

# *Local government considerations*

## **Second Economy Strategy Workshop**

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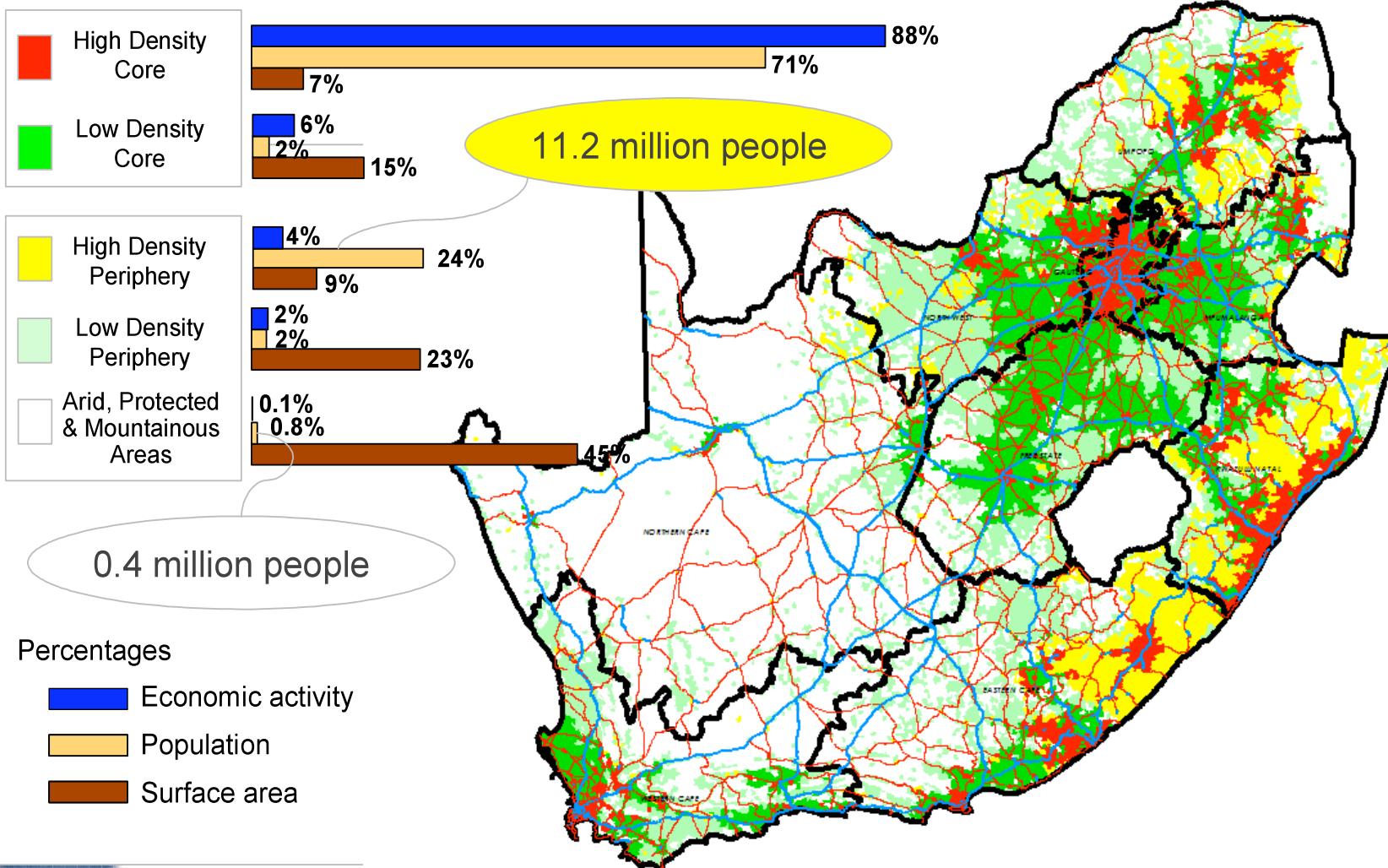


# Issues to touch on

- Putting the urban in context
- Core argument of the Urban Stream of work for the Second Economy Strategy work
- Framework for thinking about a macro transformative agenda
- Concerns about operationalising the agenda

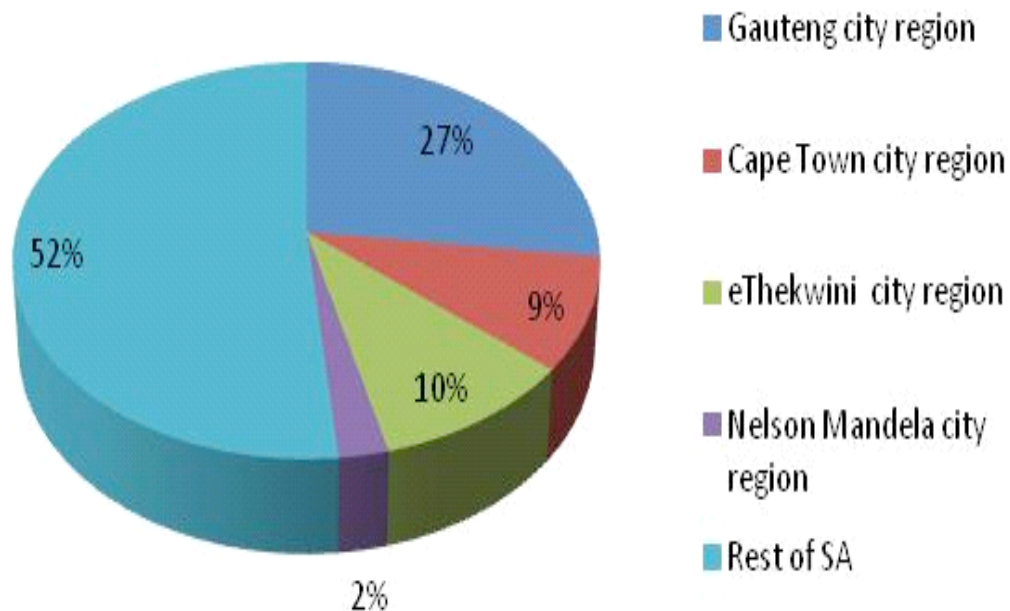


# South Africa's territory classified in terms of accessibility & density of economic activity/ population

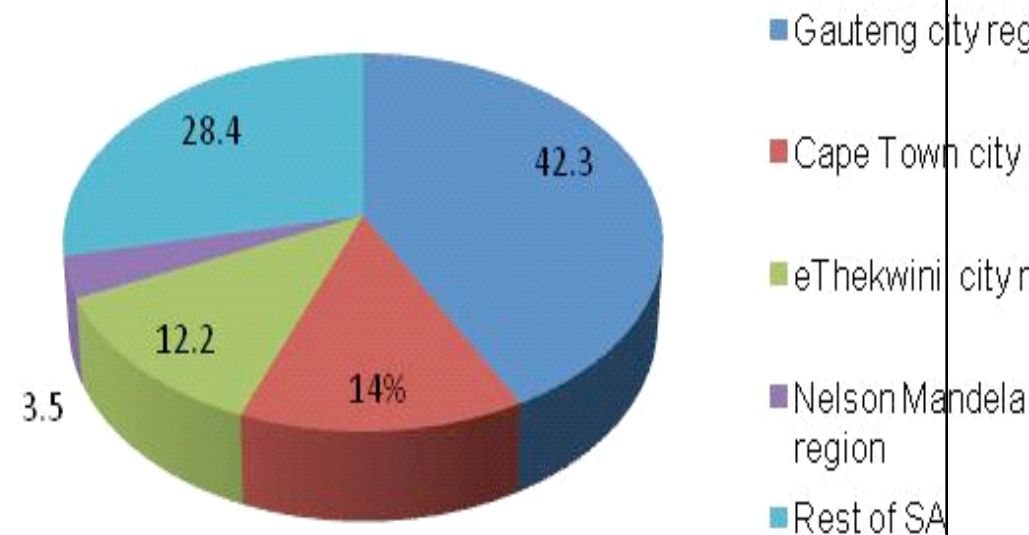


# Population & economic growth is taking place in the city-regions

2007 City region population as % of SA population



2007 City region GDP as % of SA GDP

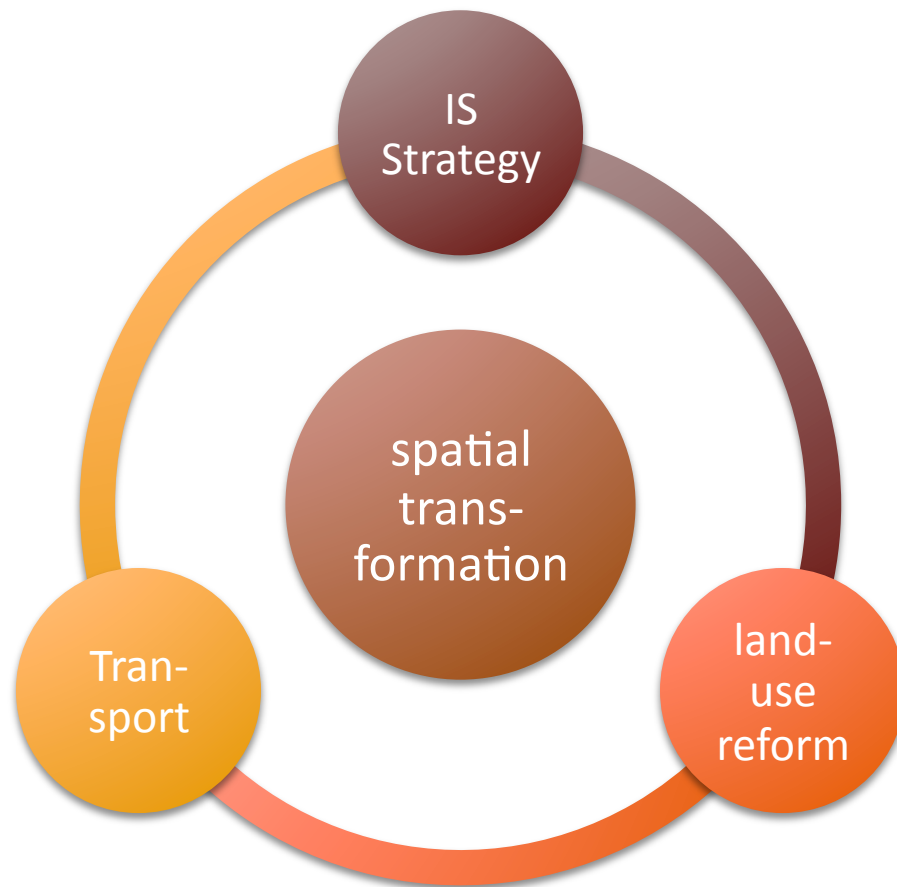


## An overview of the differentiated nature of South African settlements, 2008

	Population (% of national)	Economic activity ( % of national GVA)	People living under a minimum level of living (% of national)
Gauteng global city region	22	39	13
Coastal city regions	16	26	10
Cities	6	5	5
Regional Services Centres	14	16	14
Service towns	3	3	3
Local and niche settlements	9	2	13
<b>Sub total URBAN as a % of National</b>	<b>72</b>	<b>94</b>	<b>60</b>
Clusters and dispersed rural settlements	21	2	31
Farms/rest of SA	7	4	9
<b>Sub total RURAL as a % of National</b>	<b>28</b>	<b>6</b>	<b>40</b>

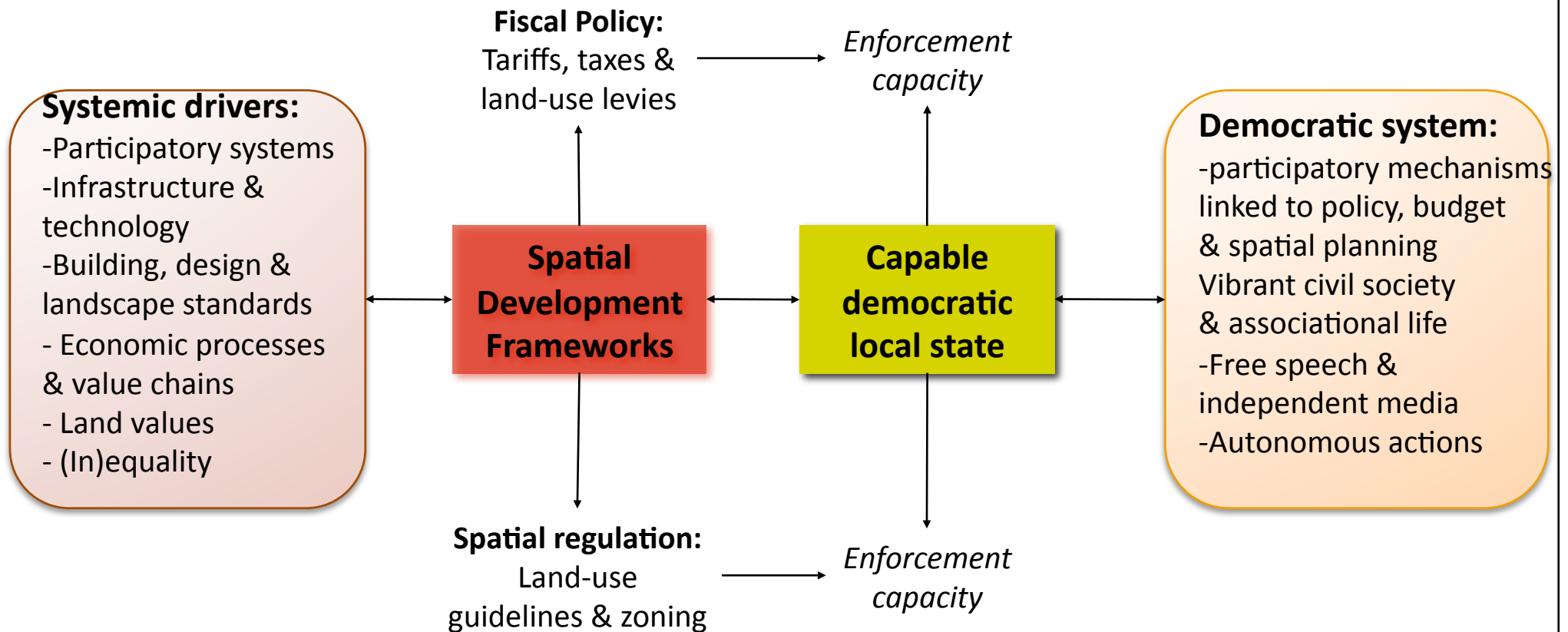


# Core argument of the urban stream



**Core approach:**  
Giving the poor access to urban economies through smart investment & regulation

# Systemic elements in urban transformation



**Normative Framework: Right to the city, pluralism, social justice & poverty reduction**

# The basics in reducing poverty & inequality

- **Jobs** (makes choices for labour-intensive methods & labour market reform(?))
- **Better incomes** (cap the top-end and raise the lower-end)
- Quality **education** (higher taxes)
- Access to **land** (implies radical reform of land markets and effective regulation)
- Affordable and safe **mobility** (higher taxes & effective governance)
- Social engagement across class lines (to forge public 'consensus'/ social compacts on the reforms above)
- Political voice for the poor (to push political elites to drive tough policy choices in the public interest)
- Capable and effective state



# Concerns, despite fundamental agreement

- Economic intractability of systemic (and long-term) economic marginalisation is not fully appreciated
- Where will the political appetite come from for profound institutional reform in three tough governance areas: transport, housing, land-use management? (note the lack of guidance from dplg process)
- The conception of political change – why the need for reform is recognised and how to effect action – in the approach is shallow [how to get the ruling party on board?; how to get beyond an anti-urban knee-jerk sensibility?; how to prioritise and sequence various national reform processes in train?; who will be the champions? who will say we must abandon the RDP house suburban model?]

## Concerns, cont...

- The role and mechanisms to enroll the (heterogeneous) poor in effective autonomous organisations to drive these structural changes is under specified, hence reliance on the idea of social compacts is flawed (will be seen as competitors to ANC branches?)
- The capacity of local government obstacle is recognised but there is no sense of how one will actually shift that over time... is it really about more training or is it about accountability or both?
- We clearly need a differentiated institutional approach between city-regions and the rest in order to phase in the proposed approach; will this be picked up by the development planning system review and the dplg LG review processes?

Thank You

# Complex calculus

