

■ OPINION / COLUMNISTS

# NEVA MAKGETLA: History counts when measuring performance in municipalities

*Neva  
Makgetla*  
Columnist

The more  
prosperous can pay  
more in tariffs,  
which perpetuates  
inequality in  
services

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by NEVA MAKGETLA



Picture: SUNDAY TIMES

In sports we don't require third-tier teams to take on the premier league. It wouldn't be fair, unless we also enabled them to acquire competitive talent, equipment and playing fields.

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Understanding and remedying the shortcomings in municipalities requires a similarly nuanced approach. Hugely unequal investment in different communities was a central pillar of apartheid, and by

definition investment has long-run impacts. As a result, effective efforts to upgrade local government must address the persistent deprivation facing some municipalities, rather than blaming everything on the incumbents' personal shortcomings.

Apartheid entrenched enormous differences between the historic labour-sending regions (the former so-called "homelands") and the rest of the country, as well as between black and white neighbourhoods. The historic labour-sending regions hold about 30% of households, the metros 40%, and the rest of the country just more than 25%. (Because official data on the municipalities is patchy, this analysis uses Quantec extrapolations).

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Access to municipal services by race underscores the effect of apartheid on public investment. In 1994 less than 50% of African households had water or electricity, and only a third had flush toilets. More than 80% of coloured households had these services, as did almost 100% of whites. There was a substantial improvement in 2020, with electricity in 80% of African households, water in 70% and flush toilets in more than half.

Racial differentials map onto apartheid geography. More than 75% of residents in the historic labour-sending regions now have electricity, but only about 50% have water

on site, and less than 25% have flush toilets. In the rest of the country more than 80% of households have all of these services.

A similar pattern emerges in education. In 2000 only 20% of working-aged people in the historic labour-sending regions had matric, compared with 40% in the metros and 25% in the rest of the country. In 2020 the figure had risen to 30% in the historic labour-sending regions, but was more than 50% in the metros and 40% elsewhere.

Unequal public investment reinforced deep economic inequalities. In 2019 a quarter of adults in the historic labour-sending regions was employed, compared with half in the rest of the country. These ratios had barely budged since 1994. Not surprisingly, household incomes in the historic labour-sending regions consistently averaged

under half of the metros.

The metros' prosperity reflected their economic dynamism. In 2019 they contributed less than 20% of value added in agriculture, and 4% in mining. But they generated more than 60% of value added in manufacturing, finance and business services. From 1994 to 2019 they generated two-thirds of all new jobs in SA.

More prosperous households and businesses can pay more in rates and tariffs, which perpetuates inequality in services. In 2019 the metros spent R11,000 per person, the historic labour-sending regions just R3,000, and the rest of the country R6,000. The reason was simple: the metros captured 80% of all municipal revenues, though only half of national transfers. As a result, the metros raised R9,500 per person from rates and tariffs, compared with R1,500 in the historic labour-

sending regions and R4,600 in other towns. They also received R1,700 per person in national transfers; other municipalities got R1,500.

Not surprisingly, these differences have led to extraordinary internal migration flows. The Gauteng metros have all more than doubled in size since 1994, and Cape Town has expanded 80%. The rest of the country grew 30%. In-migration has strained the biggest cities' housing and infrastructure, but also reinforced their dynamism.

Small towns and rural areas worldwide are less prosperous than big cities. But SA's inequalities run unusually deep. Ultimately, we can only build more competent local government if we take the realities of historic impoverishment in the historic labour-sending regions more consistently into

account.

• *Makgetla is a senior researcher with Trade & Industrial Policy Strategies.*

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**Siegfried  
Kopp**

• 23 days ago

I so often hear people that hold certain political beliefs say that apartheid ended 27



years ago so 'they must just get over it'(sic). This fact based analysis makes it clear that it hasn't on the ground , and exposes the reality that while poltiical power was negotiatied and transferred to the majority in 1994, the economic structures that apartheid (and prior to that colonialism) remained largely unchanged. History counts at the end of the day.

^ | v • Reply • Sha

**Paul Kearney**



Siegfried Kopp

• 23

days ago

"economic structures that apartheid...re: largely unchanged". Absolute rubbish. The ANC, primarily black if you are race obsessed, now controls every lever of national power, particularly economic

(Treasury  
etc). It also  
controls all  
the SOE's  
established  
as apartheid  
structures  
(ha ha) and  
most of the  
municipalities  
It has  
squandered  
or stolen  
trillions in  
rates and  
taxes. Not  
much is left  
but somehow  
it is still  
"apartheid"  
and "whites".

The average  
age of