Relocated from Epping Industria in 1996. In Epping, they rented a 4000 square metres space for 3 years, but the office space was much smaller compared to what they have in Blackheath. The desire to occupy own premises triggered the move. Searched for property in areas such as Montague and Killarney Gardens, respectively. They were looking for a well established place. They opted for Blackheath because the property here was huge (4000 square meters for factory space + 1000 square metres for office space). They paid about 1million rand for the property, and it was cheaper than at Montague and Killarney Gardens, respectively. Later, they subdivided the property and sold some of its parts to other business. They later sold their property to a Namibian investor and opted to rent 2000 square meters for a factory + 1000 square metres for office space from him. The **VEYPACK** business required additional cash flow at that time and selling the property provided this opportunity (subsequent follow-up email interview with Peter on the 24 April).

Nature of business:

It is a private company that is involved in engineering and warehouse distribution.

Clientele:

Coca-Cola, South African Breweries, International Health Distributors. VEYPACK sometimes visits clients, but not too often. Goods to local clients are sent by road transport and by sea and air to international clients. The latter include, inter alia, countries such as Zambia, Botswana, Mozambique, etc.

Public Transport:

Easy access to R300 and N2 Highway. Blackheath train station is within a walkable distance and minibus-taxi drive into the Industrial Park 2 drop off as well as pick up workers. However, there is not bus service in the area.

Workers:

VEYPAK employs electrical and mechanical engineers. Also, they employ artisans, draughtsmen, as well as low-skilled labour as assistants. One receptionist, x2 accounts clerks and x1 tea lady. The receptionist is a coloured lady from Elsiesriver and uses own car to work. Accounts clerks live in Durbanville and Bellville, respectively, and uses own cars to work. The Electrical Manager lives in Durbanville; the Financial Manager lives in Newlands; the Accounts Manager lives in the southern suburbs, and the Managing Director lives in Sea Point. All these managers use own cars to work. The general assistants live in areas such as Khayelitsha, Salt River, Maitland and Mitchell's Plain.

Recruitment:

They recruit through a Labour Broker – worker are in a triangular form of employment.

Skills requirement:

Artisans have to be qualified. No particular skills required for general assistants, however, in-house training is provided by VEYPACK.

Parking:

No problems with parking space, parking bays are sufficient for everyone and they are not allocated to any individual workers. Parking bays are provided for FREE to all staff members.

Security:

Have a 24hr security guard at the main gate and have ADF Security alarm response contract. No major challenges with insecurity in the area. Based on researchers' observation, the entire property is fenced off.

University of Cape Town

Interview with John , Manager of BB Transports.
96 Lauder Street, Killarney Gardens. Ph: 021-557 7846

Conducted by Ludwe Mbhele, One' Mazile and Claudia Naidu, 14th October 2008.

BB Transport is a national transport company that delivers small parcels to bulk loads between and within cities. They primarily operate between Cape Town, Port Elizabeth, and Johannesburg but also operate non-scheduled routes to the other cities. They have 36 vehicles which includes trucks and vans.

Location choice:

BB Transport has been located in Killarney Gardens for approximately 6 years. Prior to that were located in Stikland for 6 years. They moved in order to achieve greater accessibility. This location gives them good access to the harbour, is reasonably well located in terms of the airport, and most importantly is considered extremely well served by the main freeways such as the N2 (5 minutes away, by which they travels eastwards), the N1 (2 minutes away by which they travel out to Johannesburg and PE) and the N7 (1 minute away by which they travel westwards). They are out of the town area but are also within reasonable access.

They find that the traffic volume in the area is the main problem. They conduct a lot of work in Montague Gardens as well as out of the airport. John said that if they were to ever relocate Paarden Eiland and even Ndabeni would be good choices, as they are also close to all the major freeways. He says however that the infrastructure available is the most important factor as it is very costly to set up. The facility In Killarney Gardens was previously also occupied by a truck company and John feels that the site was 'tailor-made' for them as it has the upstairs office sections, as well a downstairs sleeping quarters. This is important as drivers often sleep over. All they need is on site therefore. They are under a long term lease which expires in 2015 however and are therefore not considering moving anywhere anyway.

They are currently renting the premises, which is approximately about 20 000sqm. The yard holds 7 legs (trucks). This is the only branch in Cape Town.

Labour Issues:

BB Transport is located within 5km from DeNoon, a township area. Being close to a source of labour is important to them as drivers work overtime often and John has to take them home. Recruiting from nearby is also better for the employees as it means their travelling costs are minimized. Recruiting from DeNoon is therefore quick, easy and cheap according to John and he has no hesitation in selecting a worker who lives close over another one who lives further away.

Transport:

John says that the transport system in Killarney Gardens is very weak and that city transport in general is lousy. There is also one bus which operates in the area in the morning and should workers ever miss that bus, they would have to wait a few hours for the next one. There is no train service in or close to the area. Taxis are available but they operate until as far as the terminus which means many workers still having to walk quite a distance to their place of work.

Recruitment:

They recruit by word of mouth and through internal referral. John prefers to interview applicants himself rather than employ an agency because of theft issues. It is difficult to replace staff as there is a lot of training and investment involved. John first looks to discipline problematic workers rather than immediately fire and replace them. While quantity is easy to get, quality is not.

Labour:

The workforce consists of African and coloured workers. On site they are unskilled general workers and semi-skilled workers. Unskilled workers have a minimum education level of standard 8 and are usually involved in manual loading or offloading of vehicles. The latter are those which operate forklifts and have a minimum of standard 8 as well as a training certificate of competence in handling the specific equipment and vehicles. There are also some unqualified semi-skilled workers who work in the workshop, they are referred to as 'spanner-hands.' General workers are often sent for training to become fork-lifters and semi skilled workers who are found to be good and trustworthy are taken through to being drivers. Drivers usually have a minimum education of matric and possess a code 10 or 14 driver's license. Many of the workers, including the general workers are sent on basic firefighting, and first aid training courses.

There are 25 employees, 3 of which are senior check-ups, 1 cleaning lady, and the remaining 21 workers are the general workers, semiskilled workers and drivers.

Half of the workers go home at 5:50pm, while the rest work till the 'work' is finished.

Basic admin is performed by John himself and he occasionally brings in a temp to assist him.

Drivers usually have their own cars as they are paid more and can therefore better afford it. John is thus more flexible on the issue of where drivers live.

Other workers mostly come from De Noon, and therefore walk to work. When they work overtime, John drops them at home.

John owns a car, but he stays on the premises most days. His home is in Sedgfield however.

Safety and security issues:

They have a security guard who patrols at night. Generally however they do not have much problems with security. John feels that most issues are of an internal nature. In the past year, he has had a 120% labour turnover. Drugs are a big problem.

The area itself has its own security system, patrols, 24 hour camera surveillance. The entire area is closed off and usually accessed by two large gates. At night, only one of these gates are left open.

Parking:

Parking is also not an issue. While they do not have space for all of their trucks, it is not a big problem because they park on the roadside. There is adequate parking for employees.

**Interview with Anthony Roemer, partner at H.Roemer Transport.
Killarney Gardens, 021-557 6708**

Interview conducted by Ludwe Mbhele, One' Mazile and Claudia Naidu, 14th October 2008.

H.Roemer Transport is a family owned business which transports building materials to clients within 100 km of the area. Their clients consist mainly of builders, constructions companies, and companies such as Penny Pinchers. Most of their clients are in Tableview. Their suppliers are also located very close by thus their location is well placed in terms of their clients and suppliers.

They have been located in Killarney Gardens for almost 15 years. Prior to that they were in Montague Gardens, for about a year. They needed more space however and found Killarney Gardens to be cheaper (but not anymore) and more local than Montague Gardens. They own the premises. Anthony feels that Montague Gardens is good in terms of office type companies but not for them. He also feels that traffic is too much in Montague gardens. Being in Killarney Gardens allows them to be close to the sand mine and stone mine which they source from.

Staff:

The workforce consists of general workers and drivers. Drivers are initially employed under a probationary period and need to have a license. Most of the drivers come from Khayelitsha and travel by bus. One of them comes from George however and lives at the site. A few others come from Atlanta, Tableview and Bothasig. These last few have their own car or get dropped off at work. Most of the general workers come from areas around the Tableview area. The mechanical work is done by themselves and they do not have any form of workshop or skilled workshop employees. Anthony, who is the manager lives in Tableview and gets dropped off at work. The receptionist also lives in Tableview and also gets dropped off at work.

Many of the workers have been with the company from the time it started, 16 years ago.

Security:

One of the drivers lives at the site permanently. There used to be a few break-ins but not anymore.

Parking:

Is not an issue for them.

Interview with Roger Adriaanse, WC Regional Skills Advisor of Chemical Industries Education and Training Authority.

Unit B2, Arden Grove, cnr Race Course & Omuramba Rds, Montague Gardens, Ph: 021 551 1113

Conducted by Ludwe Mbhele, One' Mazile and Claudia Naidu, 18th March 2008.

CHIETA is a statutory body established by the National Skills Development Act, through the Department of Labour. They are responsible for promoting economic and social development through learnerships and skills programmes within their industry. The industries which they serve are very diverse ranging from factories, chemical industries, pharmaceutical companies, arms manufacturing, oil companies, and cosmetic companies. Their clients are based all over the Western Cape (Epping, Bellville, Montague Gardens, etc.). Clients come to them, and they also go to clients.

Locational Choice:

CHIETA has been located in Montague Gardens for the past 18 months. They were previously based in Town, at the SafMarine building. They were experiencing a number of problems with that location such as traffic at peak times and lack of parking space as there was only one parking bay allocated for a staff member at the SafMarine building, while all the other staff had to park at a parkade. This was costly on staff members. In addition, the rental at the SafMarine building was too expensive. They did not consider their buildings in town to be obsolete, but it is important to note that the SafMarine building in particular is quite modern and sophisticated compared to many other buildings.

The reason why they decided to locate in Montague Gardens was based on availability and accessibility to businesses which they provide services. Renting in Montague Gardens is also cheaper. In terms of parking, the situation is much better in Montague but is still limited, as many clients etc have to park on the street when attending meetings. The Office complex only offers 2 bays per office, but tenants can purchase more bays. They are leasing on a 5-year plan, at a monthly rental of approximately R15000. The office park was built approximately a year and a half ago, and CHIETA was one of the first tenants. When relocating Montague Gardens was the only area they really looked at as they found that it was easier to find space there and considered it to central to the main areas they service such as Epping, Bellville, Brackenfell, Killarney Gardens and Montague Gardens itself. The easy access to highways was also a benefit. Thus the accessibility to industry was an important factor. Staff members also had a significant influence on the choice of location. The previous regional manager resided in Tableview as did Roger (and still does), and therefore they didn't even consider areas in the Southern suburbs as this would have been too far out for them to travel. The other two regional advisors also lived nearby, one being in Bellville. Roger says that staff influence on location weighed more heavily than the proximity to clients in the decision to locate.

Staff:

There are currently only 2 staff members. They usually consist of 5, and are thus understaffed. The 5 members consist of a regional manager, 3 regional skills advisors, and an administrative assistant. Presently, there is only the regional manager and Roger who is a skills advisor. In terms of skills, the admin assistant would typically need to have an admin qualification, such as a diploma from CPTT for example. Hardly ever is experience good enough. The other positions require the possession of a degree as well as related experience. They also need to have a good knowledge of skills development, and related aspects. The experience is very important as they need to be able to know what's happening in those industries which they serve, their needs, understand their 'language' and be able to relate. Depending on the experience, the degree they would need would usually be in engineering, or they should be technically qualified in terms of the trade. Degrees within the education and training discipline are also relevant and sufficient. English speaking ability is a definite requirement as most of their business is conducted in English.

There are no permanent unskilled workers. They outsource services such as cleaning staff and Rentokil for example. The cleaner comes in once a week. She is contracted from Total-Hygiene.

Transport:

The regional manager lives in Ottery, and owns a car by which he travels (1 hr). Roger lives in Tableview and also travels to work with his own car (30 min).

Their previous admin assistant who lived in Diepriver travelled by bus/taxi combination. She would get off at Koeberg Rd, and walk the remainder of the way to the office. There are no rail lines extending near Montague Gardens. They do not provide any transport services to staff members.

Recruitment:

CHIETAs head office is located in Johannesburg, which is where recruitment typically takes place. They usually outsource their recruitment but there are times when management undertakes recruitment themselves.

Applicant's place of residence is not a major factor when hiring because they are very flexible, and being punctual is not as important as it would be at a factory for instance where production starts at a particular time.

University of Cape Town

**Interview with Wayne Ramsay, Business Development Officer at PrimeServ Outsourcing.
Unit B2, Arden Grove, cnr Race Course & Omuramba Rds, Montague Gardens, Ph: 021 5283900**

Conducted by Ludwe Mbhele, One' Mazile and Claudia Naidu, 18th March 2008.

PrimeServ Outsourcing is a recruitment agency. It is one of many branches nationwide. The PrimeServ Group operates on a national and international level (in particular projects in Africa, Asia, Europe and North America) and provides services to small and large businesses, government organizations and parastatals. They operate in over 20 broad industry bands, including construction, transportation, nursing, mining, retail, warehousing, telemarketing, etc. and across more 70 job categories, thus ranging from semi-skilled general labour to highly skilled white collar and other specialist occupations. Some of their major domestic clients include Albany Bakeries and Sappi.

Locational Choice:

PrimeServ have been renting premises in Montague Gardens for about a year. They were previously located in Pinelands for about 6-7 years but their offices burnt down and were thus forced to find new premises. They decided to locate in Montague Gardens as it was close to many of their clients. They find the rent to be higher than in Pinelands, and they also have much less office space. They find the lack of parking a problem but are presently trying to negotiate with the landlord to purchase more bays for their staff. Currently, they have two bays which are included in their rent. The new premises are more modern than the old one, but PrimeServ claim that they don't really need that image of modernity. Of note is that there are approximately 30-40 recruitment agencies in the Montague Gardens area.

Many of their clients are situated in Epping 1 & 2, and Montague Gardens.

The location is also close to many of the labourers which they recruit, though workers come from all over the Western Cape such as areas such Brackenfell, Khayelitsha, Joe Slovo, Retreat, Bontehuwel, Delft, Manenberg, etc.

Labourers: Labourers are usually engaged in an open-ended contract. PrimeServ does not target any specific group or worker profile, and labourer's place of residence is not important when giving in their CVs. When finding and interviewing suitable candidates for their clients however they do try to push through those labourers/applicants which are closer to the place of work.

PrimeServ recruits their labourers by advertising in the paper. PrimeServ thereafter does all the reference and background checks. The skill requirements depend on the position available. Typically drivers would need Gr 8 or Gr 19, and the relevant driver's license, while artisans such as boiler makers, fitters, etc. would need the appropriate qualification of their trade and so on.

For artisan positions, PrimeServ often conducts the interviews for their clients while there are times when the client does it themselves.

Labourers typically travel by bus and taxi, there are no train lines very close by. The amount of time taken depends on how far away they live, so for example someone living in Mitchell's Plain would take about an hour to get to PrimeServ offices in Montague Gardens. Apparently bus/taxi trips from major areas such as Khayelitsha run direct, and workers do not need to take more than one mode/leg of transport.

Staff Profile:

At this branch, there are 15 staff members, 5 of which are involved with provision of training and operate independently. The other 10 staff members are either Client Liaison Officers (CLOs) or Business Development Officers (BDOs). CLOs look after clients while BDOs go out to sites and look for labourers. A technique that Wayne uses is going to churches and community organizations in different areas where he leaves his card for workers to contact or meet with him. These recruitment officers (both CLOs and BDOs) need to have qualifications and experience in labour relations. Experience in particular is very important. They need to be knowledgeable about wages, procedures, the legislation affecting workers and industrial relations, etc.

They also have a receptionist (African). For this position, an admin diploma is required.

Transport:

Staff members live all over the Western Cape-Noordhoek, Mitchell's Plain, Strandfontein, Heathfield. BEDs have company cars, by which they travel. They also receive petrol allowances (as well as cell phone allowances and other benefits.)

They used to have something of a lift club whereby officers with company cars would pick up other staff members who lived in areas on the way (or nearby) to the office.

University of Cape Town

Interview with George Diesel, Company Representative of Hosefit.
35 Neptune Street, Paarden Eiland, Ph: 021 510 4299/ 082 442 5261

Conducted by One' Mazile and Claudia Naidu, 10th April 2008.

Hosefit is involved in the manufacturing and supply of all types of hosing (stainless steel, hydraulic, mining, chemical, industrial, wine, brake, radiator, etc.), pipes and fittings to industry. They make hoses for ships, earth moving machines, and other related parts and products such as breaking pipes for motor vehicles. They import their materials from a supplier overseas.

Locational Choice

They have been located in Paarden Eiland for 8 years now. Prior to that they were in Pinelands where they were renting but wanted to expand and thus needed more space. They now own their premises. The choice of location was primarily the owner's decision. According to George though, Paarden Eiland is suitable for them as it is central, is close to the main highways which is good and also close to the harbour which is one of their major clients. They feel there is adequate parking availability in the area for their needs. That specific premises is particularly beneficial as one of their competitors is located opposite the road from them. This competitor however does not deal with 'off-the-street- customers (which Hosefit does). Often customers thus walk across the road to them and in that way they are able to increase their own customer base.

They usually deliver the products to their clients using a 1ton 'bakkie'. Their products are typically advertised by word-of-mouth or they visit potential clients.

As far as security is concerned, they have an armed response. There has been one break-in at the front of the store, where the computers are located (these were stolen) and some trespassing at the back. They have now put up barbed wire fencing at the back to prevent this. Aside from those incidences however, they do not find security to be an issue at all.

They speak both English and Afrikaans.

Staff Profile

They are 14 employees, working at the business. Three of these employees are casuals, picked up from the side roads. There are also 2 part time members. Though they are permanent workers, they are regarded as part-time in that they get paid weekly rather than monthly. This is so to avoid problems where they start taking off too many consecutive days of sick leave etc. apparently they come to work regularly when they work under this type of arrangement.

Three are female, two of which work in the office and deal with the admin, accounts, customer applications, and follow up on bad debts. According to George these positions require no formal qualification or education. The third female is a welder.

When asked about the job requirements, George claims that there are no educational requirements. He insists that all they need to be is 'technically-minded.' They provide training where necessary, but George explains that when they take on new workers, they show them what must be done and leave them to it. If they seem competent and able to the task, then they are kept.

In terms of race, there are 4 whites, 7 coloureds and 3 Africans.

Transport:

The owner (white) lives in Durbanville, George (white) in Parow and the shop-floor manager (white) lives in Bothasig. All three own cars and drive to work. George uses approximately 4 tanks of petrol; per month, which would amount roughly to about R1300 (this includes business and personal use). It takes him approximately an hour to travel to work. The two females who do the admin also travel to work with their own cars.

The other workers come from areas such as Darling (Coloured worker, travels by train at about R500 per month), Kuilsriver, Kenilworth, Eerste River, Bontehuwel (Coloured), Khayelitsha and Retreat (Coloured worker, this takes him about an hour to work by train, and costs him about R200). All of these workers travel by either train or taxi.

George explains that though the business opens at 8am, they are flexible as they understand that public transport is not always reliable, and road traffic causes delays for those who travel by taxi. They have no transport system in place for their workers.

Recruitment:

The location of the business has no bearing on who is hired, once again George insists that they simply need to be 'technically minded.'

They recruit usually by word of mouth. There are times when they advertise in the paper, but insist they do not set any criteria for applicants in terms of education, experience or skill.

University of Cape Town

**Interview with Manuel Mendez , Owner of R & M Boatbuilders,
10 Bridgewater Road, Paarden Island. Ph: 511 8500**

Interview conducted by Owen Crankshaw, One` Mazile and Ludwe Mbhele, 28th March 2008

R + M Boatbuilders trains and employs a number of low-skilled workers with physical disability (deafness). The trainees come mainly from Nolutshando School for the Deaf, Khayelitsha. The students at the latter school are trained to build a dingy. As such, it makes it easier for R + M to focus their training on advanced skills as the students have already been trained in the use of polyester. This skills development project is funded by the Department of Welfare, and its primary objective is to upskill these deaf students in boat building (e.g. fibreglass boat building) such that they are able to find employment in the shipbuilding industry. R + M makes a number of different boat designs, including a 20ft motor boat that is being exported to countries such as Holland.

Premises

R + M moved from Johannesburg to Paarden Island about 10 years ago. The size of the factory is about 1600 square metres. It is being rented. According to Manuel, rent in this location is not more expensive than areas such as Epping or Montague Gardens – it is R28/square metre on average.

Location

Paarden Island used to be Steel Foundry for Cape Town (late 1961) under the ownership of Snow & Company (a distiller firm which uses next door premises). The location is closer to the harbour, which makes it easier, quicker and cheaper for R + M to export their boats by sea, as most of their boats are sold to overseas clients (e.g. they use 12m containers to export 2 J.class yachts at a time) . R + M normally initiate deals by going out to look for potential buyers. The latter countries include USA, Germany, Holland, United Kingdom, France, Italy, and some yacht to Hong Kong. In terms of their overseas clients, they tend to transact with their clients through dealers. Local demand for their boats is small and the company transact with individual local clients directly and sales volumes are small as well. Local buyers visit their factor to view and negotiate deals on their products, as it is a norm with the South African market, that is, clients' tend to visit factories in person and want customized products. However, they are trying to discourage it as it tends to slower their production process and makes it difficult to cost.

Also, is easier for R + M workers to access this location as it is well served by a train service. Their (African) workers who rely on public transport live in areas such as Nyanga, Crossroads, Gugulethu and Khayelitsha. The rest of the workers use own cars to work, and they live in areas such as Bellville (Beth, the receptionist/bookkeeper – who come once a week); Sea Point (Peter, the carpenter), and Grassy Park (Ivan Cronje and his son). Both Peter and Beth are white, and Ivan is coloured. Access to this location translates to 80% work attendance.

Further, Paarden Island is in close proximity of suppliers of raw materials. Other raw goods such as glass fibre industrial products come from Airport Industria (matts and resin), motors and aluminium.

In addition, Paarden Island is a better equipped locality for their type of business. There are other boat builders that are located in Paarden Island (e.g. Jazz Marine Boatbuilders) with whom R + M interact, share knowledge, and exchange raw materials. However, proximity to other boat builders is not absolute, new communication technology makes it easier anyway. For instance, R + M is currently interacting with other boat builders in the West Coast (Mark Steven, Saldhana Bay), and the latter is making some boar building components for him. They also borrow materials from each other. Some of the boat builders are located in areas such as Woodstock, Epping Industria. Others, through government subsidies, are located in Atlantis. For the latter, a company purchases land and the government partners with such company. But such incentives don't seem to work for small businesses largely due to a heavy initial capital outlay towards purchasing the land.

Labour

R + M have about 15 low-skilled workers. 7/8 are from Noluthando School for the Deaf, Khayelitsha, and the rest have always been with the company. The Department of Welfare (via Whisper Academy project) subsidizes the training of the deaf workers from the above school. The shipbuilding industry went through a bad patch due to the shortage of skilled workers. The quality of finish of leisure boats is higher than usual and requires higher skill levels. The challenge with R + M is that they can't get better workers because they can't afford higher wages. Hence, their involvement with the Dept of Welfare's project.

R + M prefer bringing in family members to its workforce, for harmony in the workplace. For instance, an African fibreglass forewoman from Gugulethu has a son who works here; another woman from Khayelitsha also has a son working for the same firm; the receptionist/bookkeeper (Beth) is a sister to Peter, and Ivan Cronje has son working for this firm. Deaf workers mostly live with their parents.

Division of labour consist, inter alia, Grinding Foreman; Fibreglass Foreman

Recruitment & Skills requirement

Their low-skilled workers are recruited from Noluthando School for the Deaf and by word of mouth/referrals. They never place Ads on media. Generally, workers don't need to have a matric certificate but are expected to have manual skills. Would prefer matriculants to, for example, monitor the amount of resin used in the production of a boat on a computers system. But given that it is hard to get workers who posses such right skills, they accept workers with std 5 education. Women workers are more manually skilled than men at this type of work because they tend to have more patience in working in the production some of the products.

Transport

Peter and Beth (white workers) use own cars to work. Ivan (coloured) also uses own car. The rest of the African workers (except those from Gugulethu who walk from their homes to the nearest train station) use a combination of minibus taxis plus train services, that is, each takes a taxi from his/her location to the nearest train station and get off at Woodstock train station. From there, they walk a distance of about 2,5 km to work. On average, it takes the latter workers about 45 minutes for each journey. The same applies when they return home after work. R + M do not experience any problems associated with late arrivals or absenteeism from work. Workers have a record of 80% work attendance. Workers who rely on public transport do work overtime on weekends but can't work beyond 7pm because of the lack of public transport. Thus, if they are required to work later than this time, Manuel delivers the workers himself to their homes. In general, workers never had problems with public transport except after hours.

Security

Security is good. Have private security company patrolling the area.

Buildings

Old buildings can be a problem. Because of an old infrastructure (poor drainage system) the road floods in winter and water pours into the factory. So, newer areas might have better infrastructure.

Vacant Buildings in Paarden Island?

There are a number of unoccupied buildings in this location.

Plans to relocate in future?

No such plans for now, especially in light of the fact that the vast majority of their clients are in foreign countries, and proximity to the harbour reduces costs for their business.

Department of Welfare Project

More details are available in the whisper boat building academy website.

**Interview with Mr Hobbs, Plant Manager of Frankipile
Portland Road, Philippi; Ph: 315 137**

Conducted by Owen Crankshaw, One` Mazile and Claudia Naidu,

Locational Choice:

The respondent for the interview was Mr Hobbs, who is the plant manager of Frankipile. They have been located there for a relatively long time, 34 years to be precise; he says that it would be too expensive to leave the plot. When they moved there were hardly any buildings here, some of the other buildings in the area have been there as long as they have been. They have tried to improve things in the area. They are located next to a scrap dealer company which they find very toxic; they have reported the issue a couple of time to the municipalities and the police but nothing has been done. In addition to the scrap company next to them, there has been a lot of steel theft so they have upped they security.

They chose this location in Philippi because they find it very central. They are near the big highways, the N1 and the N2. They used to be in Paarden Eiland years before, but they moved because it is cheaper to buy property in Philippi. Mr Hobbs said that the plots are much bigger and cheaper, compared to other areas such as Airport Industria and Paarden Eiland. The plot is 14 000 square meters. As mentioned above they bought the property, that's why it's hard to relocate, they thought of moving to Brackenfell before, but it would cost them 5 Million rand to move.

Mr Hobbs also mentioned that the railway station, bus terminus and the police station nearby help the area. In the long run he believes the Philippi is the right way to go, so there is investment in this area.

Mr Hobbs says the advantages about Philippi are that it is easy for transportation in and out of the premises compared to Killarney gardens, Montague gardens and Paarden Eiland. They do a lot of moving around hence the low bed trucks and the normal trucks. He says Brackenfell traffic is very congested, and here the traffic is not that bad at all. Mr Hobbs says that Montague gardens is badly designed, getting in and out of it is really and issue, this is because traffic is made worse by Century City which is next door.

The disadvantage with Philippi is that the council will not tar parts of the road, and even though there is active business in these area they refuse to make the main road into a double carriage way.

Economic activity of the company:

Frankipile does repair work. They fix old machines or various types. Mainly machines that are used or building, Murray and Roberts is one of their biggest clients. They do have other several well known construction company clients. The main office of the company are not on site though, they are in Ottery. Mr Hobbs says that Philippi has a stigma because of crime. His boss moved the head office to Ottery because he was nearly high jacked, this was about 10 years ago. But the main problem in the area is the scrap yard. The tyres they burn all the time are extremely toxic and for them and the environment.

Labour Issues:

56 people are employed on the plant. 30 of these are general workers, of these 30 some are part time workers. That is all they need on the site, but no one is actually based at the side, they move around the country. Many of the workers come from or live in Gugulethu and Khayelitsha. They divisions of labour are as follows, they are general workers, they responsibility is to help load the low bed trucks and the trucks. They also employ machine fitters, mechanics and welders. They have clerks and cleaners and tea makers. The mechanics and welders and fitter are artisans. The artisans are of mixed race, they are black, coloured and white. They live in Gugulethu, Blue downs, Bellville, Diep River, Parow and Mitchell's plain. The secretary lives in the southern suburbs in Grassy Park. In terms of the qualifications of the workforce, the general workers are not qualified in other words they have no skills. The artisans are qualified respective to whatever it is they do.

Some of the artisans have their own cars, the rest uses public transport. 10 to 15 out of the 56 employees have their own cars. Transport is an issue when they advertise for qualified staff because Blackheath is a bit out in location to the rest of the city. Mr Hobbs says that BETTER public transport is needed urgently; he complains that the existing system is inefficient and irregular.

They recruit by word of mouth; they use no formal advertising such as newspapers for new jobs for general work. For specific qualified jobs then they would advertise by using agents. This means they would advertise for their fitters, mechanics and welders.

Safety and security:

Mr Hobbs says that the security measures they have are not enough. They have hired a company that 24 hours patrol. The company is extremely inefficient; they do not pay the security people they have employed enough so they have no incentive to patrol effectively. The perimeter of the company is just a fence therefore it is easier to break in. People break-in and steal metal for scrap. The factories and the workshops on site do have alarms, but they are times when they is metal and other light equipment on the premises. They have also had issues with internal break-ins, meaning that the staff who works on the premises break-in themselves, this is because they know where the valuables are located.

University of Cape Town

Interview with Megan Anderson, Manager at Sustainable Energy Africa (SEA)
The Green Building, 9B Bell crescent Close, Westlake Business Park, Tokai. Ph: 021 702 3622

Interview conducted by Ludwe Mbhele, 9th May 2008

Nature of business:

Sustainable Energy Africa is Section 21 Company whose primary purpose is to promote models designed to influence local government's policy on sustainable energy.

Suppliers:

They do not get a lot of supplies, except for the company that provides their IT support. But these too are also located around Westlake.

Clients:

Clients do come to their premises as SEA's location at the end of M3 means less traffic congestion for clients travelling from Cape town CBD.

Location:

Historically, this location was never developed – it used to be an illegal squatter settlement. The government then granted permission for the area to be developed into a Business Park. The Energy Development CC, as SEA was known then, rented premises in Noordhoek. There were involved in energy conservation solutions to individual households. Members of the CC decided, at the time when land plots were offered for sale at Westlake Business Park that they needed to have their own premises. This was partly for investment purposes as well as for the purpose of having a demo building to promote the concept of energy efficiency. Also, two of CC's directors and two other staff members were living closer to the Westlake, so the move proved convenient for all of them. While CC members still own the premises, with the establishment of SEA, a Section 21 company, the premises were *inter alia* rented out to SEA. There are other organizations renting out certain sections of the Green Building.

Public Transport:

Westlake Business Park is well served by the M3 expressway. There is a minibus-taxi service between Westlake and Retreat, so workers get dropped at the entrance (boom gate 450 per trip R128 1st class) of the Business Park in the morning and picked up after work in the afternoon. A single journey to work in Westlake from Retreat costs R4.50. In general, this location is poorly served by public transport.

Workers:

- Megan Anderson, white lady from Noordhoek, is a Manager. Commutes by her own car to work.
- Yashika, Indian lady from Observatory, is a Project Coordinator. Commutes by her own car to work
- Siphokazi, black lady from Westlake, is a Receptionist/Admin. Walks about 10 min to work. She used to work from Philippi and it was difficult for her to get to work, and they got her a place to rent in the Westlake.
- Zukiswa, black lady from Masiphumele, gets a lift from Megan to work.
- Peter, white male from Cape Town, drives own car to work.
- Another person who lives in Muizenberg, also uses own car to work.
- There is also a cooking/cleaning black lady from Westlake, who walks to work.
- Sivuyile, black male from kwaLanga, is a Project Coordinator. He takes a 5min walk to kwaLanga train station; takes a train to Pinelands or Salt River station; transfer to another to Retreat station. From Retreat station, he takes a minibus-taxi to entrance of Westlake Business Park. A monthly train ticket costs him R128 (first class), and a return journey from Retreat to Westlake by minibus-taxi costs him R9 per day.

Everyone is a professional worker, except the cooking/cleaning lady and the receptionist (?).

They once had workers, Bongi, from Mitchells Plain and Thandiwe from Bellville who are no longer with their company.

Recruitment:

They circulate ads to people that they have on their database, that is, a web based system or network of people in their sector. Also, they make use of both the Sunday times and Mail & Guardian Newspapers. They also recruit via UT Careers Development Programme as well as through PPP programme. They also recruit through word of mouth via current staff members.

Further, their recruitment process is also influenced by an agreement that was entered into between the government and the developers, which stipulated that preference in hiring should be given to workers from Westlake. It is for that reason that they also have workers from the Westlake. However, no quotas were demanded by the government, except that this was a necessary condition for the granting of permission for the Business Park to occupy this location.

Skills requirement:

All staff members are skilled people except the cooking/cleaning lady and the receptionist/admin(?).

Parking:

In light of the fact there is no adequate public transport system serving the location (except minibus-taxis from Retreat train station) everyone else uses a car to the Business Park. This puts a lot of strain on the limited parking bays available. As such, all tenants of the Green Building share the available parking bays. Tenants pay no additional fee for parking bays, its included in the rental fee. Parking is really a big issue here.

Security:

They had 3 break-ins in the last 2 months, and suspect that it was an internal job. Since the incidents, staff members no longer feel safe working extra time over the weekends. They do have a 24hr security company.

Secondary Interviews

**Interview with Garth, General Manager of Autotrade Supplies.
23-25 Manhattan Street, Airport Industria. Ph: (021) 380 8500**

Interview conducted by Owen Crankshaw, Ludwe Mbhele and Claudia Naidu, 27th September 2006.

Autotrade Supplies is a family business which is involved in the importing and distribution of motor spares such as filters, greasers, CV joints, wheel covers, and seat covers, etc. to spares shops and smaller traders in the South, in particular. Sales in the south such as Mitchell's Plain, Grassy Park, Lansdowne, Wynberg, etc. make up approximately 30% of their turnover, and approximately 20% of their turnover is from sales in the northern areas such as Brackenfell, Kraaifontein, Durbanville, etc. while the rest comes from their courier sales to areas on the 'other side of the mountain' such as Durban, Paarl, etc.

Autotrade Supplies has been located in Airport Industria for the last 7 months, thus approximately from February 2006. They were previously located in the Parow Valley area, but needed more space to hold greater amounts of stock and thereby attaining a greater turnover required to cover their increasing expenses as a result of changing exchange rates.

Their reasons for choosing the location in Airport Industria were threefold, namely:

- a.) The location suited the staff, as it was 10 to 15 minutes closer to their place of residence, hence making it easier for them to travel to and from work. For Garth management however, this location is further away.
- b.) It was central for local deliveries.
- c.) At that time, it was the best option available to them.

The land was being auctioned off, and Garth mentions that they were lucky to have found this location as land this size and at a good price is usually scarce to find.

The locational choice was important because they did not want to lose their long term staff. They are central, but also close to the South, where a majority of their local clients are.

There was minimal infrastructure built on the land as it was previously used as a car washing bay. The owner built the warehouse, workshop and other sections.

They are the only branch in the country and are not looking to open up branches as this is a business which can be run from anywhere and thus do not need a fixed office anywhere and can distribute from anywhere.

He shared that they are trying to penetrate the Khayelitsha market through preparing and training one of their sales staff who comes from Khayelitsha to go into that market as an external salesman.

It is a very competitive market, and Parts Incorporated (which is the buying arm for the Midas group), FEMO, and Supergroup (which is part of Imperial Toyota) are their main competitors. Price is the important variable in maintaining their competitiveness.

Many of their clients are informal operators. Garth in fact draws a comparison with regards to the way business is conducted in the north and the South. He explains that 30% of his clients in the South use more often traders who use informal systems such as COD, whereas clients in the north are usually bigger companies and who use computerized systems for orders, payments etc.

The clients in the South it appears, do not have nor do they seem to want account structures in place and prefer to deal in cash be it for religious reasons (i.e. Muslims) or to dodge tax.

This area, Garth mentions is good enough for them to keep going, as they have room for growth and thus he foresees no reason to move.

Garth mentioned that initially their staff had problems traveling as the public transport system is not that efficient. There are two bus routes running either through Airport Industria or just outside of it along Borchard's Quarry main road. The last bus is at 5 in the afternoons. Workers typically therefore start work at 7:30 and end at 4:30. The bus route that runs through Airport Industria makes a stop just outside of the Autotrade Supplies, which is convenient for the few workers who use public transport.

Staff:

There is a total of 36 to 38 staff, excluding the owner and Garth, the manager. Two of the staff are casual workers, subcontracted from Transman. When containers arrive, the casual staff assists in the offloading. They have been with the company for one month, and Garth says they will most likely stay on for the next three months. The rest of the staff are permanent, full time workers.

They typically all speak English and Afrikaans, which Garth considers to be generally required in this industry.

Up until 3 months ago, there had only been male employees but now there are 5 female staff members, one of whom is the cleaning lady, and the rest are in the dispatch, packaging, and accounts departments. Garth finds that the female staff are better workers in that they are typically more diligent, they conduct follow-ups, and that there are less problems relating to drugs and theft with female workers. According to Garth, the costs of having female workers are the same as for males and in some instances, they may even be more expensive for example, when it comes to maternity leave.

They are therefore gearing towards more female workers, which he admits is not typically the trend in this industry.

Racially, the staff are mixed.

In terms of education and qualifications, a matric grade is ideal but not necessary. Garth considers aptitude to be the most significant factor, especially because the industry is constantly evolving and changing which requires workers to constantly adapt and learn.

The staff thus consists of four drivers, whose education and race varies. There is one Indian, one Black and two Coloureds. They live in Brackenfell, Khayelitsha, Wynberg and Athlone respectively.

Drivers require better education as they handle money and cash payments when they deliver. They are also in constant contact and interaction with clients, and also need to know what products are theirs when clients return faulty items. They have standard 8 and above.

The pulling staff or retrievers basically pull the stock which is when orders come in, they receive a picking slips and a computerized system informs them of the bin location of the product they are looking for. They therefore do not need to know exactly where each type of product is located on the shelves, and perform routine work, for which very little education is needed.

They have store man who manages the storeroom. He has been with the company for 15 years. He started off as a retriever and was given the opportunity to grow internally. He completed his Standard 8 through Damelin College while working at the company.

There is one male who works in the workshop, who lives in the North. His assistant, also male, lives in Elsie's river.

There is one female cleaner.

The sales department consists of ten external and internal sales staff. They are comprised of white and coloured men and women. The sales staff comes from Platteklouf, Big Bay, Strandfontein, Edgemead Goodwood and Kraaifontein. The sales manager lives in Strandfontein. He has been with the company for 19 years and has also worked himself up.

External sales personnel only come on a Friday. They are reps and therefore follow certain cycles during the week.

The accounts department consists of two females, one who lives in Lansdowne and the other in Wynberg. The owner lives in Platteklouf and Garth lives in Big Bay.

Recruitment:

The majority of staff are employed through referrals by other family members i.e. employee networks.

Transport:

Most of the staff, that is, 35 out of 40, travel using private transport. For those who do not own cars, managers, or sales staff provide lifts. Thus there is a lot of sharing of cars.

Security issues:

Garth mentions that many people perceive Airport Industria as the 'Wild West' but they have had no serious security issues. He mentioned that the Diamond Liquor store has been robbed twice but this may be because they deal with 'shebeens' and hold a lot of cash, which is something they themselves don't do.

Deliveries:

They have four vehicles, with which they deliver to local clients. For deliveries further out of Cape Town, they subcontract a courier service.

They do not make use of air freighting, as it is too expensive due to the nature of their goods.

**Interview with Marlies Stephen, Assistant at Extra Attic Self Storage.
Airport Industrial Park, N2 Highway. Ph: 386 0386**

Interview conducted by Owen Crankshaw, Ludwe Mbhele and Claudia Naidu, 27th September 2006.

Economic activity of the company:

Extra Attic provides secure self storage services to both domestic and industrial clients who are, inter alia, either renovating their premises, needing extra storage or going away. It owns 600 garages. It charges a particular rate per minimum period of a month and thereafter on a pro rata basis. Some clients store their goods on a daily basis, and some for longer. Their clients come from various parts of Cape Town including but not limited to the CBD area. Households use its services to store stuff like furniture when, for example, they are busy renovating or moving houses. Businesses use the storage facilities mainly as a "their" warehouse (20% of the total is local).

Characteristics of the premises

Extra Attic established their business in this area about 8 years ago. They own land.

Ownership characteristics of the company

Extra Attic has 3 directors (German; New Zealand; and South Africa), they all live in Cape Town. The company owns land / premises. They do their business mainly by phone, email, and in person.

Labour issues

They have 3 cleaners, 2 of which work on Wednesdays, while the third works the rest of the week. All cleaners are females and they live in Philippi, they travel by taxi to work. The cleaning service is sub-contracted to a private cleaning company. Also, they have 3 security guards, each working one shift at a time. They are also subcontracted to private service provider. One guard who was also interviewed is living in Khayelitsha and travels by bus to get to work. In terms of the minimum skills requirement for their workforce, the ability to speak English and Afrikaans is recommended.

Location issues

The location is ideal because it is closer to the airport, and this makes it convenient for their clients who are leaving the province or country to keep their stuff. The other motivating factor for setting up business here is that the land was very reasonable at a time when they bought it; they needed a bigger space due to the nature of their business. With regards to crime in the area, they haven't experienced any problem since they moved in here. Besides, they belong to the Airport Industrial Association. Though a few break-ins have been reported, but not in their business.

**Interview with Chris Von Ess, Director of Stocks Building (Western Cape) (Pty) Ltd.
Manhattan Close, Airport Industria. Tel: 386 6336**

Conducted by Ludwe Mbhele and Claudia Naidu, 12th October 2006.

Stocks Building (Western Cape) (Pty) Ltd. is a South African-owned construction company, whose projects include hotels, theatres, resorts, retail, commercial, entertainment and industrial buildings and complexes in many South African cities. They have branches in all nine provinces.

The branch in Cape Town services the entire Western Cape region. The mountains serve as a national boundary around the area which they are willing to service. Chris mentioned Worcester Regional Hospital as the furthest they were willing to go. They mainly do local work, and do not have any international consultants.

Locational Choice:

They have been located in Airport Industria for the last 28 years. The land was bought in the 1970s and since then had been used to store their equipment. Their head office was initially in the North, but then relocated to Adderley Street, and thereafter to Loop Street, both in the CBD. At that time, the construction industry was booming and their development arm was getting leases to head important projects. This allowed them to occupy offices in 'glamorous' areas, considering that they were a construction business.

They had projects on Wale Street, where they subsequently bought an office and once again relocated their head offices. They also did office and hotel developments in the Waterfront, and also occupied some office space at the Waterfront.

When the construction industry started to suffer a dip, they first relocated their offices to Wynberg. The industry continued to dip, and as they owned land in Airport Industria, they decided it best to move their offices there, which they did 4 years ago. Since then, they have doubled their office space, and they plan to do extensions on their current premises.

The location is convenient for the company as it is close to the N2. Chris considers it to be value for money. He mentioned that Montague Gardens was too expensive, and thus not suitable. He also feels that the area is easily accessible, and that the company can service any work from that location.

The close proximity to the Airport was not really significant, in terms of the decision of where to locate. Chris did however say that when they were given a R660 million construction job at the Airport, being close by did make meetings more convenient for all, but that was a once off deal.

The position of the head office is also not significant in terms of where their labour is drawn from. Chris did mention however that the decision to relocate was hard as there isn't an efficient transport system in place, thereby making it difficult for workers to travel.

The company is involved at a number of sites, which are located all over the Western Cape at one time. Workers are thus said to follow the where the work is.

One of the problems with the area is the lack of leisure activities available for the staff during their breaks as opposed to the CBD and other areas they had previously occupied. Chris feels that staff not being able to escape the work environment by taking time outs, may affect them psychologically.

Staff:

On this premises [the Head Office], there are 25 workers. All of them are permanent.

The tea lady comes from the township. There are nine staff members involved in the accounts department, and one receptionist.

There are also contract managers who have offices at the site. They usually only come in two days however, as they are on site for most of the week.

They recruit through the media and also advertise internally.

Transport:

Some of the workers, who are employed in the yard-area, come from the townships.

Most of the on-site workers are also from the townships.

Most of the head office workers come from the Southern Suburbs, Northern Suburbs and the CBD.

Most of the workers from the township travel by taxi. There are 7 to 8 workers who have their own vehicle. They often provide lifts to 3 or 4 others.

Appearance:

There are sufficient parking facilities surrounding the business exterior. Upon entering onto the premises, one is met by a guard. The premises has a dual character: to the right is the dusty yard area, filled with construction machinery, and to the left, is the head offices building which has a modern corporate image. The reception and waiting area houses leather seats, many plants and magazines relating to latest engineering technology provided for visitors to browse through while they wait.

**Interview with Stanley Smith, Owner of SGB Cape-Scaffolding, Insulation and Painting.
Waggie Road, Blackheath. Ph: 905 0775**

Conducted by Ludwe Mbhele and Claudia Naidu, 01st November 2006.

SGB Cape is a business in Blackheath, which refurbishes and repairs old scaffolding. It is a locally owned family business, which has a head office in Johannesburg and one other branch in Durban. They have been located in Blackheath for two years. Blackheath is one of the older industrial areas in Cape Town, located approximately 45-50k from the CBD. They hire the premises for approximately R20 000/month.

Their clients are based all over the Western Cape. Customers deliver and collect their goods from SGB. Their main supplier is located in Johannesburg. Materials are transported by road. The other supplier is located in Blackheath, but they are only responsible for fixing any broken machinery. Thus, sending broken machinery to them is only a matter of convenience, as they are close by. If SGB were located elsewhere, it is likely they would send their machines somewhere closer to that location.

The owner chose Blackheath primarily for its centrality. Stanley said that he had initially wanted to set up in Paarden Eiland, but could not find suitable premises. Blackheath was also considerably much cheaper, as they need a big yard which increases rental prices.

Staff:

There are 19 permanent workers. They perform what Stanley terms 'basic general labour'. When recruited they are no educational or skill requirements. Stanley only requires that they be fit and healthy. Preferably, they should speak English and Afrikaans but Stanley says that he has an interpreter so it's not a problem if they can't speak any of those two languages.

None of the workers have welding certificates. Instead when Stanley recruits them he trains them himself. He also sends them on first aid courses and for those workers who operate the forklifts, they are sent to get their relevant license.

There are no female workers, except for the one cleaning lady. She is responsible for keeping the offices clean and neat.

All of the workers stay around the Blackheath area. In particular all but one comes from Mpvuleni. The last one comes from Khayelitsha. All of the workers are thus, presumably African.

Transport:

None of the staff own cars. They all travel to work by taxi. This costs workers from Mpvuleni approximately R50/week and the worker from Khayelitsha about R70/week. It takes them between 15 to half an hour to travel to work. Stanley mentioned that locating in Blackheath makes it easy for these workers to travel but if he had been in Paarden Eiland he would recruit from areas close by.

Recruitment:

SGB started off with only six workers. With time, many of them brought in other family members, for instance when siblings migrated in from Transkei and needed work. Stanley thus does not advertise when he requires more staff.

Security:

Since they have been in Blackheath, there has only been one break-in. Stanley believes it to have been an inside job however as only the pc monitor was stolen. Only the workers would know where this was exactly. Shortly before the break-in he had dismissed one worker. He believes that this worker was involved.

He mentioned that the prior occupier of that premise had been there for 10 years, and had only had two break-ins. They have a 24 hour security guard, which is outsourced from a security company.

University of Cape Town

**Interview with Louis Lopes, Manager of Mvelaphandla Engineering.
Epping Industrial 2, 27 Nourse Avenue, Cape Town**

Interviewed by One `Mazile, Ludwe Mbhele and Claudia Naidu, 11th October 2006

Economic Activity of the company

The clients include Eskom in Koeberg; SA Ports Operations; SA Navy; Dept of Water & Forestry, and PetroSA. Their business concept includes consultation; onsite installation; repairs and sales. They mainly deliver goods by road to clients as well as raw materials from suppliers who are mainly from Johannesburg. They also do work in some African countries and delivery to these is either by sea or air freight. They use forms of communication for business (internet; fax; tel).

Characteristics of the premises

The premises are being rented through Transcape, and costs the company approximately R16 per square metre. These are their 1st premises in Cape Town, apart from the fact that they also have branches in other provinces. They were offered these premises by Transcape officials when they indicated their interest to set up in Cape Town. In effect, they did consider other locations but Epping Industrial proved more central and well priced for their type of business. They do consider relocating in the future as Transcape is considering building new premises near the main road – talks are ongoing at present.

Ownership characteristics of the company

This is the 2nd oldest branch in the Cape Town.

Labour issues

In terms of occupational and skills level, they have Assistants at entry level; Semi-skilled (not qualified as artisans); Supervisor (qualified & experienced artisans); Administrative assistants (sales, credit & debtors, buying dept, finance dept); Managers (with a degree + qualified engineers); Directors. They have 220 workers in total, nationwide. 24 of these are in Cape Town branch. They come from areas such as Mitchell's Plain (admin assistants); Southern suburbs (qualified artisans); Northern suburbs; Bellville. Only 1 uses own car to work. Some use company cars. Some use train (35 minutes to work at R130 1st class, R70 economy class), 1 uses a bicycle. In terms of racial composition: African (1); White males (7); Indian (1). There are only 2 females as the job is very demanding. All workers are permanently employed. They use a private Placement Agency for their recruitment processes. Their location is not influenced by the source of labour. The minimum requirement they normally consider when recruiting includes inter alia the ability to communicate well in English. The company also provides additional training to workers, e.g. on safety and general job instructions. For instance, the apprenticeship training takes about 5yrs.

Location issues

Because it's a multinational company they get their raw material centrally in Johannesburg (it takes 2 days to deliver goods). Security has not been a problem in 2 yrs. There is a guard at night as well as during the day.

**Interview with Shaun, Owner of Tomotex.
37 Packer Avenue, Epping 2. Ph: 021 534 1795**

Conducted by One' Mazile, Ludwe Mbhele and Claudia Naidu, 11th October 2006.

Tomotex is a business involved in the manufacturing of fabric and textiles.

They are situated in Epping 2, close to businesses such as Maxidoor, Alsafe and Linpac Paper Converters. It is a locally owned, non-franchised business.

Epping (1 and 2) is one of the major industrial areas in Cape Town, which is situated approximately 10km East of the city centre. It is home to hundreds of factories, workshops and other related businesses.

Locational Choice:

Tomotex has been situated at that site for two years. They had previously been located in Parow where they stayed for 3 years. They relocated in search of premises which they could buy instead of renting. They considered this difficult to do as they found that owning a factory was very expensive. Shaun mentioned that the Southern Suburbs was particularly expensive as it was surrounded by residential areas.

The premises they found in Epping was convenient as it was relatively cheap and also because it is situated next to a dye house.

The location is central to their clients, who they claim are located all around Cape Town. They deliver orders to their customers, including those outside of Cape Town.

They conduct their business via telephone, fax and email.

Safety and Security:

Thus far, they have had no security problems. Their premises is surrounded by a security gate, and visitors are 'buzzed in.' Shaun mentioned that the development of the Epping Improvement District plays an important role in the safety and security in the area. Through this EID establishment, the area is patrolled day and night. Businesses pay extra taxes for this service.

Appearance:

Like many of the business owners in Epping, the owners of Tomotex do not seem concerned with physical appearances and images of sophistication. Its reception area is simply a counter, with no seating facilities. The business as mentioned is completely close off by a security gate, but adequate parking facilities are provided once inside.

Staff.

There are 13 permanent staff members. There is one receptionist, one tea lady; a driver and the rest are knitters and technicians.

The receptionist is a coloured female. The tea lady is African. The driver is Coloured. The Owners are White. Two of the technicians are Black while the rest of them are Coloured. All the knitters are Coloured. In total there are 6 females (the receptionist, tea lady and the knitters), and the rest are male.

In terms of skill requirements, there aren't any formal educational qualifications needed. Not even matric as a basic is demanded. The driver needs a driver's license however.

All workers speak English.

Workers are recruited by word of mouth. The business doesn't use any type of advertising.

Transport.

Two workers come from Khayelitsha, 1 from Blue Downs, 2 from Mitchell's Plain, 4 from Kuils River, 2 from Hanover Park, and the 2 owners travel from Bergvliet.

Four of the staff members, two of whom are the owners, the other the manager and the fourth, the driver, have their own cars. The driver travels from Mitchell's Plain.

The Coloured technicians and knitters travel by train from Hanover Park and Kuils River and the African technicians travel from Khayelitsha and Blue Downs. The tea lady comes from Khayelitsha as well. The receptionist who travels from Mitchell's Plain is the only one who travels by bus, and this costs her approximately R250 per month.

When the company moved, all the workers were maintained though were unhappy about the move, as they had to switch to a different train line.

**Interview with Jetta (Owner) and Peter (Manager) of VYE Graphics.
14 Denva Industrial Park, Fisher Avenue, Epping. Ph: 534 7368**

Conducted by Tegan Boyd, Owen Crankshaw and Claudia Naidu, 3rd May 2006.

VYE Graphics is a small business which manufactures and design signboards. They mass produce screen-printed signs and also create billboards, or what they refer to as development boards.

They are located in Denva Industrial park shared by 4 other small- to- medium sized businesses in Epping 1. These businesses appear to share a relatively suitable number of parking spaces in terms of their business size.

Epping is one of the major industrial areas in Cape Town, which is situated approximately 10km East of the city centre. It is home to hundreds of factories, workshops and other related businesses. The areas to the north and the West are residential areas, and a highway flanks the eastern border. A railway line from the CBD to Bellville runs along the South of Epping. Gunners circle which runs along the outer rim of the entire Epping 1 area was a racing track in the 1950s, which covered a distance of 3 miles and 440 yards. Due to the increasing industrial development that was occurring at that time, the circuit was forced to closed down.

Locational Choice:

VYE Graphics have been established at that site for the last 15 years.

The business was initially situated in Epping 2 but relocated after two years to Epping 1, when the premises which they now occupy was converted from one large factory to a number of smaller units. Jetta explains that they located in Epping 1 because she knew the area and that they considered it a central location which was suitable for a number of reasons. She claims that Epping is safer than the alternatives such as Maitland, Airport Industria and Paarden Eiland.

Jetta also reveals that Epping is cheaper than the alternatives due to the area being older and the buildings less 'upmarket'. Presently, they rent the premises for R10 000 per month. They mentioned that they have always been interested in buying the premises, but are unable to, as it is not a sectional title.

Epping is accessible via more than one of the major routes. The N2 from the CBD extends pass Epping on the East, and it is also accessible through Vanguard drive, and the M16. (See accompanying map).

Their business location is central to their suppliers and clients alike, as well as easily accessible to their workforce. Their suppliers of essential materials (ink, substrates, cleaning agents, etc.) to production are mostly located in Paarden Eiland. Some of their suppliers are also located in Ndabeni, Montague Gardens, Epping and Maitland, all of which are approximately within 10 to 15 minutes away.

They provide a delivery service to their local clients and make use of a courier service for clients further away. They have 4 small bakkies which are used to deliver the small screen printed signs, commonly used by Estate Agencies. Most of the production is done on the premises but the installation of the larger development boards is done out-house. Peter mentions that 'they go where the work is', and have gone as far as Mossel Bay, Langebaan and Nelspruit (vehicle signage only).

The premises consist of two levels and the floor is divided into sections where different activities are carried out. The upper level and the 'offices' have been 'home-made' and Jetta mentioned that they were in the process of knocking down one wall, in order to make use of otherwise unused space.

Jetta was extremely helpful and offered to show around us the shop-floor and describe the various tasks and activities involved in screen-printing of signs and the creation of development boards. The process of making small sign-boards is divided into a number of steps which begins with the initial creation of the screen with the necessary text, logos and other artwork. This is layered with a photosensitive emulsion and left in a dark room to dry on a vacuum light table. Once dry, the screens are used as a template to paint the design and artwork onto the boards itself. The ink is left to dry after each colour layer as only one colour at a time can be painted on. Each colour therefore requires its own screen. Once this has been completed, small ring-like pins are punched through the board at the four corners, through which the string is usually pulled through when tying the boards onto the necessary structures for display.

All of these tasks are clearly labour intensive rather than capital intensive, as they are all performed manually. All the shop floor workers appeared to be Black Africans.

For some signboards, the text and logos are not painted but printed out with the use of a machine that appears to work much like a sewing machine. It uses a type of needle to cut out the shapes of the letters, symbols and pictures onto sticky plastic material, and which are then peeled off and placed on the boards. These machines are kept in an office a level above and physically separated from the activities of the shop floor. It appears to be operated by two workers, who have to be computer literate and trained in certain programs in order to operate the machine. Of the two men present that day, one was White and the other Coloured. These tasks are therefore less labour intensive. Apart from the admin and managerial staff, there were no women workers on the shop floor.

We asked Jetta and Peter if they have ever considered moving and if so, where would they go? Both Jetta and Peter maintained however that they feel there is absolutely no reason to relocate, and that even if they changed premises, they would want to remain in the Epping area. Their reasons are that their clients know where they are, the area is safe, and that they simply would not have the time to close shop and relocate.

Safety and security:

As mentioned, Jetta considers the area to be safer than most of the alternative areas. She states that they have experienced no problems thus far.

From my observations, the industrial park itself does not appear to have any security guards, or at least not during the day and the entrance to their industrial park-like area is closed off by a large electronic gate, which is left open during working hours.

Transport and Staff:

The workforce comprises of 16 shop-floor workers, Cindy the receptionist, Shaamila who is involved in graphic designing, Jetta, Peter and one other involved in management or admin, making up a total of 21 workers.

The majority of their labour force are the low-skilled shop floor workers. Their duties involve the cutting of boards, creation of text and symbols to be screen printed on boards, the screen-printing, drying and stacking of boards, etc.

Workers are hired with minimal skills and are given on-the-job training. Usually they are hired as casual workers during the busy periods and this is used as a way of thereafter selecting the most suitable workers for longer-term employment.

Besides the necessity of being able to communicate with management, there are no other minimum educational or skills criteria for applicants. Jetta however reveals that they are not too strict about the English-speaking criteria as they have one worker who does not speak English but they appear to communicate well enough with him regardless. She mentions that his co-workers also help out when necessary.

Riggers who are involved in the installation of development boards require slightly advanced skills compared to the other shop floor workers. They are also trained on the job but require a driver's license.

Jetta mentioned that when advertising available jobs, they do specify certain criteria such as the possession of a driver's license and computer literate but that they do not turn applicants without them away.

All of the admin and management staff have access to car transport. Shaamila gets picked up and dropped off from work, Cindy has her own car, and both Peter and Jetta travel by car too.

Most of the shop floor workers come from Khayelitsha. One is from Philippi and another from Nyanga, and one or two others from Gugulethu. All of these areas provide easy rail and other public transport access. Most workers make use of a combination of both train and taxi travel. Those traveling by train, usually take the Khayelitsha-Kapteinsklop-Cape Town line, whose destination starts at the Khayelitsha station. Workers leave the train at the Langa station, which is just opposite Gunner's circle in Epping 1. They also make use of taxis to and from the station to their homes in these township areas.

Two others travel by Golden Arrow Buses to and from Khayelitsha and two others drive.

The railroad runs along both Epping 1 and 2, and is therefore very close by for workers.

Appearance:

As a business that is involved in manufacturing of signboards entailing labour intensive operations, the premise has a very crude appearance. Unlike other modern day service companies, clients of this business are usually not as concerned with physical appearance and sophistication. It is thus not usually a significant factor and does not appear to be a concern or a priority for Jetta and Peter. Parking facilities are easily available and it is usually this factor that most clients would regard as important.

Interview with Gideon Van der Walt of Bryco (Pty) Ltd. – The Sheet metal Service centre.
7 Drill Avenue, Montague Gardens, , PO Box 37215, Chempet 7442. Ph: 551- 5981

Conducted by Tegan Boyd and One` Mazile, 10th June 2006.

Bryco was established in 1994 and taken over by the Kulungile metal group, which it is now a subsidiary of ?. They specialize in decoiling, stainless steel brushing, material PVC coating, cutting, notching and marking, CNC bending and CNC punching. [CNC probably means 'computer numerical control']

Economic activity of the company:

They cut parts of industrial machines, the metal they use is sourced from a company called Columbus stainless in Middleburg, which also happen to be a subsidiary of the Kulungile metal group, thus they deliver free of charge. The company's clients are mainly located around the Western Cape. They are mainly in the catering industry and engineering sector.

The company relocated to Montague Gardens due to growth, thus moving in 1999, Gideon does not know why the company chose the current location, as they was a management and he was not involved in the decision making of the new location. The premises is rented, the rent is 30 Rand per square metre.

Ownership characteristics of the company:

The owner of the company is not the manager. Bryco was bought out two years ago are by the Kulungile Metal Group, the reason for their current location on these premises is that they have a five year lease obligation.

Gideon would like to relocate after the end of the lease, to Brackenfell or Blackheath due to the fact that their major clients are there.

Bryco is a subsidiary of the Kulungile Metal group which incorporates Baldwin Steel and Stalcor, it is locally owned, and the company has 49% percent of BEE (Black Economic Empowerment) shareholding. The rest of the company is owned by ABSA and DMT Man Trust.

Gideon is not currently interested in location change, but when the lease expires he expresses that they wouldn't necessarily stay in their current premises but they would move to alternative premises still in Montague Gardens. The major factor of location choice is centrality.

Labour Issues:

The Bryco staff are mainly floor metal workers, from Grade H to Grade A. They don't have apprenticeships on the premises. They do a lot of training on site, so the workers do not necessarily need to be highly skilled. The workers are sourced from Agencies, he choose not to tell us what agencies they sourced from. Higher positions are sourced internally, within the group, if they cannot find someone internally then they will outsource.

The main language of communication in the business is Afrikaans and English, but English is the 'official' language of the company. The drivers need to know how to speak English for documentation purposes, and they also obviously need a valid driver's license (code 10).

Bryco does not really work with temporary workers; the company has 3 temporary employees at present. The workforce is mainly coloured and black males; they are a few white workers on the floor. Majority of the workers live in the Cape flats area, e.g. Delft, Elsiesriver. They commute by taxis and train.

Gideon though is unaware by the costs and the time these transport modes take. Before it was taken over by Kulungile, the company used to have a lift club where workers were picked up at certain points but due to standardization, wages have been raised to include transport costs.

As mentioned the labour is recruited internally and the onus is on the worker to get to the site. Basically their attitude is that if the worker cannot get to work, there is no point in him/her applying.

Location Issues:

Bryco is only interested in industrial areas for location choice. The transport they use mainly road, they have their own truck for transporting to customers. They deliver to major customers; there are some customers (quite a few) who prefer to pick up their goods.

They use all forms of communication, being email, phone and face to face. Gideon mentions that the rent is cheaper in the North, thus possibly preferring to relocate. As mentioned their largest customers are also located in the North.

University of Cape Town

**Interview with Serge Jeannet, Branch Manager of Daikin Air Conditioning South Africa PTY (LTD).
Drill Park, Drill Avenue, Montague Gardens, 7441. Ph: 551 7776.**

Conducted by Tegan Boyd and Claudia Naidu, 12th June 2006.

Daikin Air Conditioning is a distribution centre for air conditioning systems imported from Japan and Europe.

They are located in Drill Avenue, Montague Gardens. Other businesses in the close vicinity are typically involved manufacturing, and include Bryco Metals, Form Scaff, Maxi-Cube, and Brandt Engineering.

Daikin is a foreign owned company, part of a Japanese corporation. The company has been established in South Africa for 35 years.

The goods are shipped internationally, and delivered to their Montague Garden distribution centre, by an independent shipping company. They also have company branches in Durban, Johannesburg and a distribution centre in Windhoek, Namibia. Elsewhere in Africa, the company also exports to Angola and Mozambique.

Daikin has about 25 dealers in the Cape, found in the Southern and Northern suburbs, Stellenbosch, Blaauwberg, Town, and Sea Point.

The distribution centre is primarily involved in sales and the delivery of air conditioning systems to clients all around the Cape area. They provide a delivery service to their clients, and are willing to go as far out as Paarl and Worcester. For clients located further away however, they prefer to outsource transport. Daikin does not generally provide installation services, and instead clients are expected to employ their own contractors to install the systems. As the equipment is supplied under warranty, if clients' contractors encounter difficulties or are unable to install the systems, Daikin's technicians are sent out to help.

They used to have a manufacturing branch in Claremont, but due to a company takeover a few years ago, the company policy changed. As a result, the company is presently only involved in importing and sales.

Locational Choice:

Daikin has been established in Montague Gardens since 1998, hence 8 years. Prior to their relocation, they were in Paarden Eiland. Due to a growing business, and an accompanying need for space, they had to look for bigger premises and found a suitable location available in Montague Gardens. When moving, Serge says that being central to clients and not too far from town, where the company had dealings with consulting engineers and architects were important considerations. He found Montague Gardens convenient due to its centrality.

The business site consists of one large building, divided into two big store rooms, a workshop, the Head Offices, and a sales office.

Serge mentioned that he feels they have also outgrown their current premises, and he was looking to relocate again. As the decision maker of company location for their Cape Town branch, he would like to remain central, hence stay in Montague Gardens. He feels that moving to Paarden Eiland however would be even better, as he feels it's more central, but considers that the buildings are much older and smaller and hence not as suitable.

Other considerations involved in the decision of where to move, regards traffic and finding a premises which they could purchase, instead of having to rent. Serge mentions that finding a suitable location is not easy, especially when one has to settle for renting premises. He explains that owners generally do not like their lessees to modify buildings, and change layouts. As the same time, however, every business needs their own unique combination of space for their work floor, their offices and their store room. He therefore feels that renting premises restrains one from finding their 'right' combination for their office and work shop areas.

With regards to traffic concerns, Serge feels that traffic is a problem wherever you are in Cape Town, and that the situation as compared to 5 years ago, has only worsened. He mentions that transport is a common problem for everybody: in the morning it is an issue for the staff and in the afternoon, it is a hassle for the moving and transporting of goods.

Safety and Security:

According to Serge, they have been few problems relating to safety, primarily problems of trespassing but nothing too excessive. They have however in addition to a security gate, have installed an alarm system.

Staff:

The distribution centre comprises of approximately 25 employees.

Within the workshop, there are 3 full time technicians, all male and 1 assistant to the technicians, who is also male. They are responsible for repairing faulty units which break under warranty and as mentioned aid clients' private contractors in installation, if and when necessary. All 3 technicians are trained in refrigeration and air conditioning systems, and possess a mechanical engineering qualification or some similar degree. The assistant, who is also employed full time, generally helps the technicians and looks after the housekeeping of the store rooms. All these technicians are White while the assistant technicians is Coloured.

When recruiting technicians the company makes use of a recruitment agency. They require that technicians be experienced in refrigeration and/or air conditioning systems. If they do not have an appropriate qualification from an appropriate technician, then they must have had done an apprenticeship within in the specific field.

When a container arrives and help is needed with the offloading, they make use of casuals, which are usually male. They are not however formally employed, but instead are found on the street corners or walking about looking for work in the area. Typically, two to three people are hired for the day or sometimes half a day. These casual are either African or Coloured.

There are also two permanent drivers, and 3 permanent packers, who also load goods onto the trucks. They are all male.

Typically, the drivers are required to have a code 10 driver's license, and should also have a friendly personality as they interact with clients often. Packers are generally not required to possess any skills or education. The packers and drivers are either Coloured or African.

In most instances, certain casuals used in the offloading of trucks, and who have been employed on many occasions are asked to stay on and are often offered the position as packer. When looking for drivers on the other hand, the company makes use of an agency, through which advertise. No skills are required of these workers, aside from the driver's license.

Within the sales office, there are 6 sales personnel, one of whom is Serge. There are two females, and the rest are male. They are all white.

They spend a great part of the day on the road, meeting with current and potential clients. There are different levels of sales staff, depending on which product they are responsible for. Each of the sales persons are also given responsibility over a certain number of the 25 dealers situated around the Cape.

For the more sophisticated product, the sales staff requires a degree in mechanical engineering or a similar qualification while for the domestic air conditioning systems, previous experience in the field or an apprenticeship with fridge or air conditioning mechanics is required.

There are 10 people employed in the Head Offices and Admin. They are also all white. They comprise of an accountant, two planners, the boss, one receptionist, two secretaries, two invoice clerks, and one person responsible for organizing the shipping orders from Japan and Europe.

Each of these functions requires different qualifications. In particular the, the accountant requires a degree in accounting or business science. Persons involved in planning require a Bcom degree in logistics and analysis. The secretaries are required to have a completed a secretarial course or alternatively, have adequate experience. Invoice clerks are required to be computer literate, in order to operate a number of programs and also have good typing skills.

Some of the basic admin staff are recruited from within the company. Before outsourcing therefore, their first choice would be to look at the current staff such as packers and drivers, and determine if anyone is suitable for the position. For example, their one invoicing clerk was initially the tea girl. She however proved that she was capable of fulfilling the position, and was promoted.

When staff cannot be promoted to fill available positions, the company recruits suitable employees through a recruitment agency. The requirements applicants are requested to fulfill depends on the nature of the position, as described.

Aside from the packers, casuals and drivers however, all of the staff require a basic matric and depending on their function, a relevant degree.

All of the staff speak English and most also speak Afrikaans.

Transport:

The technicians often work away from the centre and therefore have a company vehicle. One technician travels from Green Point, one from Durbanville and the last from Brackenfell. The technician traveling from Durbanville provides a lift to the assistant technician.

Two packers and the drivers live around the Cape Flats areas. They travel by train. Some take a train to town, where they are picked up and transported to Montague Gardens by the technician who lives in Green Point. The last packer comes from an area surrounding Montague Gardens and walks to work. The casuals usually travel from surrounding areas or the Cape Flats.

The six sales personnel live in Noordhoek, Gardens, Hout Bay, Parklands, Durbanville and Serge who lives in Tokai. They all travel by car, and are given a car allowance.

All of the Head Office and Admin staff travel by car, from areas all around the Cape.

Interview with Bradley, Owner of Fabric and Textile Warehouse.
37 Montague Drive, Montague Gardens. Phone number: 552 2878

Conducted by One' Mazile and Claudia Naidu, 31st July 2006.

Fabric and Textile Warehouse is a locally owned manufacturing, storage and retail outlet involved in curtaining, dress fabrics, upholstery, and other sewing-related accessories.

The company is situated in Montague Drive, a major roadway in the area, extending off Koeberg Road, which is connected to the M5 and also easily accessible via the N7 [off the major NI freeway].

Fabric and Textile Warehouse is close to well-known businesses such as Makro, Penny Pinchers, and the Spar Distribution Centre.

The business is part of a locally-owned franchise and has branches in Durban, Johannesburg and the Eastern Transvaal. They import their stock from countries in the East such as Thailand, India, and Hong Kong. The stock is stored at the Durban branch, from where it is distributed to the sister branches mentioned above.

Their clients are all people involved in the sewing industry, renovators, events companies, and literally any individual off the street wanting fabric, haberdashery or other accessories for dress, quilting or curtain making. They also make cushions, curtains, bedding, towels, and other types of linens which are stocked and can be bought at the outlet.

They do provide a delivery service to local clients, but when it comes to areas far away such as Stellenbosch, they prefer to use a courier service.

Locational Choice:

Fabric and Textile Warehouse has only been established in Cape Town since July 2005.

Their reason for locating in Montague Gardens is that their business is the first of its kind in the area. They also felt that being close to the Makro Trade Centre would provide their business with good coverage i.e. in terms of picking passing trade. Their choice of Montague Drive in particular was also logistical, as they believed the steady stream of traffic on that main road would also give the business good exposure to potential clients.

Bradley mentioned that because they had only been there for a year, they could not as yet confidently say that Montague Gardens is working out for them. He mentioned that many customers don't realize that they are a retail store because they are generally surrounded by industrial businesses, which may mislead potential customers.

For most customers however, the location is easily located and accessible.

The location is also good due to its easy access for rail and truck delivery.

Appearance and Floor Layout:

As it is located on a major main road, a good public image is necessary to attract new customers. This specific location also provided a good deal of space, allowing them a good floor space where customers can walk comfortably between aisles and which also allows all types of materials to be well-displayed for customers.

The location also provides ample and free parking spaces for customers, which is beneficial to business, and is generally considered as a prime factor when it comes to locational choice.

They believe that the convenience of supplying all types of textile-related products under one roof at relatively cheap prices is what mostly attracts customers to their store. Bradley mentioned that he knew of no other store that supplied the range of materials and upholstery as they do, which gives them an edge in the market.

The layout of the store is typically that of a retail outlet. Customers enter and are met by aisles with layers of fabric rolls, curtain textiles, batting, tapestries, stands holding haberdashery products, shelves of towels, linens, bedding and displays on cushions, poofs and pillows.

At the back of the shop, there is another room where the materials are cut and sewn to make the cushions, bedding, curtains and other linens. All the input materials used in these processes are usually imported from the East.

Staff:

The workforce comprises of six permanent workers.

All workers start off on a three month contract, and are thereafter made full time. Four of the workers operate on the floor, while the remaining two work in the back room where they cut and sew cushions, beddings, etc.

The four sales workers are typically required to be literate and at the least have a matric grade. The ability to speak English is important in order to communicate successfully with customers.

They are all provided with onsite training, where they are taught how to measure and cut fabrics.

One of the workers, Liesel, with whom we briefly spoke operates the till, and is not usually involved in measuring and cutting activities as the other three are. She has been working there for a year. Aside from Liesel, there are two other females Nomsa and Charlotte, and one male Graham. Nomsa, Liesel and Graham all speak English and Afrikaans, while Charlotte who is from the Congo speaks English and French.

Liesel and Graham are Coloured, while Nomsa and Charlotte are Black.

The owners are White.

Bradley mentioned that they are having some difficulty with Charlotte and Nomsa when attempting to teach them how to operate the computer. He explained that all they need to do is punch in three numbers, but for some reason they cannot wrap their heads around it. They just do not seem to learn and he cannot understand what the problem is.

Both of the seamstresses who work in the backroom are Coloured females. Typically, these two seamstresses are required to have greater skill with regards to sewing and making household items, than the shop-floor workers. When they are recruited, they should have good experience in sewing but not necessarily any educational qualifications or language abilities.

When recruiting Bradley mentions said that they usually advertise in the Classifieds and local newspapers. When advertising, they request that applicants fax or bring their C.V.'s to the business, which allows them to select those which they consider to be best suited for the position based on the types of experience they have.

Transport:

All workers make use of public transport, specifically the bus. It typically costs them between R200 and R400 a month.

Liesel for instance, travels the furthest from Elsie's River, which costs her R400 each month. Nomsa who lives in Joe Slovo, and is within walking distance and thus does not spend a great deal on transport. Charlotte travels from Woodstock which costs her R300, and Graham who lives in Athlone spends R220 per month.

The time spent in transit typically ranges between 30 to 45 minutes each way.

The two seamstresses come from the Cape Flats area and travel by bus.

Bradley mentioned that they take on workers from anywhere, as transport is not their responsibility and hence, as long as the worker gets to work, any area would do.

There is a bus stop just outside the business, which Bradley suggests is what workers typically look at when they apply for a job, in other words, 'how far is the walk to work from the bus or railway station.'

The owners, Bradley and one other female, have their own car and travel from Sea Point.

University of Cape Town

Interview with Russell Judds, Human Resource Manager of Linpac Distribution: Plastic Packaging.
3 Graph Avenue, Montague Gardens. Milnerton. Ph: 529 380

Conducted by Claudia Naidu, 12th July 2006.

Linpac Atlantic Forming Distribution is a company which mass produces food packaging. Most of their containers, trays and other packaging forms are made with polystyrene plastic and foam materials which are manufactured on site.

The company is located in Montague Gardens, and covers a large area extending along Graph Avenue, Service Road and Railway Street. Other businesses in the vicinity of this company all appear to be involved in high-scale manufacturing activities. Graph Avenue, the formal company address, is located just off Montague Drive, and part of a larger area home to hundreds of other factories, manufacturers, and distributors. The industrial area is surrounded by residential areas, such as the lower income Marconi Beam and Brooklyn areas, and relatively higher income Milnerton and Monte Vista areas, and the newly developed high income apartment style Century City area. The area runs along Koeberg Road, connected to the M5 but is also easily accessible via the N7 off the major NI freeway. Close by is the Ysterplaat Airforce Base, Canal Walk shopping Mall, business parks, popular athletics and sports grounds and the Milnerton Turf Club racecourse.

As the company is part of a larger group, it has Plastics divisions in France, England and other international cities. Linpac Mouldings, also part of the Linpac group is situated in Atlantis, Cape Town but Linpac Atlantic Forming Distribution generally does not work with the Mouldings division on a daily basis. Within South Africa Linpac Atlantic Forming Distribution is the only division involved in the manufacturing process but the company has other distribution and storage warehouses in Durban, Port Elizabeth, Bloemfontein and Johannesburg.

The company delivers to its clients, whom are mostly farmers located in relatively far out areas. Other clients include Woolworths, MacDonald's, Rainbow Chickens and generally most produce that uses foam packaging.

Appearance:

As a company involved in manufacturing, it does not require an image of sophistication or intellectualism. It is also not involved in on site sales and instead deals with other big companies whose orders are usually standard, and thus simply entails the delivery of orders.

The site however provides a good impression of the company in terms of its commitment to ensure good operational practice and maintaining the safety needs associated with food related products. The area was very clean, orderly, and well spaced all of which, I think, serve to create a perception of quality, sanitation, and a consideration over the environment, which is generally a concern associated with plastic products.

Locational Choice:

Linpac Atlantic Forming Distribution has been located at that site for the last 13 years. It is a foreign owned business, part of Linpac Plastics which is in turn part of the Linpac Group of the United Kingdom. The business was originally owned by South Africans, and was then simply known as Atlantic Forming. The owners were involved in packaging for a long time and were initially situated in Atlantis and then Paarl, but moved to Montague Gardens at a later stage. Russell, not having been there at that time was unsure as to the exact motivations behind the relocation but suggests that **company expansion** and the need for more space may have been the main reason. He also suspects that at that time Montague Gardens was being marketed really well and that Epping, a popular area usually favoured by most small to medium sized businesses, was becoming very congested, and hence possibly disfavoured by the owners.

The company had always been involved with the Linpac group, but was formally taken over two years ago after a gradual phasing in process.

Russell does not foresee any consideration of relocation by the company owners. He admits that the area appears to be becoming very congested, but considers that to be something occurring in most areas and therefore not peculiar to Montague Gardens.

The Layout and Production Process:

On the site, the company consists of a large production area, a raw materials store, thermo-forming area, four reel stores, three finished goods stores, a small equipment store, a small workshop, a loading area and a large warehouse. As mentioned, it covers a large surface area and also has sufficient parking facilities available for visitors to park just outside of the reception area, off Railway Road, while staff and company vehicles occupy parking spaces within company premises, secured by access gates and other control points. Generally however, they do not require a great amount of parking spaces for visitors and clients as it is involved in production and is not involved in on-site orders and sales.

The packaging is made of polystyrene, made by machines which create the foam pellets easily identifiable in foam products. Other machines transform and mash the pellets into giant reels which thereafter go through a curing phase for a couple of days. It then becomes the foam sheets, which are then moulded and punched into the required shapes. At the end of the assembly lines, it gets packed into rows and is then placed on conveyor belts and transported to the warehouse, where it is stored until distribution to the various outlets occurs.

The packaging and quality checking areas of the production process are considerably more labour intensive than the maintenance activities involved at the various stages.

Being part of a larger international group, Russell emphasizes that there is a constant need to ensure that the latest technology and process forms are adopted in their production and that development is always a priority.

Safety and Security:

Access onto the premises is very controlled. All production equipment and facilities appear to be securely contained within the buildings with few areas of entry. Access into the reception area is just as strictly controlled as each visitor is requested to provide personal details and allow a photograph to be taken. All visitors are issued with a temporary personal Control Pass which allows but restricts you to access and leave only those areas one has been given authority to enter. Once at reception, a member of staff is to be responsible for each visitor throughout their visit. Other areas are controlled by guards or electronic gates, both of which require the presentation of the relevant Control Pass to be entered.

Russell mentions that the company has experienced no problems relating to crime or security. The production processes involved and the types of raw materials involved however requires a commitment to regulating the movement, behaviour and accessibility of workers, visitors and trespassers on the premises and a strict accordance to all rules.

Staff skills and Recruitment:

The workforce comprises of 300 permanent production workers, of which 175 to 200 work as packers. The rest are involved in the maintenance activities and production process. There is also one head packer, one operator, one machine setter, a senior operator and a superintendent. Most, if not all of these workers are female. Typically, packing activities are considered as the entry level positions and require few skills, and workers are usually given on-

the-job training. This is the lowest grade of work and there are no educational or language requirements. Most of these workers are Coloured, and the rest are African.

Within the other production activities however, females are rare as there are not many qualified artisans to take those positions. Typically, workers in the maintenance activities are required to have an N3 or N4 qualification or be a qualified artisans/fitters. I asked Russell if the level of experience a candidate has could be substituted in place of a formal qualification and in response, he stresses the importance of the qualification, but mentions that there have few occasion where they have taken on people who were apprentices and who showed good potential. Before recruitment however, they were sent to technikon to complete the examinations, evaluations and practicals in order to obtain the necessary certification. Most of these workers are Coloured, and the rest are African.

Most of the production workers in the entry level positions are recruited by the company. Often and strangely enough as well, recruitment is done by workers themselves. Sometimes when workers are sick or are not able to make it to work anymore they send family members from the same residential area to take their place. Russell however says that they have been intensifying the induction process and he wants to start implementing more formal methods of recruitment. In particular, he wants them to be interviewed properly and wants the minimum criteria for recruitment to be some form of matric. His reasons for this is that he feels that too often when companies are growing fast, workers are just taken on with no form of formal recruitment and selection process. Due to the changing nature of work and an evolving business, sometimes when the business reaches a certain level or capacity, those workers don't fit in anymore but there is also no easy way for the company to let them go.

Russell therefore feels that having a certain level of education or qualification provides a platform on which to move up higher within and as the company grows.

They also have approximately 70 contract packers, who work according to the number of lines in operation. Depending on the project, the level of absenteeism and the season, the number of contract workers therefore fluctuate. These contract workers are typically outsourced and when not working within this company, work in other factories and businesses. Most of these workers are Coloured, and the rest are African.

The company also has about 30 people involved in admin and management activities.

The types and levels of skills of these workers depend on the position they will be filling in the company. They consist of sales personnel, accountants, human resource personnel, managers etc. The skills and education required depends on their function. Usually the basic skills such as matric and pc literacy and in some instances short courses are the norm for secretaries. For each position the relevant degree will be required, therefore the accountant will require a Bcom degree, etc.

Russell mentions that they are not like other firms and do not often take on top graduates unless the position requires it. When recruiting, they advertise internally before looking externally. They do not use newspapers but instead use an agency to select suitable admin staff which are then interviewed by someone from the company. The reason for this is that it allows them to be involved but from a distance and thus saves them time.

Russell expressed that the company spends a great deal on skills development. Responding to my request that he elaborate on the types of programmes they are involved in, he mentioned primarily soft skills development and in particular, general management areas. They also have a company mentorship programme running at the moment for people involved in just below middle management levels. It allows for workers to be trained in management and communication.

I also asked Russell that when selecting workers, how jobseekers' differing residential locations play a part and influence recruitment decisions. He reveals that though new legislation prescribes that there should be no form of discrimination, a selection has got to make business sense and therefore if two workers were similar on all grounds except where they lived, he would choose that worker who lives closer to the business.

Transport.

While admin and managerial staff as expected work typical business hours, the production staff work in shifts from the early morning.

The admin and managerial staff live in various areas around Cape Town. They all either own a car or have some form of private transport such as car pools or family members who pick them up.

90% of the production workers on the other hand come from Atlantis and Paarl. The reason for this is that many of these workers moved with the company when it relocated from Atlantis to Paarl and to Montague Gardens.

When the company moved, they wanted to hold onto the workers they had already trained in the production processes and they therefore established a taxi system which would pick up workers from their homes and drop them off just outside the business location. This explains why newer workers also come from Atlantis and Paarl, due to the efficient transportation system available to them. The system is subsidized by the company, currently at a 60-40 rate, but the company wants to lower it to a 50-50 proportion. The proportions workers provide to the taxi service are deducted from their wages.

Those workers who do not come from Atlantis and Paarl come from Summer Greens, and other areas close by. They make use of taxi and bus services which run along most popular and busy roadways.

Not all of the workers residing in Atlantis and Paarl make use of the taxi service however. Russell explained that it is a highly unionized environment and that only those workers involved and part of the bargaining unit make use of the taxi system. Other workers however, are still provided with a transport subsidy equal to the proportion union workers receive. This amount is added to their wages.

**Interview with Tyron, Sales Representative of Lukas Quality Abrasive Worldwide.
2 Twickenham Park, Marconi Road, Montague Gardens. Phone Number: 551 0090**

Conducted by One' Mazile and Claudia Naidu, 04th August 2006

Lukas Quality Abrasive Worldwide is a manufacturer of abrasive materials, such sandpaper, cutting discs, grinding discs, etc.

The company is situated within an industrial area, Twickenham Park. Other businesses and factories in the park are involved in activities ranging from clothes, gifts, motor parts, and light bulbs. The park itself is located on Marconi Road, and surrounded by businesses such as Trellidoor Burglar Proofing, a demolition contracting company and major board companies such as Lumber City and Penny Pinchers.

Foreign-owned Lukas Quality Abrasive Worldwide, is part of a franchise, and has branches in P.E., Pinetown, Evander, and Johannesburg.

The various branches have different managers, but one owner, who is German.

This specific branch is primarily involved in retailing the products which their manufacturing branch in Johannesburg produce and distribute, country wide.

Material which is not manufactured by the company is usually imported from Germany, which is delivered to Johannesburg and thereafter sent to the respective branches.

Aside from Elclarbo Cape, which is located in Killarney Gardens, they have no other local suppliers. Elclarbo Cape supplies Lukas Abrasives with abrasive materials which they themselves are unable to produce.

Their clients often collect their orders, but they also provide a delivery service. The furthest they are willing to travel however are Mossel Bay, Worcester and Springbok, for which they would prefer to make use of a courier service.

Locational Choice:

The owner has been renting the premise in Montague Gardens for 10 years. They were previously situated in Paarden Eiland.

They left Paarden Eiland after 5 years in search of bigger premises, which they found in Montague Gardens at lower rent rates, which they also found advantageous. They also felt that they were closer to their customers, and other businesses.

Staff:

There are 8 permanent workers. They are all male. There are 3 sales reps, 1 manager, 1 internal sales person, a storeman, a store assistant and a driver. Racially, they are composed of three white guys and five Coloured. Two of the salesmen are Coloured, and one is White. The internal salesman and manager are White. The storeman, his assistant and driver are all Coloured. All of them converse in both Afrikaans and English.

All workers are required to have completed matric, be PC literate and have a good working knowledge of all the products supplied by the business. There are no further educational or language criteria.

In addition, the sales reps need to have excellent sales abilities, and good communication skills. They also need to have a good knowledge of Cape Town, as most of their day is spent on the road doing promotional work. Experience working in similar environments, as sales persons, is also a significant requirement.

The internal sales assistant is also required to have good knowledge of abrasive products as well as of Cape Town.

The driver, as expected, requires a driver's license.

When hiring, the company sometimes makes use of a recruitment agency. When doing this, they communicate that knowledge of abrasives and computer skills are the minimum criteria.

Typically however, workers are usually hired internally, or drivers and store assistants work themselves up into higher positions. For example, both the storeman and the store assistant used to be the drivers but when positions were made available they were given first preference.

Transport:

All of the staff reside in the Northern suburbs.

They all have their own cars, by which they travel to and from work.

According to Tyron, place of residence has no influence on the hiring decisions.

Appearance:

The premises has a very crude appearance, with an open garage door as its entrance.

Parking facilities are easily available however, which is usually important.

The park does not appear to have any security guards, or at least none during the day. The entrance to the industrial park area is closed off by a large electronic gate, which is left open during working hours.

Tyron however mentions that they have had no experienced no problems relating to safety and security issues, which also plays a role in decisions regarding location.

Interview with Peter, Bookkeeper at Mike's Car Parts.

Unit C3, Jigman Park, Alternator Avenue, Montague Gardens. Phone Number: 552 9304

Conducted by One' Mazile and Claudia Naidu, 31st July 2006.

Mike's Car Parts is a locally owned business involved in the importing and selling of car parts. It is situated in Alternator Avenue, off Montague Drive

The business was initially part of a Johannesburg company known as Global Parts but one partner of the business decided to take the Cape Town branch over and renamed it Mike's Car Parts.

They import car parts from Germany and Argentina, and typically supply to panel-beater shops, Midas, other mechanics as well as to the general public. Typically their customers are locally located, ranging from Montague Gardens through to Strand, Springbok, and Plettenberg. They provide a delivery service to their clients but only when it is worthwhile in terms of the value of the order and the distance to travel. The furthest they would deliver would be to Lansdowne however.

Sales are done face to face, by telephone, fax and email too.

Locational Choice:

Mike's Car Parts has been established in Montague Gardens for the past five years. It started at this location and is especially well situated with respect to clients as there are many panel beating and car mechanic shops in the area. Similarly it is well located for in respect of customers, both current and potential, as Montague Gardens is a popular area for customers looking for car-related products and services. This has provided their business with good exposure, especially as they are situated on a very busy main road.

The area thus suits the nature of their business and clients well and Peter mentioned that many people know they are here and hence would not see any reason to ever want to relocate.

Staff:

The workforce comprises of Peter, the bookkeeper, Eddie, a salesman, Abdul and Riedwaan, the drivers, the Owner, and one other salesman. They are all permanent workers.

The Owner, Peter and Eddie are white and Abdul, Riedwaan and the second salesman are Coloured. The owner is English speaking while all the rest are Afrikaans speaking.

Except for the bookkeeping position which requires a Bcom degree, there are no educational qualifications required of the workers. English speaking ability is necessary however in order for all workers to communicate well with customers.

Abdul and Riedwaan, the drivers are required to have valid driver's licenses, but no other skills requirements are necessary. They are also responsible for the packing and storing of the products on shelves.

Peter emphasized the importance for all workers to have a good all round knowledge of car parts. He mentions that this type of knowledge is more important than any other type of qualification.

This may explain why there are no females occupying any position in the company and more generally, very few females in the motor parts and mechanics industry.

The two salesmen in addition to knowing a good deal about car parts need to be good at selling the products to customers. Hence, they should have good telephone manners and good communication skills. Sales experience is a necessary requirement when recruiting workers to fulfill this position.

When recruiting workers, Peter mentioned that they would usually first ask one of the workers if they knew anyone who could fill the position. The next option would be to ask clients if they knew of anyone, and only then would resort to advertising for workers which as yet they have not needed to do. If they needed to however, they would advertise in the Classifieds, and would require that applicants generally possess adequate sales experience and knowledge of car parts. The current workers were mostly recruited through word of mouth.

Transport:

Both the drivers live in Mitchell's Plain and travel by bus, which costs them between R220 and R260 a month.

Peter and Eddie live in Brackenfell, and both have cars by which drive to work. The other salesman comes from Maitland, and travels with a car pool.

University of Cape Town

**Interview with Wadia (Manageress) of Shisana Factory Shop
Twickenham Park, Marconi Road, Montague Gardens Tel: 021 551 6578**

Conducted by One` Mazile and Claudia Naidu, 31st July 2006.

Locational Choice:

Shisana is a factory shop located in Montague Gardens, which sells clothes. They are not a branch or a franchise of any other company. They have been there for approximately one year. Wadia informed us that they started in Lansdowne and they operated there for four years, they choose Montague gardens because the warehouse was relatively bigger, therefore they could store their clothes on the premises. She also informed us that because it has only been a year that they have been in Montague gardens they are not particularly looking for a new location. If they were to look for a new location, which would be the decision of the owner, location would not be as important a factor as space.

Wadia informed us that the shop is locally owned and that it is also rented but she did not have any idea what the rent for the premises was nor did she know what the rent for the previous location in Lansdowne was, therefore we could not establish what the rent of the two premises where in relation to each other.

Economic activity of the company:

The shop sells clothes as mentioned earlier. They import all their clothes, Wadia stated that "we import from all over", locally she said that they're suppliers were in Johannesburg and Durban, but she wasn't sure where they overseas suppliers were from. The customers they sell to are the general public; they didn't seem to have any specific customers. She also said that they sold to hawkers.

All the clothes are delivered to the shop, even the imported goods are delivered by truck to the premises. She informed us that the goods were stored in PX containers until they could be delivered to the premises. All orders are done by all three forms of communication, phone, fax and email.

Labour Issues:

They are 5 workers in the shop, 3 males and 2 females, the workers are all full-time. All the workers are all coloured by race. The 3 males work in the warehouse, they are responsible for receiving and checking the stock when it is delivered and for packing the warehouse. The 2 females are sales assistants; they do not work with deliveries at all. She stated that the owner gets someone from outside to do the books of the company.

Wadia said that she wouldn't necessarily say that the workforce is skilled, because they learn the job as they go. The labour is recruited using the Cape Ads or the Classifieds, the local ones. The advertisements do not specify for any qualifications, Wadia states that the applicant does not necessarily have to have matric qualifications, but obviously if they are a sales assistant they would have to be able to communicate with the customers. In terms of the location, all applicants have to provide their own transport to work, meaning that whoever applies must get themselves there. The languages they use in the shop are English and Afrikaans.

The workers travel to work by bus, Wadia included. Wadia travels from Bellville every morning and it takes about an hour to get to work. She informs us that it costs her approx. R250 per/month. The other workers also travel by bus, one of the male workers is from Bellville as well, and the other sales assistant is from Woodstock (saying that transport cost her R300 per/month). She was not aware how much it cost the other males to get to work.

Safety and security:

Wadia mentioned that because they store their clothes in the warehouse safety and security were important. But since they have been there, they have not experienced any kind of threats. The area seems to be relatively safe. From our observations the park didn't seem to have any security guards (but we did consider that our interview was conducted during working hours), but there is an electric gate as you enter the park.

University of Cape Town

**Interview with Victor Marks, MD of Yelland Control, Omran Automation and Control Equipment.
Drive Avenue, Drill Park, Montague Gardens. Ph: 551 2448**

Conducted by Ludwe Mbhele, 04th August 2006.

The name of this employer is: Yelland Control, Omran Automation and control equipment. It is the Western Cape Head Office, and only branch within the Western Cape province. The enterprise belongs to the subsidiary company called PowerTech Groups, which is an affiliate to an international group called Altron Group. PowerTech Group has branches in Gauteng, Eastern Cape (PE), and Durban provinces. PowerTech Group also owns Crabtree, Adadare and Striketech.

Omran is the sole importer of all electronic automation components such as counters, photo-electric and proximity sensors, level controls, switch gear, temperature controllers, timers and relays. Omran sells these components to wholesalers, most of who are in the Cape Town Metropolis. Though some of the industrial electronic equipments are sold through various retail stores, highly sophisticated equipments are only sold from this enterprise only. Clients who know what equipment they need and capable of doing the installation themselves call at the premises and buy such off the shelf. Otherwise, the enterprise's sales representatives make personal visits to clients and provide consultancy services to them. Their clients profile include: factories in Industrial Parks such as Drill Park, Centurion Business Park, etc. The enterprise does not manufacture the supplies per se instead imports all its Omran merchandise.

Asked where the enterprise draws its labour from, Mr. Victor Marks said their workers are from areas such as Goodwood; Elsie's River; Salt River; Woodstock as well as Bellville. In terms of languages, he said they use both English and Afrikaans (during the time that I was there at the Reception area, I overheard two of the male workers conversing in Afrikaans, and their tones when they were serving clients was 'Capetonian' Afrikaans accent. Asked what mode of transport their workers use to get to work, Mr. Victor Marks said some of the workers are using their personal motor vehicles while some use public transport such as Golden Arrows bus services and taxis, and some sharing motor vehicles as they are coming from same localities. Staffs generally live within a 10 kilometer radius of the premises and travel there by car (many of them are salesmen with company cars). This is also true of the manager. The staff composition consists of an African female cleaner who lives in Khayelitsha; 5 sales staff; 2 store clerks; 4 technicians and 1 manager. All staff members are males except the cleaner who is female. Racially, the manager is white; sales staffs are coloureds; store clerks are 2 coloureds and 2 Blacks; all technicians are white. The salesmen are traveling type, they are provided with company cars and they travel throughout Cape Town visiting clients to inform them of their products. Clients conduct business with Omran mainly by phone and then fetch orders themselves from the Montague office. Omran seldom delivers to clients. When it does, it uses motor vehicles to do so. More commonly, it uses a courier service to deliver goods to clients outside Cape Town. In terms of skills, except for the technicians where technical qualifications are required, only the ability to read and write, including communication in English is required.

Prompted as to what influences the enterprises' recruitment and selection strategies (i.e. where they draw labour from) he responded by saying that the home address of the applicant as well as the potential mode of transport to be used by the potential applicant determines his/her employability chances. He was quick to qualify the company's reasoning behind this "policy" by telling me of an incident that led to this decision. In the past, they had a lady from Fishhoek in their employ who often missed trains and this eventuated in her arriving as late as 11h00am at work. The company found itself with no alternative but to lay her off. Since then they have been very particular about the home address and mode of transport of a potential worker. All the current workers are employed on a full time basis.

Asked why their company opted to be located in Drill Avenue, Montague Gardens, his response was that the Drill Park is an industrial area, and as such it makes business sense for a company that supplies industrial electronics equipment to be located in this precinct. I drew his attention to the fact that most employers seem to be following a

similar pattern of relocating their businesses either to Northern or Southern suburbs but not to the South East where the Khayelitsha, Gugulethu, and Philippi are located.

I then asked why they never chose South East as a location of choice for their business. He responded by saying that it makes business logic to follow the networks of other businesses when choosing a location of choice. He went on to illustrate his point by saying that 8 years ago their business used to be located in Paarden Island area before relocating to Drill Park. When prompted whether there are any intentions to relocate again in the future, he told me that their business has intentions of buying their own property/premises physically close to the main road in Montague Gardens as they intend to house all their groups in one property. They have two businesses operating from separate buildings within Drill Park, and this include their sister company, Crabtree. Currently there are renting premises for these two businesses, which is another motivating factor which prompted them to buy premises of their own closer to the main road. The other reason relate to the fact that they receive most of their supplies by road transport and as such it would be much easier for them to get stuff in time if they were to relocate to next to the main road.

University of Cape Town

**Interview with Mike Berg, partner at OLRAC SPSS.
Silvermine House, Steenberg Office Park. Tokai/Westlake**

Conducted by Owen Crankshaw and One Mazile 19th April 2006.

Mike Berg and Amos Barkai own two companies that occupy offices in the Silvertree Building of the Steenberg Office Park in Westlake. One company sells the SPSS statistical software and provides statistical training using SPSS. The second provides research and training on the scientific management of fish stocks to the fishing industry.

The offices are located in a secure office park that has electric fencing and a gate that is staffed by security guards. It is located in Westlake, which is a short distance from the southern end of the M3 dual carriageway to Cape Town CBD. The office park is located in a larger commercial and industrial park that comprises another secure office park (Westlake Square, which has more emphasis on retail and light industry), a private high school (Reddam High School), a shopping centre, a townhouse residential neighbourhood, the United States Embassy and a low-income housing neighbourhood.

Transport and Staff:

The companies employ mostly professional and clerical staff. There is only one unskilled worker who is employed to clean and make tea for the other staff. There is a receptionists and a personal assistant-cum-secretary. The others are mostly mathematicians with professional qualifications (Honours and Masters degrees). The two partners have PhDs.

As far as the provision of public transport is concerned, the office is not situated near to any railway station and does not have any facilities such as a taxi rank or bus stops. However, it is well supplied with parking for motor vehicles.

The staff can be divided into those who use their own cars to commute to work and those who use 'public' transport. Those who use public transport rely on a combination of train and mini-bus taxi or a just a taxi service. Specifically, Khanyisa, the tea lady/cleaner, commutes from Khayelitsha in a Toyota Venture minibus taxi. This is unusual in the sense that it is a permanent arrangement with the taxi driver: she doesn't wait at a taxi rank but shares the taxi with the same passengers at the same time every day. The staff who use both the trains and mini-bus taxi are a mathematician (James) and the receptionist-cum-personal assistant (Marishe). James lives in Harfield and takes the train to Retreat Station where he catches a taxi to the entrance of the office park. Marishe lives in Ocean View (Kommetjie) and takes a taxi to Fishhoek station and the train to Retreat and then another taxi from Retreat Station to the office park. The cost of all these commutes is about R300 per month.

The rest of the staff use their own cars to commute to work. They live in a variety of locations in the southern suburbs (Simonstown, Fishhoek, Retreat, Newlands, Rondebosch East, Constantia and Hout Bay) and the city bowl (Tamboerskloof and Vredehoek). One of them bought a house in the Westlake office park and now walks to work.

Mike said that the appointment of new staff invariably entails a discussion about transport and people who are appointed do tend to be motorists who live in the southern suburbs. It is striking that most of them live in the southern rather than the northern suburbs. However, it should be noted that this is a company in which English is the language of business.

Almost all staff are full time and work in the office. Only one person works from home and only one is part-time.

Locational Choice by the Business Owners:

The business used to run out of a house in the residential township of Constantia (on Kendall Road near the Constantiaberg Hospital). The company owned the house and ran the business illegally since the area was zoned for residential use. As the number of staff grew (the company started with about 8 staff and now employs 25), the house became too small to accommodate them all. The number of staff also posed the problem of drawing attention to the illegal presence of the company in the residential neighbourhood: Mike and his partner feared that the number of cars parked in the street would attract the attention of the neighbours. Moving to a bigger house would not solve this problem, since there would be even more staff and cars that could draw the neighbours attention to their illegal

presence. Moreover, a larger house would be in a more expensive neighbourhood where residents would probably be more vigilant.

As a result, the decision was made to move to an office park. At the time, in 2001, the monthly rent for the offices in Westlake was about R60/square metre. This was considerably more than the rent for offices in the CBD. The decision to move to a location in the southern suburbs was based primarily on the needs of the business partners who wished to avoid the heavy traffic to the CBD (Amos lives in Constantia and Mike lives in Hout Bay). At the time, there were few options for office space in the Constantia area. The Alphen Centre was small and had limited parking, for example. Apart from their suburban location, the offices in Westlake were an attractive option for a number of reasons. First, Westlake is situated close to the end of the M3 highway and therefore has good access to the north and the CBD. Second, the office park promised a lot of parking and parking was a 'huge issue' for the company. Finally, the company also saw the offices in Westlake as an opportunity for investment. The partners had a good eye for property investment and were confident that they would see a very good return on their money if they bought the offices in Westlake. Their reasoning was that the area had already attracted the US Embassy, the upmarket residential complex and the expensive private Reddam High School and they expected it to be a successful development.

The large amount of parking in the office complex is very important for the company. Most of their staff needs parking and they also require parking for their clients. Both the SPSS and OLRAC companies run training sessions for 3 to 20 clients at a time. Since their clients usually come by car this means up to 20 additional parking bays are needed at one time. Parking was so important to the company that they actually bought additional parking bays in case the developers reneged on their promise to have free access to additional parking bays. Today a single open air parking bay costs R20, 000.

We asked if the location of their offices had any impact on their ability to meet with clients. Mike's response was that he usually visited his clients at their offices about once a week. These offices are either those of the government's Department of Marine and Coastal Management in Foretrust House on the foreshore of the CBD, or those of the private fishing industry in offices located in the Table Bay docks. Because of heavy traffic, Mike insists that all meetings must take place outside of rush hour (in other words, between 9:30am and 3:30pm). These meetings form part of ongoing research project in which OLRAC feeds information into a discussion between the fishing industry and government about the size of the catch for each particular fish stock. These discussions take place all year and lead up to the decision about the allowed catch. Mike did comment that if he had to meet his clients in the CBD more often than once a week, it would start to make their choice of location inconvenient.

The nature of the services provided by the companies, however, means that staff spend most of their time at the office rather than meeting with clients. For example, about 15% of the activities entail training at the office; 30% entail consulting to the fishing industry on the scientific management of fish stocks and 55% entail selling of SPSS statistical software.

Finally, Amos anticipated that another benefit of the location would be the proximity of computer and software companies in the Westlake Square business park. Such businesses would have been a convenient source of equipment and services for their own companies. However, this did not transpire.

Security and Staff:

The good security arrangements allow staff to work late at night and this is considered by Mike to be an advantage over an inner city location. Staff often work late at night and many of them are women.

Appearances:

Mike Bergh raised an interesting observation about the importance of presenting the appropriate image of their company to their clients. Mike thought that it was important to convey a sense of the sophisticated, professional and 'intellectual' character of their services. For example, the company was initially offered offices in the adjacent

Westlake Square business park but they rejected these because this park included areas for retail businesses. Mike was keen to avoid any association with a 'shopping centre' because they wanted to be seen as a professional business. By contrast, the Steenberg Office Park has only office buildings.

I put it to Mike that the office park could be described as 'campus' like, with trees, parking and low-rise buildings. He responded by saying that perhaps it was true that he and Amos liked that sort of environment because they had previously both been employed at the University of Cape Town.

The importance of appearances was also raised by Mike's observation that he was unhappy with the absence of a large reception area in their building. Clients walk straight into a small reception-cum-office, which does not give the 'right impression'.

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