



science
& technology

Department:
Science and Technology
REPUBLIC OF SOUTH AFRICA

Urbanisation:

How to harness the potential?

GOVERNMENT CLUSTER POLICY WORKSHOP

26 February 2014
CSIR Conference Centre



HSRC
Human Sciences
Research Council

CONTENTS

ACRONYMS AND ABBREVIATIONS	iii
EXECUTIVE SUMMARY	iv
INTRODUCTION.....	1
Background.....	1
The Participants	2
THE WORKSHOP.....	3
SESSION 1. URBANISATION AND DEVELOPMENT: UNDERSTANDING AND EVIDENCE	3
Welcome and Introduction	3
Dr Udesb Pillay, Deputy CEO, HSRC	3
The Relationship Between Urbanisation and Development in South Africa	3
Mr Khulekani Mathe, Acting Director General, The Presidency	3
Urbanisation and Development: The International Experience	5
Prof Ivan Turok, Deputy Executive Director, HSRC	5
SESSION 2: URBANISATION AND DEVELOPMENT: POLICY AND PRACTICE	8
Harnessing The Potential of Urbanisation: The Role of National Government	8
Dr Modjdaji Malahlela, Deputy Director General, Department of Cooperative Governance	8
The Role of City Government: An urban restructuring programme – Corridors of Freedom.....	10
Ms Yondela Silimela, Executive Director of Planning, City of Johannesburg	10
ROUNDTABLE DISCUSSION: HOW CAN WE PERSUADE EXISTING URBAN RESIDENTS AND RATEPAYERS TO SUPPORT CONTINUING URBANISATION?	12
Mr Khulekani Mathe, Acting Director General, The Presidency	12
Prof. Ivan Turok, Deputy Executive Director, HSRC	12
Dr Modjdaji Malahlela, Executive Manager, COGTA	12
Ms Yondela Silimela, Executive Director of Planning, City of Johannesburg	12
CONCLUSIONS AND POLICY IMPLICATIONS.....	15
APPENDIX 1: PROGRAMME.....	17
APPENDIX 2: ABSTRACTS	18
APPENDIX 3: BIOSKETCHES	20
APPENDIX 4: ATTENDANCE	22
APPENDIX 5: PRESENTATIONS.....	25

LIST OF FIGURES

Figure 1 US Evidence: 15% efficiency gain with a doubling of city size (Bettencourt & West, 2010).	6
Figure 2 The relationship between urbanisation and economic development in Asia, South America and Africa (1985-2011).	7
Figure 3 Regional Share of GVA by Sector for City of Johannesburg, 2011	10
Figure 4 'Corridors of Freedom' or development corridors along major transport arteries in Johannesburg.	11

ACRONYMS AND ABBREVIATIONS

BRT	Bus Rapid Transit
CEO	Chief Executive Officer
CoJ	City of Johannesburg Metropolitan Municipality
CSIR	Council for Scientific and Industrial Research
DST	Department for Science and Technology
ECD	Early Childhood Development
GDP	Gross Domestic Product
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit - the German Society for International Cooperation
GVA	Gross Value Added
HSRC	Human Sciences Research Council
NDP	National Development Plan
IUDF	Integrated Urban Development Framework
RIA	Research Use and Impact Assessment (HSRC)

EXECUTIVE SUMMARY

This Policy Workshop on *Urbanisation: How to Harness the Potential* was hosted by the Department for Science and Technology in collaboration with the Human Sciences Research Council (HSRC), on 26 February 2014, in Pretoria. It brought together scientists, practitioners, and policy makers including representatives of the South African Government's Social Protection & Community Development, Economic Sectors & Employment, and the Infrastructure Development Clusters.

The purpose of the workshop was to explore the potential of urbanisation to foster socio-economic development and sustainability. The workshop considered evidence from around the world and discussed policies that support urbanisation and make the process more inclusive, productive and resilient.

The meeting was opened by *Dr Udesch Pillay, Deputy CEO of the HSRC*, who explained the purpose of the workshop and highlighted the role of DST in helping to ensure that scientific evidence is used to guide policy making.

The first address was by *Khulekani Mathe, Acting Director General in the Presidency*, who emphasised the importance of urbanisation and predictions for urban growth around the world. He pointed out that urbanisation creates huge opportunities and that cities contribute to development, although there can be negative outcomes if urbanisation is not well managed. A key component of the cities is the people that live in them. Urban development policy must stimulate both the social and the economic dynamism of cities.

Prof Ivan Turok, Deputy Executive Director, HSRC explored the relationship between urbanisation and development. He argued that urbanisation can be a consequence of concentrated economic activity, or may contribute to development, or may fuel development. The latter being the most exciting option in that this sees urbanisation as a dynamic driving force that can be actively managed. Within this model, like *Mathe*, he also emphasised how important it is for urban residents to invest in the city rather than merely transferring resources to a rural home. For this to happen the city has to offer equitable access to urban benefits for all.

Although there are many examples of coupled economic development and urbanisation in South America and Asia, *Turok* explained that many African cities has failed to achieve economic development as urbanisation proceeded. He argued that this was often related to policies that 'resisted' urbanisation. Current policy in South Africa seems to be a mixture of just 'accommodating' urbanisation or 'resisting' it.

Dr Modjdaji Malahlela, Deputy Director General, Department of Cooperative Governance, spoke on the role of national government in harnessing the potential of urbanisation. *Malahlela* argued that although the effects of urbanisation are felt more at the local or city level, national government has to play a central role because factors that influence urbanisation are beyond the mandate of cities. National government also has control over policy that enables each city or town to harness its potential. National government must assist with the alignment of sectoral initiatives to minimise conflicts and contradictions; coordinate various levels of government and promote a new sense of responsibility for integrated urban development; and establish or support mechanisms for coordination and integration. Business and civil society must take co-responsibility for solutions. Government has begun developing an Integrated Urban Development Framework (IUDF) with the objective of providing an interdepartmental, intergovernmental approach to attaining integrated urban development. The IUDF conceptual framework is available in a Discussion Document¹ and the IUDF will be available for public discussion between April and June 2014.

¹ Department for Cooperative Governance, 2014. *Towards an Integrated Urban Development Framework: A Discussion Document* http://www.cogta.gov.za/index.php/documents/doc_view/1036-discussion-document-for-integrated-urban-development-framework.raw?tmpl=component

Malahlela concluded that urbanisation is an “unstoppable phenomenon” which compels governments to respond and it provides opportunities for development, particularly for developing countries struggling with the challenges of poverty and unemployment. For the benefit to be realised, however, a coordinated approach which is led nationally but driven locally is required.

Yondela Silimela, Executive Director of Planning, City of Johannesburg, provided an overview of the current economic development of Johannesburg and the city’s strategy for proactively managing this. The *Corridors of Freedom* initiative is an urban restructuring and system reconfiguration intervention which seeks to incubate new economies and create jobs and social opportunities in close proximity to one another along transport corridors. The model includes built environment interventions which provide residential and business densification, and considers social aspects such as ‘walkability’ including from home to work. There are challenges getting sufficient buy-in from residents directly affected by construction and increased traffic around development nodes but the model offers advantages which should lead to increasing rather than diminishing property values.

The workshop concluded with an opportunity for participants to make comments and pose questions to the various speakers. Key points arising from this discussion and the preceding papers are summarised below.

CONCLUSIONS AND POLICY IMPLICATIONS

- The cities are driving the economy and need to be developed proactively to maximise the urban advantage for all.
- Cities cannot be engines of growth without people and urban development policy must stimulate the social and economic dynamism of cities. It is important to note that people do not just represent labour but are potential investors in the city.
- The coupling of urbanisation and economic development is not automatic, nor inevitable, but it is more effective with a productive, healthy workforce, active consumers and where households are investing in the cities and not transferring all their resources elsewhere.
- Unlike countries in Asia and South America, where urbanisation is actively encouraged, many African countries have tried to *restrict* urbanisation and the consequences have generally been negative.
- The proliferation of backyard shacks in many cities suggests that people accept densification. Alternative densification options such as multi-story houses need to be explored.
- National government has to play a central role in managing urbanisation because the factors that influence urbanisation are beyond the mandate of cities. Whilst government must lead, it cannot do this alone; collaboration with business and civil society is essential.
- National government is busy developing an Integrated Urban Development Framework¹ which seeks to promote resilient and inclusive urban settlements.
- Despite the challenges, urbanisation provides opportunities for development, particularly for developing countries struggling with the challenges of poverty and unemployment.
- While expenditure on infrastructure (housing and basic services) for deprived areas on the periphery of cities is essential, it tends to maintain the current situation and leads to an unsustainable urban form. The City of Johannesburg’s *Corridors of Freedom* project offers an alternative that will incubate new economies and create jobs and social opportunities in close proximity to one another.
- The key question is whether policy is ‘restricting urbanisation’, just ‘accommodating’ it or embracing and ‘enabling’ it? Much of current South African policy appears to be merely accommodating urbanisation, often in a reactive way, or actively resisting it. International evidence suggests that we are making a serious mistake if our economic strategy is too rural in its focus because this has the potential to undermine the broader developmental strategy for cities.

URBANISATION: HOW TO HARNESS THE POTENTIAL?

INTRODUCTION

The purpose of the Department of Science and Technology (DST) Government Cluster Policy Workshops is to disseminate social science knowledge and expertise, and to encourage dialogue with policy-makers and practitioners, with a view to building capacity and understanding in order to improve public policy.

The workshop on *Urbanisation: How to Harness the Potential* was hosted by DST in collaboration with the Human Sciences Research Council (HSRC), as well as the South African Government's Social Protection & Community Development, Economic Sectors & Employment and the Infrastructure Development Clusters. The workshop took place on 26 February 2014, at the CSIR Convention Centre in Pretoria.

The purpose of this particular Policy Workshop was to explore how government can do more to unleash the transformative power of urbanisation to foster socio-economic development and sustainability. The workshop considered evidence from around the world of the relationship between urbanisation and development, and discussed policies that prepare for and support urbanisation so as to ensure that the process is more inclusive, productive and resilient into the future.

BACKGROUND

The release of the 2011 Census results appears to have triggered a shift in thinking about urbanisation. The Statistician-General referred to the "unceasing march out of the largely rural provinces to Gauteng and the Western Cape." The National Development Plan devoted a whole chapter to improving human settlements to accommodate another eight million people expected to live in the cities by 2013. President Zuma announced a new urban policy initiative, the National Integrated Urban Development Framework, in his State of the Nation Address in February 2013:

"We should also remain mindful of rapid urbanisation that is taking place ... Apartheid spatial patterns still persist in our towns and cities ... it is crucial that we also develop a National Integrated Urban Development Framework to assist municipalities to effectively manage rapid urbanisation."

President Zuma, February 2013

Urban policy was also given extra impetus by the Finance Minister in his 2013 Budget speech. Urbanisation was listed in second place among the long-term imperatives facing the country. A new City Support Programme was designed to address the inefficient and exclusionary built environment through more integrated planning of new developments.

It seems that there is a new urban agenda emerging that is gaining momentum. National support is vital because city authorities cannot promote coherent urban development on their own. Proper coordination of the different elements is also essential. Two distinct objectives need to be combined in a more positive and compelling vision: (i) accommodating urbanisation pressures and (ii) promoting spatial transformation and integration. Pursuing the first objective without the second will fail to realise the developmental potential of cities and not lift people out of poverty in ways that can be sustained.

'Just accommodating' urbanisation implies a reactive and perhaps even a reluctant approach, driven by the need to reduce community protests and relieve hardship. It might mean a simple increase in government funding to roll-out additional basic services - more taps and toilets. This will not capture the imagination. Conceived of as a distributional programme, resources will be restricted to limit the fiscal burden. Cost constraints will mean focusing on cheap marginal land for which there is no other demand. This will reproduce the existing urban form and consign the poor to the periphery.

The alternative is a bolder, forward-looking strategy with a stronger developmental logic. Urban restructuring could improve the efficiency and equity of land-use patterns, and the functioning of local labour and housing markets. It could raise population densities in suitable places and improve connectivity between enterprises, amenities and citizens. A richer mix of activities and social groups will enhance the vibrancy and dynamism of popular locations. Infill development on brownfield sites and buffer strips will help to knit together the physical fabric and improve urban design standards. Using land more intensively and redeveloping low rise buildings will make public transport more viable, reduce road traffic and enhance the safety and character of older neighbourhoods.

In addition, higher quality and more attractive urban environments will stimulate increased private investment by attracting more people to live, work and socialise in and around city centres, public transport hubs and surrounding employment centres. A combination of incentives, regulations, direct provision and practical partnerships with developers could produce a wider range of housing types and create more rungs in the ladder for households to progress upwards as their economic circumstances improve.

The policy workshop sought to explore the following questions:

1. What is the relationship between urbanisation and development? Does urbanisation actually contribute to socio-economic progress, or is it more of a consequence of industrialisation and economic growth?
2. How does the experience of urbanisation in South Africa compare with that elsewhere in Africa and in other parts of the global South? How do our rates of urbanisation compare with other developing countries? What are the consequences of our unique historical legacy compared with other countries?
3. What are the implications of urbanisation for rural development? How can the positive interactions and interdependence between urban and rural areas be strengthened to the benefit of both?
4. What policies can make the biggest difference to ensuring that urbanisation contributes positively to development? How important is it to anticipate and plan for urban population growth, and are we doing enough? What is the appropriate balance between economic and social investment in support of development?
5. What are the appropriate roles and responsibilities of national, provincial and local government in making the most of urbanisation? Where are the current gaps and what needs to change? How can we ensure that the different spheres work together better?

THE PARTICIPANTS

This workshop brought together researchers and role players from diverse backgrounds. Participants included representatives from the following government departments: Agriculture, Forestry and Fisheries, Cooperative Governance and Traditional Affairs, Correctional Services, Environmental Affairs, Higher Education and Training, Home Affairs, Human Settlements, Public Works, Science and Technology, Social Development, Transport, Statistics South Africa, Trade and Industry, The National Planning Commission, and the Presidency. Other participants represented the City of Johannesburg; the University of Pretoria; the German Society for International Cooperation (GIZ) and the Human Sciences Research Council. There were 52 participants (see Appendix 4 for details).

THE WORKSHOP

Please refer to Appendix 5 for the PowerPoint slides used in the various presentations.

SESSION 1. URBANISATION AND DEVELOPMENT: UNDERSTANDING AND EVIDENCE

WELCOME AND INTRODUCTION

Dr Udesh Pillay, Deputy CEO, HSRC

Dr Pillay welcomed the delegates and explained the purpose of the Government Cluster Policy Workshops. He acknowledged efforts by the Department of Science and Technology to help ensure that scientific evidence is used to guide policy making and its support of workshops such as this one. Much of the National Development Plan draws on scientific evidence produced by independent researchers working closely with members of the Planning Commission

Recent service delivery protests occurring in informal settlements near large metropolitan areas raise questions about the extent to which the economy is managing to absorb those on the periphery and whether government is able to provide services to create a base for people to become economically active. With more than 60% of South Africa's population now living in towns and cities the capacity of local government to manage the urban transition becomes an important issue.

THE RELATIONSHIP BETWEEN URBANISATION AND DEVELOPMENT IN SOUTH AFRICA

Mr Khulekani Mathe, Acting Director General, The Presidency

Mr Mathe set out to make a case for why urbanisation is important arguing that if this is not done other policy priorities quickly take over. Urbanisation trends of the past 50 years help us to anticipate the level of growth and type of development that is likely to take place in the future. Since 2010, there have been more people in cities than rural areas; the world urban population increased from 33% in 1996 to 51% in 2010. Much of this urbanisation was in what are now developed countries. In the developing world, urban growth was largely confined to India and China. Although India is still only 31% urbanised, the growth in absolute numbers of urban residents is large, having increased from 286 million in 2001 to 377 million by 2011. China's urbanisation rose from 19% in 1980 to 50% by 2011. By 2030, 60% of the world population will be urbanised which equates to 5 billion people in urban areas. Most of the future growth will take place in developing countries, mostly in Asia and Africa, where current urbanisation is lower than the global average. China is expected to reach 77% urban by 2050. India will have 600 million urban people by 2031.

Urbanisation creates huge opportunities and great challenges that need to be planned for. South Africa is among the most urbanised countries on the continent with more than 60% of its population in urban centres. Between 2001 and 2011 Gauteng increased its share of the population and gained 2.8 million people. Since 1996 an extra 4.6 million people moved into Gauteng and most of these settled in Johannesburg.

So why do we care that people are moving to urban areas? Cities are engines of growth and economic development. The State of the Cities report 2012/13 reminds us that cities are where people find satisfaction of their basic needs and products can be found in sufficiency. Ahluwalia et al. note that well managed cities showcase the wealth and prosperity of a nation and are major drivers of change. Economies of scale make cities more productive through what is known as agglomeration economies. Urbanisation is linked to a rapid increase in per capita income. With an increase in urbanisation from 33% in 1960 to 51% in 2012, per capita income increased by 152%, largely due to increased productivity and economies of scale. Rosenthal and Strange found that doubling the size of a city increases productivity by 3-8%. China has transformed its economy through city growth.

Other contributing factors include larger labour markets which work better and workers upgrading their skills and differentiating themselves. It benefits firms to be near a larger labour pool and workers benefit from higher wages in urban areas. Competition also leads to innovation.

Success depends on the context of the urbanisation: cities can help countries use resources more effectively but Turok highlights that cities need to produce more of what they consume. Government should not restrict urbanisation but focus on strengthening the dynamics of urbanisation.

Only bold people say urbanisation *causes* development but cities certainly *contribute to* development. Urbanisation can have negative outcomes if it is not well managed. There may be spatial economic and cultural exclusion, backlogs in supply of basic infrastructure, heavy traffic and pollution. All of these can raise the cost of living for citizens.

What do we know about the relationship between urbanisation and development? Many papers show the contribution of urban areas to the economy and this relationship is strong. The National Development Plan (NDP) makes various observations about cities among which is that they generate 85% of the economic activity, accommodate 68% of the population and only occupy 7% of the land area. The NDP estimates that between 7 and 11 million people will be in South African cities by 2013 and a further 6 million by 2015. The recent census has given grounds to question these estimates but there will definitely be more people in cities in the future.

Towns and cities are connected by varying degrees into wider urban systems. City regions offer opportunities but complicate urban planning and urban management. The country's cities must deal with social exclusion, environmental threats, economic inefficiencies, logistical bottlenecks, urban insecurity, decaying infrastructure and the impacts of new technologies. Cities have an important role in directing city development to help overcome distortions and secure a prosperous future. Harrison & Todes explored the change that has taken place in South African urban areas and concluded that spatial processes are complex and diverse but there is a sharp decline in the rural population of predominantly urban municipalities.

Urban densities in South Africa are generally increasing, unlike many developing countries. It is largely a proliferation of backyard shacks that is producing this increase which often relates to younger people going against the traditional spatial development patterns and accepting higher density living. However, patterns vary and some places have declining density. Another finding is that racial divisions across space are breaking down although the apartheid spatial patterns persist. Patterns of economic activity are also changing across South Africa. There is considerable variance between municipalities and there are complex patterns in large metropolitan areas. There is some growth in the inner city, large scale nodal growth on the edges of cities and dispersed economic activity in some higher income suburbs.

What does all of this mean for access to urban advantage for the poor? There is better access to jobs in higher density areas and better access to urban services by the poor. A feature of inner cities is that they are arrival zones for foreign and rural migrants. Such areas are highly unstable and offer a precarious existence. The growing backyard rental stock is a potential mechanism to support densification of cities but it is often overlooked.

There has been progress since the end of apartheid but we are not using the opportunities fully. Reforms to planning could help expand access for the poor but they tend to be slow and incomplete. Just before the 2009 election the Department for Provincial and Local Government produced an urban development framework but this was not accepted by the new government for a variety of reasons. We are now at a similar point to where we were five years ago. The framework has been extensively revised and is ready for cabinet but its future remains uncertain.

Another feature of urbanisation is the declining size of households in cities which has implications for service provision. There is some consensus about some of the trends that will dominate the future. Technology will be a major driver of development over the next 30 years, as will the economic shift from West to East. For South Africa this is important because our trading partners are currently in

both the East and West and as their economies change we need to plan who our future trading partners will be.

There are opportunities relating to urbanisation in South Africa. We can expand infrastructure in a sustainable way, thereby supporting the green economy. There is potential for creative partnerships because of the growing interest in urbanisation around the world. We can experiment with transit-oriented types of development which is an idea included in the NDP. Policy reform initiatives such as the NDP offer a way of looking at the challenges. There are also new ways of financing urban development.

Urbanisation over next three to five decades will take place with severely limited resources when the demands are multiplying. This represents an important governance challenge. We need better land markets to control wasteful use of land and resources such as water. City leaders need to capture the value of public investment for the benefit of all. As centres of economic production, cities need good infrastructure, which is essential if urban centres can deliver the benefits of cities. We need to examine the building norms and standards. Mixed use can foster inclusion. Building regulations must not exclude the majority. Cities need to be open to people and should not drive people away or into informality.

Cities cannot be engines of growth without people. Urban development policy must stimulate the social and economic dynamism of cities. Effective coordination is required to maximise the housing and value of investments made by firms in commercial property, as well as the value of the investment that the state makes in social infrastructure and other public goods. We need to pay greater attention to spatial planning issues, effective urban management and inclusive institutions.

URBANISATION AND DEVELOPMENT: THE INTERNATIONAL EXPERIENCE

Prof Ivan Turok, Deputy Executive Director, HSRC

Prof Turok described urbanisation as a neglected area for research but a phenomenon that it is important to understand better. Urbanisation is defined as a “net shift in population to urban areas” and differs from migration. Urban growth being a combination of migration and natural change, i.e. the net effect of births and deaths. Sometimes city life helps limit fertility rates due to economic constraints and children having less “use” in a city compared with in a rural area. Even with a static population, if the household size declines, there will be increased demand for services because there are more households.

There are various explanations for the relationship between urbanisation and development. Urbanisation can be an *effect* of industrialisation and concentrated economic activity. The population is merely following jobs and income. The second possibility is that urbanisation *contributes* to development through economies of scale, the greater labour pool, better supply chains and access to public goods. The third possibility is that urbanisation *fuels* development through an ongoing and dynamic cumulative process involving learning and innovation. This is the most exciting one. There is much debate about which of these processes is dominant.

The ‘fuel’ model can be described as a ‘virtuous circle’ in which agglomeration advantages such as economies of scale enhance productivity, innovation and growth, which in turn create more jobs and better income which then attract more people. It is important to note that people are not just labour but potential investors in the city. If people do not invest, as can be the case of those in informal settlements, and only transfer resources to rural areas, then they have the potential to undermine the machine that drives the urban economy.

There is evidence that if the size of a city doubles there is up to a 15% efficiency gain (Figure 1). However, this model is oversimplified and has been challenged but provides food for thought. It is important to note that it is not just economic indicators that improve but social indicators also change and these are not all positive. There can be increases in crime, fires, disease outbreaks etc. As population concentration increases so does the vulnerability of society to disasters.

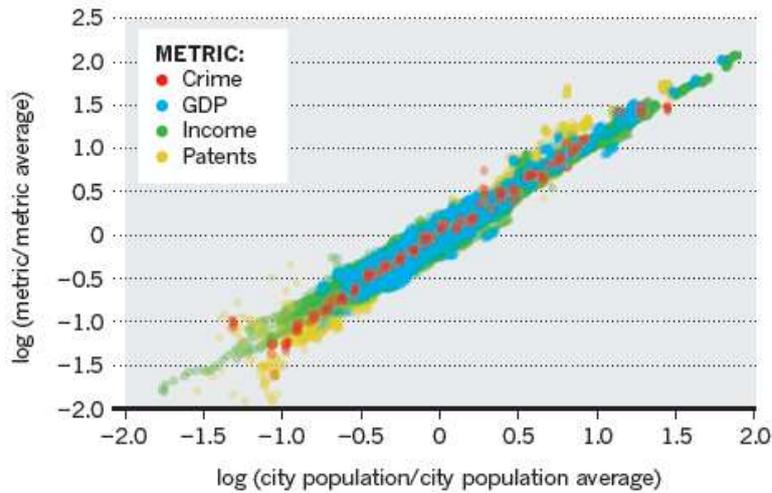
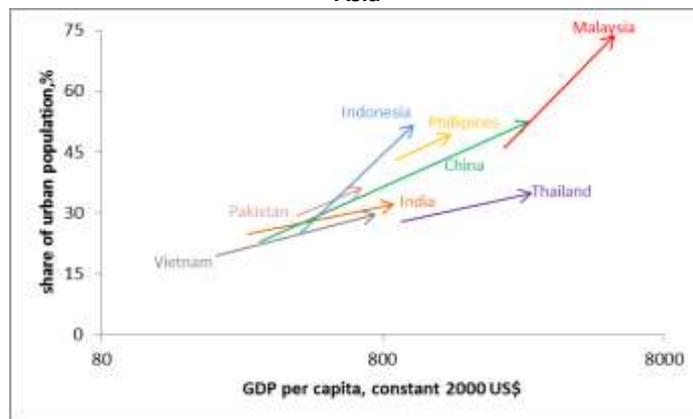


Figure 1 US Evidence: 15% efficiency gain with a doubling of city size (Bettencourt & West, 2010).

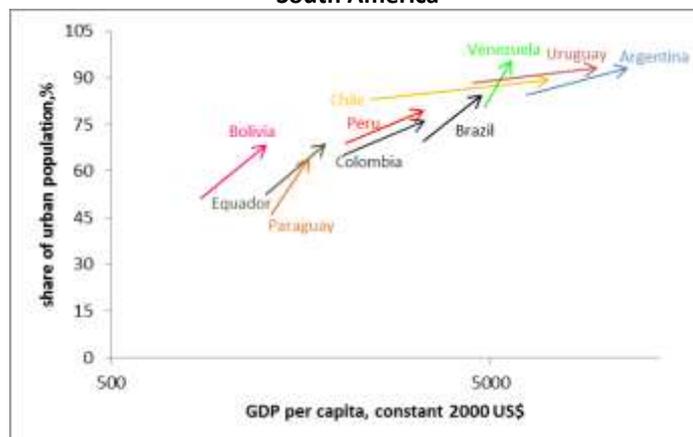
The balance between these positive and negative urbanisation outcomes is the challenge and what we need to do is understand how best to harness the potential of urbanisation as a driver of development.

One useful analytical framework for comparing urbanisation trends around the world is to plot urbanisation, measured as the proportion of the population that is urban, against development or economic growth, measured as Gross Domestic Product (GDP) per Capita (Figure 2). Most Asian countries have demonstrated strong urbanisation and strong growth. China had a nine-fold increase in GDP per capita between 1985-2011 with a doubling of the urban population. Urbanisation was part of the development process.

Asia



South America



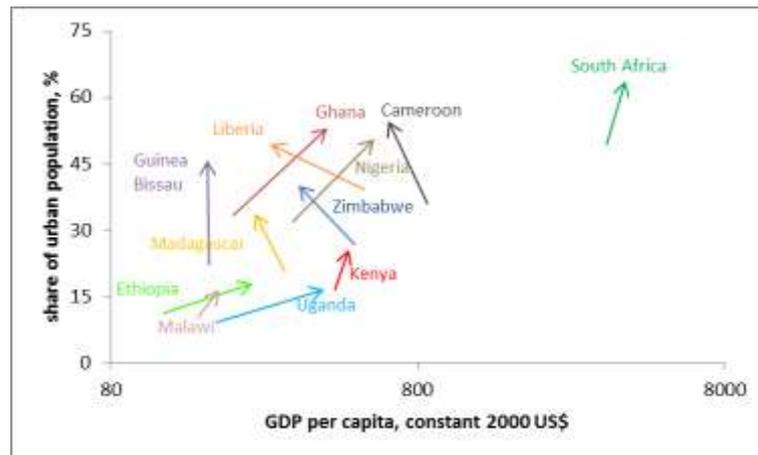


Figure 2 The relationship between urbanisation and economic development in Asia, South America and Africa (1985-2011).

In South America, where many countries are already highly urbanised, recent economic growth has been more moderate. For the most highly urbanised countries the economy is still growing but more slowly. The data suggests a tapering off of economic growth as countries become fully urbanised.

In Africa, the situation is quite different because there has been urbanisation without growth. South Africa is doing better than most but GDP growth is slow. There are some exceptions on the continent, e.g. Ethiopia, Uganda, Ghana and Nigeria but many countries exhibit negative economic development as urbanisation proceeds. One of the reasons may be that most African countries have policies that resist urbanisation and the data suggest that this does not improve economic growth.

Some argue that GDP per capita is not the best indicator because it fails to capture the informal economy, which in Africa can be a very large proportion of the economy, even as much as 70%. However, alternative development indicators, such as Life Expectancy, still produce a very mixed picture for Africa which is unlike the rest of the world.

South African history explains some of the policy ambiguities. In the past, urbanisation was seen as a means of obtaining cheap labour and people were not wanted as a permanent part of the cities, i.e. migrant labour. Apartheid made this worse and people were even removed from cities. Apartheid kept urban and rural population growth the same from 1960 to 1985. There was a population 'rebound' once influx control released people to move to cities and since around 1985 urban population growth has far exceed rural growth. Apartheid was one of very few policies that successfully resisted urbanisation but it has left a physical and psychosocial legacy that results in a deep ambivalence towards urbanisation. This translates into a sense that the rural areas got a bad deal under Apartheid and therefore deserve priority treatment, while at the same time urbanisation is treated as a mere demographic issue. Urbanisation is not addressed as a developmental dynamic and policies are largely welfare and service delivery orientated, and reactive rather than proactive.

From 2001 to 2011 there is evidence of better alignment of population growth and jobs. People seem to know where the work is and therefore urban centres show population growth that is closely correlated with the availability of jobs. This is not policy but labour markets aligning to reality. Service provision (inside taps and water borne sewerage) are broadly aligned with population growth too but there is a backlog. The equitable share ensures that the larger cities get more money.

Between 2001 and 2011 there has been an increase in informal dwellings of around 120,000 households but there is marked regional variation. The largest growth in informal dwelling was in Cape Town (53% increase) and the least in Nelson Mandela Bay (35% decrease). Most of the increase is in the in three metropolitan areas of Johannesburg, Tshwane and Cape Town. Looking at this in more detail shows that most of this growth is in backyard shacks and the total number of informal

dwelling has declined. The proliferation of backyard shacks may contribute to densification but the congestion, social tensions from sheer density of families, and the pressure on the infrastructure and the inability of the city to provide services make this appear to be a poor option. There is greater potential for densification in building multi-story houses.

The census also provides evidence of the urbanisation of poverty. There is a decline in poverty in South Africa overall but there is an increase in the Metros. Social grants are benefitting rural areas disproportionately because the old and young, i.e. the principle recipients of social grants, tend to be in rural areas.

There are some new initiatives such as the National Development Plan, the Urban Settlements Development Grant, the Cities Support Programme and the integrated Urban Development Framework which are seeking to address the urbanisation challenge. But it is early days for these policy initiatives. The question is whether policy is *'restricting urbanisation'*, *'just accommodating'* or *'embracing and enabling'* it? Current policy seems to be mostly a mixture of just accommodating it and restricting it. For example, a Cape Times article on 25 February 2014 quoted the Cape Town Mayoral Committee member for Human Settlements on land invasions. His statement made it clear that Cape Town is trying to resist any further informal settlement rather than enabling growth and that the focus is on only providing services for existing residents. There does not seem to be any thought about accommodating future growth hence the policy can be described as 'backward looking' and is in effect a policy to restrict urbanisation.

A more positive policy for urbanisation is needed which would contain the following elements:

1. A positive signal to cities that urbanisation is important for national development;
2. Moving away from a reluctant, reactive approach, to pro-active urban planning;
3. Addressing the supply of land through 'brown field' (e.g. redeveloping existing properties) rather than 'green field' projects which usually place residents far from opportunities;
4. Investment in basic services;
5. Transport infrastructure that will help the city function smoothly; and
6. Provide an enabling economic environment.

However, the tone of current messages from the Ministers of Economic Development and Trade and Industry is actually anti-urban. They seem to want to get investment out of cities, because of a perception of congestion and overheating and redress, and the message seems to be rural development and special economic zones. We are really missing a trick if our economic strategy is undermining our broader developmental strategy for cities.

To sum up, urbanisation can help fuel the process of development and the evidence supports this pretty strongly. It is not automatic, nor inevitable, but it is more effective with a productive, healthy workforce, active consumers and where households are investing in the cities, and not transferring all their resources elsewhere. So, when reinforced by a positive environment, we can get this virtuous circle of processes to work better. It is dependent on a positive attitude towards urbanisation on the part of government and society more generally, towards inclusive urbanisation, access to land and infrastructure, proactive planning for a more efficient urban form, and reinvestment from growth. That is reinvestment in our cities to capture the advantages. The alternative is an increasingly vulnerable and dysfunctional society, which we need to be very wary of.

SESSION 2: URBANISATION AND DEVELOPMENT: POLICY AND PRACTICE

HARNESSING THE POTENTIAL OF URBANISATION: THE ROLE OF NATIONAL GOVERNMENT

Dr Modjdaji Malahlela, Deputy Director General, Department of Cooperative Governance

With one in every two people worldwide now being an urban resident it is no longer a question of whether one is longer for or against urbanisation or whether we should discourage or encourage urbanisation. We have to accept urbanisation as inevitable and government needs to understand

what drives it, the rate of urbanisation, the geographical patterns, and the characteristics of people in cities or urban spaces.

Despite challenges linked to urbanisation, trends in developing countries indicate that urbanisation can generate significant opportunities for economic growth and ultimately contribute to poverty reduction. However, this is not a given, but requires conscious and well planned interventions from government, both proactively and reactively. Efforts are needed to ensure that various levels of government work together in reshaping the built environment to achieve smarter and fairer development.

Although the effects of urbanisation are felt more at the local or city level, national government has to play a central role because factors that shape and influence the rate and patterns of urbanisation are beyond the mandate of cities; and proactive urbanisation management is a multifaceted process involving the combined activities of many role players. National government is better positioned to analyse the forces shaping the city-regions, cities and towns; strategically consider the bigger picture on different development patterns; and how best to harness the potential and mitigate the challenges. National government also has control over important policy levers that enable each city or town to develop its strengths and harness its potential.

National government has to create a policy and legislative environment that empowers cities to promote integrated urban development. It does this through mechanisms such as the Integrated Urban Development Framework. Such frameworks guide forward planning and management of urbanisation so that regional urban planning is not confined to individual city boundaries.

The subsidiarity principle or ensuring that cities have sufficient delegated powers is not fully utilised in South Africa which means that cities are not always able to fulfil their built environment functions or social services functions adequately. The current fiscal framework inhibits cities' ability to deliver. In other countries the social functions are a local government function and the cities have greater ability to do more integrated planning. This is being looked at in South Africa but there is still a long way to go.

Due to the multiple role-players involved there are sometimes sectoral gaps, conflicts and contradictions among government entities. It is the role of national government to assist with the alignment and integration of sectoral initiatives to minimise conflicts and contradictions; coordinate various levels of government and promote a new sense of responsibility for integrated urban development; and establish or support mechanisms for coordination and integration.

While government must lead, it cannot do it this on its own. Business and civil society must participate and take co-responsibility for solutions. The national government needs to play a central role of mobilising and creating societal consensus around joint urban development objectives. Government can also create platform for tapping the knowledge and the strengths of non-governmental stakeholders for the development, implementation and monitoring of the policy framework and initiatives. For example, the National Urban Forum could be used for stakeholder engagements on aspects of urbanisation.

In response to this recognised role government began developing the Integrated Urban Development Framework (IUDF) in November 2012. The IUDF takes its cue from the "Urban futures" vision set out in the NDP which states: "The main challenge in planning and managing urban areas is to enable job creation linked to sustainable livelihoods and to establish well-performing human settlements. This should be at the heart of what municipalities do and how they function." The framework is a policy process to understand why urban divides remain stubbornly in place, with an eye on promoting effective instruments to change this legacy and promote resilient and inclusive urban settlements. The objective is to provide an interdepartmental, intergovernmental approach to attain integrated urban development.

To date, a Discussion Document has been finalised and is available on the Department for Cooperative Governance website.¹ This is *not* the IUDF but a conceptual framework to guide the

development of the IUDF. Consultations with stakeholders on the draft IUDF, which should be ready by the end of March 2014, will take place between April and June 2014, after which the IUDF goes before cabinet.

In conclusion, although the notion may be unpopular, we recognise that urbanisation is an “unstoppable phenomenon” which compels governments to respond. Despite the challenges associated with urbanisation, it provides opportunities for development, particularly for developing countries struggling with the challenges of poverty and unemployment. For the benefit to be realised, however, a coordinated approach should be led nationally but driven by cities. While the challenges manifest at city level, other levels have a critical role to play. It further requires the active participation of both governmental and non-governmental stakeholders to co-create and take co-responsibility for solutions. We hope the IUDF will provide a framework in pursuance of integrated urban development.

THE ROLE OF CITY GOVERNMENT

AN URBAN RESTRUCTURING PROGRAMME – CORRIDORS OF FREEDOM

Ms Yondela Silimela, Executive Director of Planning, City of Johannesburg

Between 1997 and 1999 Johannesburg’s Gross Value Added (GVA) grew faster than either South Africa overall or Gauteng. Since then the city’s growth has been comparable to Gauteng but declines in GVA are predicted for most regions for the period 2011 to 2016. However, the city’s growth needs to accelerate if it is to help drive South Africa’s development agenda. Migration, which is the strongest driver of urbanisation in Johannesburg, is seen as a positive factor by the City of Johannesburg (CoJ). This is because migrants are often “young, capable, ambitious people”, all factors which will potentially contribute to Johannesburg’s economic development.

When looking at GVA by the different regions of the CoJ, finance, community services, trade and manufacturing have the largest shares of total output (Figure 3). The community services component is unfortunately driven by public investment, with Soweto (Region D) standing out as having the highest community services component. The purpose of this assessment is to develop a view of what might drive the future economy and where it is most likely to take place.

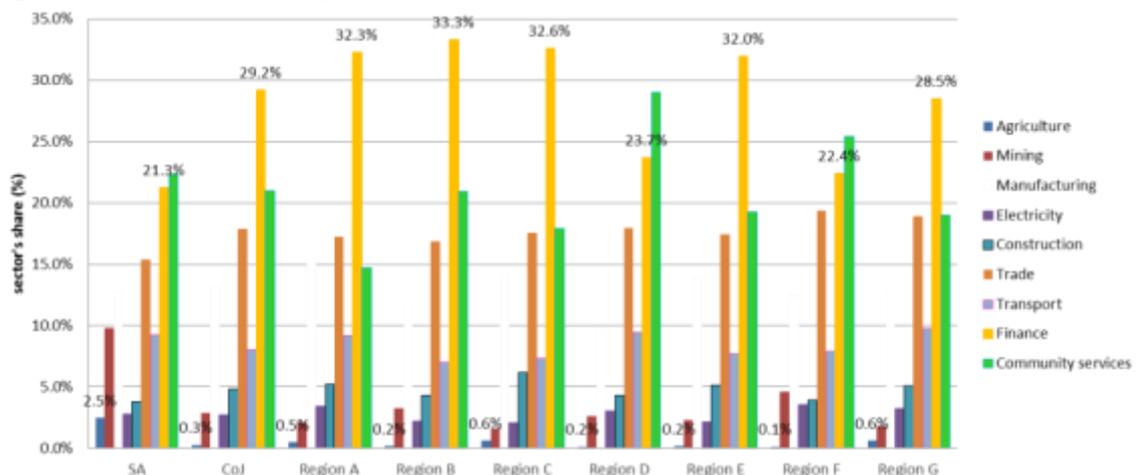


Figure 3 Regional Share of GVA by Sector for City of Johannesburg, 2011.
 (A Midrand, B Auckland Park/Melville, C Roodepoort, D Soweto, E Sandton/Alexandra, F Inner City, G South – Orange Farm/Doug City)

Population density is high in Johannesburg and the bulk of the population lives in the most deprived areas, according to the indicators income, employment, health, education and living environment. In addition, the majority of people do not live in the areas of highest economic activity hence they have substantial travel costs getting to and from work. Infrastructure expenditure has tended to reinforce this situation, which leads to an unsustainable urban form.

In response to this the 'Corridors of Freedom' were announced, initially as a spatial transformation intervention (drawing on Chapter 8 of the NDP) using concepts like Transit Oriented Development (Figure 4). This has now evolved into urban restructuring and a system reconfiguration intervention, looking at how these areas can help to incubate new economies and create jobs and social opportunities in close proximity to one another. The corridors are built around the Bus Rapid Transit (BRT) system as the back bone and also link to rail and air networks.

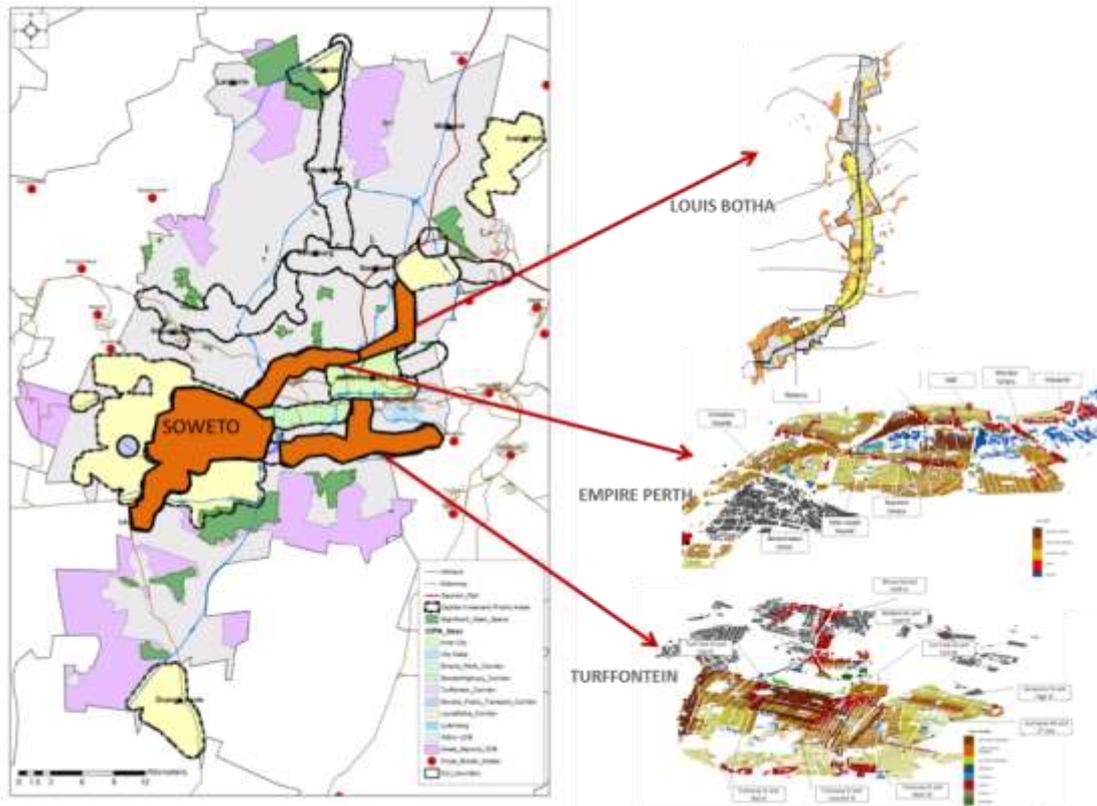


Figure 4 'Corridors of Freedom' or development corridors along major transport arteries in Johannesburg.

There is some difficulty convincing residents that the corridors of freedom are not significantly different from previous developments although the new model links areas with and without current economic activity. The model supports the idea that an area can have up to 30% low income housing before the nature and function of the area starts to change or there is a risk of it becoming 'ghettoised'. The model also includes exploring 'walkability' to identify areas within walking distance of the corridors and the BRT stops. The Louis Botha corridor runs through Wynberg all the way to Alexandra where many people walk to work in Sandton even though the physical environment is not supportive of this. One of the proposals being considered is to build a pedestrian suspension bridge over Grayston Drive to improve access to Sandton without necessarily having to use public transport. This project is legitimising people's access to urban opportunities that exist in Alexandra by improving the design of the built environment to better meet their needs.

The work also includes engagements with property owners, to get them to understand what the future vision is, and to look at incentives or disincentives that would help to get them to respond in a manner that is consistent with the objectives of the development plan.

The city planners also have to engage with other sectors. For example, one of the common complaints is that there are not enough schools in these areas to provide for the envisaged higher housing densities. The province is still working on backlogs in the old townships which means that they are investing in Zandspruit, Diepsloot, etc. but this model needs them to invest in the old model C schools along these development corridors. Because of the space limitations we also need to think differently

about what an urban school looks like, what an urban clinic looks like, and how we start to share facilities across different disciplines.

ROUNDTABLE DISCUSSION: HOW CAN WE PERSUADE EXISTING URBAN RESIDENTS AND RATEPAYERS TO SUPPORT CONTINUING URBANISATION?

Mr Khulekani Mathe, Acting Director General, The Presidency

Prof. Ivan Turok, Deputy Executive Director, HSRC

Dr Modjdaji Malahlela, Executive Manager, COGTA

Ms Yondela Silimela, Executive Director of Planning, City of Johannesburg

At this point the meeting was opened for questions and comments from the floor which were then addressed by a panel of presenters from the preceding sessions.

Questions and Comments from the Participants

When we consider the Equitable Share issue, we need to consider whether this equalises urbanisation or exacerbates it? The Western Cape and Gauteng receive a large portion of the equitable share while the lack of resources in rural areas may accelerate urbanisation.

With regard to the proposal to develop the ex-model C schools, as referred to in Johannesburg's development plans, what role can the National Education department play? We are seeking to increase enrolment of youth from 600,000 to 4 million but community services issues and transport present problems. We never hear calls from cities asking the National Department about where they plan to put schools.

Are Early Childhood Development (ECD) centres included in your modelling in Johannesburg? Are there norms and standards and population thresholds for the provision of ECD centres? Most of the information I have found is very outdated.

I am interested in urban safety for the vulnerable, particularly the young and women. What are the best practices for good urban planning around urban safety from the countries that have mega cities?

It is inspiring to see what is being done in Johannesburg in responding to the growth of population and the phenomenon of urbanisation. My question is about the societal consensus that Modjdaji spoke about. The issue of land availability is a thorny one and there is resistance by private owners to part with land for public development. What is the city of Johannesburg doing to bring people together to discuss what can be done to convert the Apartheid city to an inclusive city?

I would like to hear a sociological perspective of Urbanisation. Why are we not safe in urban areas?

As more people live in cities, agricultural land may be taken for housing. Another challenge is agricultural land being taken up for solar energy and wind power. How do we work with that?

What about protecting ecosystem services in the urban environment? All people need ecosystems to survive and although we need other services we cannot survive without ecosystem services. How is the environment being protected in city planning?

How do we balance the demands of urbanisation with the ideals of the green economy and making our urban environments more people friendly?

Responses from the Panel

Mathe: The limits on available land should force us to make decisions which would have been difficult a few years ago. In the 1990s, urban development was all about single stands. This was based partly on the need to transfer property to those who were previously denied it and secondly on the notion

that Black people cannot live in high rise accommodation. Evidence is beginning to contradict this, especially for younger people, who appear very willing to go multi-storey. People are willing to accept very risky housing in backyard shacks, so obviously people are beginning to accept that urban housing is going to be different from what they may have known before.

What might be painful policies now are those that target the individual to make a sacrifice and do not contain any incentives. We need to create ways to get people to support a much greater objective in a national policy which asks for support from the individual. We need to find a way to connect these issues.

With regard to planning for educational facilities, the Equitable Share issue needs to be taken up with National Treasury. The question for to all of us is: how do we invest for the future? Current investments are based more on what we know and less on directing things so that what happens is more desirable. Another issue is that the Equitable Share may not be the best instrument for planning. We need to decide whether to plan for functions, as in the constitutional assignment, or whether to plan for the space and for the people that occupy that space. It is illogical for national government to decide where a school should go in Johannesburg. Rather Johannesburg should say where and the national government should provide funds (when available). We need to think differently about how national government engages with local government.

Mulahlela: Regarding ecosystem services in urbanisation and the Green Economy. We cannot talk about sustainable development without considering ecosystems. The challenge is how to balance current needs and a long-term vision. We need to look at urban risk and urban disaster risk reduction. The benefits of protecting ecosystem services is not felt immediately but housing demand is felt now. How do we balance immediate human rights against longer term ecosystem costs? It also depends on the ability to take decisions that are uncomfortable. We need to advise that the price later may be higher when we have to deal with negative impacts.

On the issue of making land available, it is interesting to note that much of the strategic land is state owned and not privately owned, which means that government is effectively often fighting against itself.

With regard to backyard shacks; we need more evidence-based policy making. If a person wants reasonably priced accommodation and we provide more upmarket housing that is too expensive we are not meeting their need. When you begin to upgrade an area people may not want to move to the upmarket houses if it means leaving the place where all their friends are.

Silimela: Where institutions of higher learning are in the city there needs to be more integration with the city. In those instances where institutions of higher learning are located in close proximity to town, they need to be designed in a manner that allows them to flow seamlessly into the town. This creates a more conscious kind of awareness of the interactions that need to happen between the two. Wits is quite integrated with the city but the University of Johannesburg is much more insular. This means that they internalise all the benefit and externalise all the negatives. When we asked the university what space they need for the future they said that they do not need to expand. The university feels it can accommodate most of the students and the rest can go to communes, but we know that there are problems with the communes.

The second point I want to raise regarding the equitable share, in terms of Johannesburg finances, is that 40% of the budget comes from grants, 40% from own resources and 20% comes from loans and equities, i.e. from capital markets. Of the grants, the biggest proportion is conditional grants, which means less equitable share. Therefore the equitable share is actually a small proportion of the resources.

A more useful conversation for us would be how does National Treasury in particular, or national government more generally, talk to capital markets around how they view city finances and what do those financial instruments look like? Because the sensitivity between our own revenue and the cost of capital is so high that if we under-collect even marginally and we break a lot of those covenants, we

are actually unable to meet our financial obligations. Thus that is a much bigger issue than the equitable share and conditional grants cause more concern than the equitable share does. The point made about the people who hold the money telling us where it goes is certainly part of the problem, because planning is a local competence and sometimes the proposals from national do not make sense in the local space.

The question around ECD centres is an interesting one. By and large, the CoJ sees itself as a regulator. There are about five early childhood development centres in the city that are city owned and run. This is not seen as a service that the city runs, but constitutionally it is actually a local government function to provide. In some instances the Province has a role. The city has norms and standards and the Community Development Department grants licences but this is a challenge. The Planning Department is beginning to argue on Community Development's behalf for capital for the city to be a provider of ECD facilities. Where ECDs are located near to clinics this contributes to the formation of social clusters which tend to support higher population densities.

With regard to crime prevention, the Planning Department is driving crime prevention through environmental design. Safety is one of the indicators that has to be met before plans are approved for any application for a development comprising more than 20 dwellings. However, there is very little knowledge in the applicants about what the accepted interventions are and likewise there is a lack of skills internally to assess applications in terms of what is an acceptable score. Policing is part of the answer but the built environment can be designed to improve the situation.

In terms of achieving societal consensus we need to be aware of the difference between participation and consultation versus decision making. Usually those who stand to benefit from planning decisions are, at best, lukewarm, but those who stand to lose anything are offer strong resistance. With regard to the release of land, in an urban system the value is in the rights not the boundaries. We need to look at how the value is extracted by the current property owner? When we talk to a property *owner* their views differ from those of a *developer*. Higher density is to the property owner's advantage because it increases value. Home owners may see the BRT as a nuisance because of increased traffic even though it actually has the potential to increase value of property.

For the question about agriculture, it is probably better to use land in the city for higher value added activities than agriculture. The CoJ owns the fresh produce market which effectively sets the price of perishable food and our energies are best deployed understanding how the whole value chain works as opposed to trying to produce food close to where it is consumed. This is how we can make food more affordable.

Turok: The Equitable Share is mainly driven by the population of areas and therefore leads to reactive planning rather than anticipating growth. This does not help us to plan ahead for development by providing resources in advance.

With regard to the social perspective, urbanisation can be a source of social dynamism and creativity by bringing diverse people together. A city like New York thrives on having people from all over the world. South Africa has a similar potential but if conditions are not favourable the result can be explosive. Pressure on jobs, land and resources can have negative consequences. So the national government has to help set a positive mood for urbanisation by raising people's awareness of the longer term opportunities.

So, the final point, is that these aren't easy issues. We do need more public debate and must get people to think about their home and to looking at the wider value of an urban society such as economic benefits, labour market opportunities, social amenities and rich social interactions. We need to break out of self-interest consumerism to something more socially oriented. Leaders need to encourage people to raise their sights. Coordination and integration is needed so that the short term goals and longer term outcomes balance. Johannesburg's experiment is fascinating and they are taking on many of these challenges. However, we need to bring public opinion along with us or when the mayor changes it may all grind to a halt.

CONCLUSIONS AND POLICY IMPLICATIONS

- The National Development Plan (NDP) states that South African cities generate 85% of the economic activity, accommodate 68% of the population and only occupy 7% of the land area.
 - *The cities are driving the economy and need to be developed proactively to maximise the urban advantage for all.*
- Cities cannot be engines of growth without people and urban development policy must stimulate the social and economic dynamism of cities. It is important to note that people are not just labour but potential investors in the city.
 - *If people do not invest in the city, and only transfer resources to rural areas, they have the potential to undermine the machine that drives the urban economy. Thus it is crucial to make the city attractive for its residents, i.e. to ensure that the urban advantage accrues to all.*
- There is strong international evidence that as the size of a city increases so does its efficiency.
 - *However, there can also be increases in negative factors such as crime, fires, disease outbreaks etc. The balance between the positive and negative urbanisation outcomes is the challenge and policy needs to help harness the potential of urbanisation as a driver of development while minimising risks.*
- Evidence from Asia and South America shows that urbanisation is usually correlated with economic growth. However the pattern in Africa differs with many countries showing negative growth in the face of rapid urbanisation.
 - *Many African countries have tried to restrict urbanisation and the consequences are generally negative.*
- In South Africa, maximum urban growth is occurring in the metropolitan areas and is closely correlated with the number of available jobs.
 - *This has little to do with a pro-active policy but merely reflects labour markets aligning with reality.*
- Census data show a small overall decline in informal dwellings but there is an increase in the total number of backyard shacks.
 - *This suggests that people accept densification of the cities, although the proliferation of backyard shacks presents is a far from ideal solution and presents many planning challenges. Alternative densification options such as multi-story houses need to be explored.*
- The coupling of urbanisation and economic development is not automatic, nor inevitable, but it is more effective with a productive, healthy workforce, active consumers and where households are investing in the cities and not transferring all their resources elsewhere.
 - *Efficient development is dependent on a positive attitude towards urbanisation by both government and society, access to land and infrastructure, pro-active planning for a more efficient urban form, and reinvestment from growth.*
- National government has to play a central role in managing urbanisation because the factors that influence urbanisation are beyond the mandate of cities.
 - *National government is better positioned to: analyse the forces shaping the city-regions, cities and towns; strategically consider the bigger picture; and consider how best to harness the potential and mitigate the challenges.*
 - *It is the role of national government to assist with the alignment and integration of sectoral initiatives to minimise conflicts and contradictions; coordinate various levels of government and promote a new sense of responsibility for integrated urban development; and establish or support mechanisms for coordination and integration.*
 - *Whilst government must lead, it cannot do this alone. Collaboration with business and civil society is essential.*
- National government is busy developing an Integrated Urban Development Framework.
 - *The framework is a policy process to understand why urban divides remain stubbornly in place, with an eye on promoting effective instruments to change this legacy and promote resilient and inclusive urban settlements.*
- Although an unpopular notion in some circles, it is increasingly being accepted that urbanisation is an “unstoppable phenomenon” which compels governments to respond.

- *Despite the challenges, urbanisation provides opportunities, particularly for developing countries struggling with the challenges of poverty and unemployment.*
- As in many South African cities, the bulk of Johannesburg's population lives in the most deprived areas (in terms of income, employment, health, education and living environment) where economic opportunities are lowest.
 - *While expenditure on infrastructure (housing and basic services) for these areas is essential, without commensurate expenditure in the rest of the city the process tends to maintain the current situation and leads to an unsustainable urban form.*
- The City of Johannesburg's Corridors of Freedom project aims to reconfigure urban areas in ways that incubate new economies and create jobs and social opportunities in close proximity to one another.
 - *The proposed model links areas with and without current economic activity and promotes densification of existing urban areas along transport (BRT) corridors.*
 - *In order to be attractive to residents the new model requires investments in schools, clinics and other infrastructure along the proposed development corridors.*
- Current investments are based more on reacting to what we know and less on directing things so that what happens is more desirable.
 - *Policies that call for individuals to make a sacrifice without any incentives are difficult to implement which means that we need to find ways of getting people to identify with the larger objectives of national policy.*
- The key question is whether policy is restricting urbanisation, just accommodating it or embracing and enabling it?
 - *Much current South African policy appears to be merely accommodating urbanisation, often in a reactive way, or actively resisting it. Some recent statements by cabinet ministers imply that they want to get investment out of the cities, and for rural development and special economic zones to lead the development plan. International evidence suggests that we are making a serious mistake if our economic strategy is undermining our broader developmental strategy for cities.*

APPENDIX 1: PROGRAMME

Chair: Dr Udesch Pillay, Deputy CEO, HSRC **Rapporteur:** Prof John Seager, Freelancer

Session 1: Urbanisation and development: Understanding and evidence		
9.30-10.00	Welcome	Dr Udesch Pillay, Deputy CEO, HSRC
10.00-10.30	The relationship between urbanisation and development in South Africa	Mr Khulekani Mathe, Acting DG, The Presidency
10.30-11.00	Urbanisation and development: the international experience	Prof Ivan Turok, HSRC
11.00-11.30	Tea	
Session 2: Urbanisation and development: Policy and practice		
11.30-11.50	Harnessing The Potential Of Urbanisation: The Role of National Government	Dr Modjdaji Malahlela, Executive Manager, Dept. of Cooperative Governance & Traditional Affairs
11.50-12.10	The role of city government	Ms Yondela Silimela Executive Director of Planning, City of Johannesburg
12.10-13.00	Roundtable discussion: How can we persuade existing urban residents and ratepayers to support continuing urbanisation?	<ul style="list-style-type: none"> • Mr Khulekani Mathe, Acting DG, Presidency • Prof. Ivan Turok, Deputy ED, HSRC • Dr Modjdaji Malahlela, Executive Manager, COGTA • MsYondela Silimela, Executive Director of Planning, City of Johannesburg
13.00-14.00	LUNCH	

APPENDIX 2: ABSTRACTS

Harnessing The Potential Of Urbanisation: The Role of National Government

Dr Modjadji Malahlela, COGTA

The world is becoming predominantly urban. With the percentage of urban dwellers having surpassed the fifty percent mark, it basically means “*one in every two people is an urban dweller*”. It is no wonder that the 21st century is called the “Urban Century”. This change calls for proactive responses from government, and not the ambivalence that has characterised previous approaches.

Trends in developing countries suggest that urbanisation generates significant opportunities for economic growth and if properly managed, could contribute to poverty reduction through creating jobs and enhancing livelihood strategies for the poor. This relationship is however not automatic, as it is not a causality. It was found that in sub-Saharan Africa, despite high urbanisation rate, most countries have not reaped the benefits of urbanisation.

It is mainly at the city-level that the pressures of unplanned and unmanaged urbanisation are felt. A key issue is that it is not the responsibility of cities alone to manage urbanisation as some of the drivers and responses required are outside the mandate and scope of work of municipalities. National governments in particular, have a critical role to play to ensure that cities function within a space that is conducive to effectively and proactively plan and manage urbanisation.

Despite good plans to ensure integrated and sustainable urbanisation, cities struggle to implement such plans due to lack of supportive policy frameworks. It is the responsibility of national government to create policy frameworks to influence urbanisation patterns and further support cities in urban management. In addition, developing policy frameworks without a clear, well thought-out financing framework can frustrate the best intentions. It is the responsibility of national government to connect finances to the nexus of urbanisation.

Furthermore, there are various sectors and role-players in urban spaces, with each pursuing own objectives. At times, their sectoral policies and initiatives conflict and contradict, frustrating efforts aimed at integrated urban development. It is the responsibility of national government to ensure not only availability of sectoral policies in support of integrated urban development, but also alignment of such policies and strategic initiatives.

Certain functions are key for transforming spaces in a way that promotes equity and integrated urban development. Where the mandate to perform such functions is located is crucial for ensuring that the economic potential of urbanisation is unleashed. National government should ensure that such functions are located at the right level of government, and that cities are empowered and supported to perform them.

Urbanisation provides opportunities for development. Similarly, unplanned and unmanaged urbanisation poses various management challenges. These challenges manifest themselves at a city level; however, the solution lies at all levels of government. Cities, as the “engines of growth” should be empowered and supported to increase their contribution to development, and thereby raising incomes and living conditions of their residents and other parts of the country, particularly rural areas. National government has a critical role to play by creating the required environment conducive for well-planned and managed urbanisation.

Unleashing the transformative power of urban growth: Exploring the constrained relationship between urbanisation and economic development in South Africa

Mr Khulekani Mathe, Acting DG, Presidency

The presentation will explore the relationship between urbanisation and economic growth. It will begin with a passage through international experience, with a specific focus on the recent histories of China, Brazil and India. It will then draw on available data on South Africa to show that there has been a positive, two-way relationship between urbanisation and economic growth but that this relationship has been constrained by a range of inhibiting factors, and that there are also specificities in the South African case that must be considered. To illustrate and detail the nature of the relationship the presentation will consider the links between urbanisation and the mining, manufacturing and finance sectors.

The presentation will ask what it will take in the specific context of South Africa to fully unleash the transformative power of urban growth. In addressing this question it will deal with the diversity of urban contexts in South Africa. It will, for example, address the growth of Gauteng, asking the question whether the continued concentration of economic power in this city-region is to the long-term advantage or disadvantage of the country as a whole. It will also ask whether the future growth of this city-region should have manufacturing or tertiary sectors at its heart. It will deal with coastal cities, asking why these cities have performed so poorly in terms of job creation, and what might be done to unlock their potentials. It will explore the second-tier cities, noting their diversity, and

Urbanisation: How to harness the Potential?
DST Government Cluster Policy Workshop 26 February 2014

asking why many of these cities have failed to grow as they should. The presentation will comment also on the network of smaller cities and towns, exploring the effects of metropolitan development on their growth.

The presentation will give particular attention to the concentration of young people in the large cities, asking how the transformative power of youth can be tapped in the development process. The presentation will conclude with questions around the future trajectories of urban growth and urbanisation, and ask whether or not the current rates of growth are a temporary phenomenon that provides a short "window of opportunity". It will compare South Africa's urbanisation trajectory with that of other countries in Africa, and with that also of Latin America and South and East Asia. In addressing these questions, the presentation will draw out implications and choices for policy processes, including the development of an Integrated Urban Development Framework (IUDF) for South Africa.

The role of city government

Ms Yondela Silimela Executive Director of Planning, City of Johannesburg

The presentation will look at projected urbanisation rates for Johannesburg, look at the City's response to urbanisation and development – and will consider certain policies adopted by the City, such as the Growth Management Strategy, Sustainable Human Settlements Urbanisation Plan (SHSUP) and more specifically, the City's response to the spatial implications of the anticipated growth and the response to that in the form of the Corridors of Freedom.

In addition, the presentation will focus on the CoFs (the ideology behind them, planning principles that underpin them, investment logic as well as broader urban system management approaches), what they intend to achieve, where we are and the issues we are dealing with currently.

Urbanisation and development: the international experience

Prof Ivan Turok, HSRC

Ivan Turok will consider the relationship between urbanisation and development in different countries and continents, and how this is affected by the national context. Key variables include the rate of urbanisation, the level of economic development and policy stance of the government. Different forms of urbanisation are apparent in different contexts, ranging from self-help and exclusionary forms to more inclusive and resilient forms. Ivan will also consider the policy implications of this analysis.

APPENDIX 3: BIOSKETCHES

Dr Modjdaji Malahlela

Dr Malahlela is the Executive Manager: Development Planning in the Department of Cooperative Governance. She is responsible for, among others, coordinating the development of South Africa's Integrated Urban Development Framework (IUDF).

Mr Khulekani Mathe

Mr Mathwe is the Acting Head of the National Planning Commission Secretariat. Khulekani joined the public service in 2007 as Senior Policy Analyst in the Policy Coordination and Advisory Services in the Presidency. He moved to the National Planning Commission Secretariat, as one of the sector experts in March 2010. He was responsible for all education, health and social protection work in the National Planning Commission Secretariat during the development of the draft National Development Plan.

Prior to joining the public service, Mathe worked for Procurement Dynamics, a development consultancy and a number of education NGOs in KwaZulu Natal. He was Programme Manager at Operation Upgrade of South Africa (1995 – 1999) and Executive Director at Tembaletu Community Education Centre (1999 – 2003).

Mathe served on many committees in the education, skills development, and the welfare sectors in the 1990s and 2000s. He was an Alternate Board Member of the Unesco Institute for Lifelong Learning representing South Africa (2009 – 2012). He also serves on the Advisory Board of the Education Policy Unit in the University of Witwatersrand; External Advisory Board: DataFirst, University of Cape Town.

Dr Udesh Pillay

Dr Pillay is the Deputy CEO: Management Support at the HSRC. He holds a PhD in urban and economic geography from the University of Minnesota, USA and an MA in urban geography (cum laude) from the University of Natal.

Prior to his appointment as DCEO: Management Support, Dr Pillay was Executive Director (ED) in the Office of the CEO, where he provided strategic support to the CEO in overseeing a cluster of large projects to ensure integration of work across programmes and to reduce the outsourcing of work. He is also assisting with the co-ordination and integration of new entities into the HSRC and providing strategic and intellectual direction to the organisation's many international collaborations and engagements. He is also assisting in ensuring alignment between the 'research' and 'support' divisions of the organisation.

Prior to this, Dr Pillay was head of the Democracy, Governance and Service Delivery (DGSD) research programme at the HSRC and, before that, Executive Head of the HSRC's Surveys, Analyses, Mapping and Modelling (SAMM) programme. He also headed the Urban, Rural and Economic Development (URED) research programme and initiated, in 2008, a Centre focusing on evidence-based research to accelerate the delivery of basic services to marginalised communities in South Africa.

Dr Pillay has been in executive management for over fifteen years.

Before joining the HSRC, Dr Pillay was the General Manager of the Delimitation and Planning Directorate of the Independent Electoral Commission (IEC), overseeing the 1999 national and 2000 municipal elections. Prior to that he was a Senior Manager at the Centre for Development and Enterprise (CDE). He has previously lectured at the Universities of Natal, Pretoria, Wits and Durban-Westville, and has consulted widely in his area of expertise in both the public and private sectors.

Dr Pillay has led and managed a number of support units (HR, Legal, IT, Finance) in his previous role as General Manager at the IEC. These were units that were enabled from scratch as the IEC became a permanent entity in 1998. Dr Pillay also has vast experience in managing service providers, and in ensuring that all compliance and co-operative governance protocols are/ have been observed in both his previous and current positions. He has a strong performance-management orientation.

As an urban and economic geographer, Dr Pillay's key areas of expertise include urban development and renewal, local government reform and restructuring, local economic development, service delivery, urban policy and electoral geography. His PhD dissertation dealt with local economic development initiatives in South Africa, with specific reference to the case of Durban. Recent interests also include research into the impact of mega-sporting events on urban areas and livelihoods, and public opinion and attitudinal research. Dr Pillay has strong research design, methodology and quantitative analysis skills.

Dr Pillay's publications in peer-reviewed books, journals and the print and electronic media, numbering over a hundred, have dealt mainly with issues of urban development and social change in South Africa, urban policy, global city competitiveness, and the uniqueness of 'locality'. He is the co-editor of *South African Social Attitudes*:

Urbanisation: How to harness the Potential?
DST Government Cluster Policy Workshop 26 February 2014

Changing Times, Diverse Voices, HSRC Press, 2006; Democracy and Delivery: Urban Policy in South Africa, HSRC Press, 2006 and Development and Dreams: The Urban Legacy of the 2010 Football World Cup, HSRC Press 2010. He is co-editor of the next edition of the HSRC's flagship publication; 'State of the Nation', due for release in February 2013.

Dr Pillay commentates widely on issues of urban development and policy in the print and electronic media.

Professor John Seager

Prof. Seager is a freelance research consultant with over 30 years public health research experience in Africa. His research has covered AIDS and development, tuberculosis, diabetes care, urban health systems, and social determinants of health. He holds a BSc (Hons) in Zoology and a PhD in Ecology and Population Dynamics at the University of Wales and has completed advanced training in Epidemiology and Public Health in the US, UK and South Africa. He is an Extraordinary Professor in the School of Public Health at the University of the Western Cape and an Extraordinary Professor at the University of Stellenbosch, where he is a member of the Transdisciplinary Sustainability Analysis Modelling and Assessment Hub.

His main research interest is social determinants of health among the poor in developing countries. Recent work includes health systems evaluation, HIV and AIDS, homeless populations and social aspects of climate change. Prof. Seager serves on the editorial advisory board of Development Southern Africa and is a reviewer for local and international journals. His publication record spans the authoring and co-authoring of more than 60 journal articles, 50 research reports and 100 presentations at scientific meetings.

Ms Yondela Silimela

Yondela Silimela is the Executive Head of the Development Planning Department in the City of Johannesburg. Prior to returning to the City in 2012, she worked with the Public Investment Corporation in the Property Investment Division. Her career spans in excess of 15 years in the local government and development policy and implementation environment, having previously worked on the National Urban Renewal Programme with the then National Department of Provincial and Local Government as well as the CSIR. Her particular interest is in the development and implementation of planning policy and regulatory instruments that ensure sustained and shared growth and development, harnessing the resources and abilities of the public and private sectors and civil society.

Prof. Ivan Turok

Prof Turok is Deputy Executive Director in the Economic Performance and Development Unit of the HSRC. He is Editor-in-Chief of the international journal Regional Studies, and Honorary Professor at the Universities of Cape Town and Glasgow. He has a PhD in Economics, MSc in Planning and BSc in Geography. Before returning to South Africa and joining the HSRC in 2010 he was Professor and Research Director of the Department of Urban Studies at Glasgow University. Prof Turok's fields of expertise include the spatial economy (regions, cities and neighbourhoods), local labour markets and economic development. His research on unemployment, regional development, city competitiveness, urban regeneration and spatial inequalities is highly cited internationally. He is an expert adviser to the United Nations, OECD, European Commission, SA Government, UK Government and African Development Bank. He has published over 150 academic papers was the main author of the 2011 State of South African Cities Report. He is currently serving on the Expert Panel preparing the Integrated Urban Development Framework for the SA government, and closely involved with the City Support Programme run by the Treasury.

Urbanisation: How to harness the Potential?
DST Government Cluster Policy Workshop 26 February 2014

APPENDIX 4: ATTENDANCE

No.	Title	Name	Surname	Position/Department	Organisation	Telephone/Cell	E-mail address
1	Dr	Faried	Adams		The DTI	0832719005	fadams@thedhet.gov.za
2	Dr	Bongani	Bantwini		HSRC	012 302 2740	bbantwini@hsrc.ac.za
3	Ms	Fatima	Beg		Urban Governance Advisor	071 633 8214	fatima.beg@giz.de
4	Ms	Christina	Breed	Lecturer	Department of Architecture, University of Pretoria	012 460 4536	Ida.breed@up.ac.za
5		Ane	Bruwer		COGTA		AneB@ndmc.gov.za AneB@cogta.gov.za
6	Ms	Catherine	Cross		HSRC		ccross@hsrc.ac.za
7	Ms	Khuthala	Dlamini	Land Use Officer	DAFF	083 980 3435	khuthalaD@daff.gov.za
8	Ms	Bea	Drost	Sector Expert	National Planning Commission Secretaries	082 551 6980; 082 959 7187	bea@po.gov.za bea24601@gmail.com
9	Mr	Jurgens	Dyssel	Senior Manager	DCOG-NATIONAL Planning Disaster Mngement Centre	082 495 1820	JurgensD@ndmc.gov.za
10	Ms	Mandisa	Fatyela-Lindie		Department of Public Works	012 310 5044	Mandisa.Fatyela@dpw.gov.za ;
11	Ms	Valerie	Fitchardt		HSRC		Vfitchardt@hsrc.ac.za
12	Ms	G	Gosnell		Department of Social Development	012 312 7670 012 312 7226 012 312 7670 072 042 7763	gigig@dsd.gov.za TshepisoN@dsd.gov.za
13	Mr	John	Griffin	Assistant Director	Department Of Home Affairs	082 908 4767	Shaun.griffin@dha.gov.za
14	Ms	Arlene	Grossberg	RIA	HSRC	012 302 2811	acgrossberg@hsrc.ac.za
15	Dr	Marietjie	Kruger	Executive Manager	Department of Cooperative Governance	083 230 6784	marietjiek@cogta.gov.za

Urbanisation: How to harness the Potential?
DST Government Cluster Policy Workshop 26 February 2014

No.	Title	Name	Surname	Position/Department	Organisation	Telephone/Cell	E-mail address
16	Mr	Jan	Magoro		The DTI		
17	Dr	Modjadji	Malahlela	Executive Manager	Department of Cooperative Governance		modjadjim@cogta.gov.za
18	Ms	Seipati	Mashile	Director: Channel Management	Department Of Home Affairs	083 692 5814	Seipati.Mashile@dha.gov.za
19	Mr	Khulekani	Mathe	Acting Director General	The Presidency	012 308 1829 Secretary 012 308 1812 079 495 4694	Khulekani@po.gov.za
20	Mr	S	Mbanga		SAFM		
21	Ms	Thenjiwe	Mbatha		DAFF	072 392 1010	thenjiwe@daff.gov.za
22	Ms	Linda	Molefe	ASD	DCS	082 511 9922	linda.molefe@dcs.gov.za
23	Dr	Sagren	Moodley	Director: Social Development Analysis	Department of Science and Technology	PA: Mantwa 012 843 6421	sagren.moodley@dst.gov.za
24	Dr	Seán	Morrow		Ngomso Research, Writing and Editing Service, cc	083 379 9659	sean.morrow46@gmail.com
25	Ms	Motsei	Mothibi	Land Use Officer	DAFF	073 123 9403	motseim@dfaa.gov.za
26	Ms	Masala Serah	Moubeleni	Land Advisor	DAFF	0123197480	SerahMu@daff.gov.za
27	Ms	Angeline	Nchabeleng		Department of Transport	0123093231	nchabela@dot.gov.za
28	Dr	Catherine	Ndinda		HSRC		cndinda@hsrc.ac.za
29	Ms	Thembehle	Ndukwana	DD	DEA	084 247 7701	tndukwa@environment.gov.za
30	Mr	Amukelani	Ngobeni		HSRC		angobeni@hsrc.ac.za
31	Ms	Angeline	Nthabeleng		Dept of Transport	012 309 3231	nchabela@dot.gov.za
32	Ms	Elizabeth	Ntoyi	Intern	Dept of Environ Affairs	012 395 1723	entoyi@environment.gov.za
33	Ms	Elizabeth	Ntoyi	Intern	Department of Environmental Affairs	012 395 1723	entoyi@environment.gov.za
34	Mr	Godfrey	Nyakhulalini	DD	Department of Environmental Affairs	081 045 2793	gnyakulalini@environment.gov.za
35	Ms	Thembi	Nyoka	Land Use Officer	DAFF	0724928588	Thembin@daff.gov.za
36	Mr	Firoz	Patel	DDG	Department of Higher education and Training	082 553 0735	patelf@dget.gov.za

Urbanisation: How to harness the Potential?
DST Government Cluster Policy Workshop 26 February 2014

No.	Title	Name	Surname	Position/Department	Organisation	Telephone/Cell	E-mail address
37	Dr	Udesh	Pillay	Deputy CEO: Management Support	Human Sciences Research Council	012 302 2030	UPillay@hsrc.ac.za
38	Mr	Thabo	Radebe		Department of Science and Technology		Thabo.Radebe@dst.gov.za
39	Ms	Seitisho	Rammutla	Director	Department of Human Settlements	PA 079 062 3279 082 90 76233	Seitisho.Rammutla@dhs.gov.za ; Seitisho.rammutla@gmail.com ; seitishor@gmail.com
40	Mrs	E	Rapeta	Assistant Director	Department Of Correctional Services	072 324 0221	rapeta@dcs.gov.za
41	Ms	Carolina	Roscigno		HSRC		croscigno@hsrc.ac.za
42	Mr	Niel	Roux	Chief Survey Statistician	Statistics South Africa	PA 012 310 2939 082 904 7919	NielR@statssa.gov.za
43	Dr	Isabelle	Schmidt	Executive Manager	Statistics South Africa	PA 012 337 6379 082 884 4281	isabelsc@statssa.gov.za
44	Prof	John	Seager	Rapporteur	Freelancer	082 443 0553	john@seagers.org.uk
45	Ms	Yolanda	Silimela	Executive Director Of Planning		011 407 6010	YOLandeS@joburg.org.za
46	Ms	Happy	Solomon	RIA	HSRC	012 302 2368	hsolomon@hsrc.ac.za
47	Mr	Thabo	Stamper		HSRC		tstamper@hsrc.ac.za
48	Mrs	Marise	Taljaard		HSRC	PA 083 9953 889 0123022026	mtaljaard@hsrc.ac.za
49	Ms	Thandeka	Tshabalala		DST	PA 012 843 6650 072 639 8152	Thandeka.tshabalala@dst.gov.za
50	Ms	Mapula	Tshangela		DEA		Mtshangela@environment.gov.za
51	Prof	Ivan	Turok	Deputy Executive Director Economic Performance and Development	HSRC	021 466 7866; 082 735 4078	lturok@hsrc.ac.za
52	Mr	Jan Louis	van der Walt	Acting Chief Director	National Dept Human Settlements	012 444 5032; 083 380 8843	Louis.vdwalt@dhs.gov.za

APPENDIX 5: PRESENTATIONS

Urbanisation and Development

Prof Ivan Turok
 HSRC

DST Government Cluster Workshop
 February 26th 2014

Outline

1. Theory
2. International evidence
3. South African evidence
4. Policy - current and potential



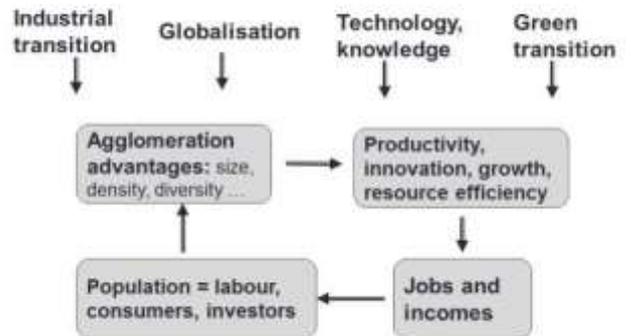
Definitions

- **Urbanisation:** Net shift in population to urban areas
 - Migration
 - Natural change
- **Urban household growth:**
 - Household formation

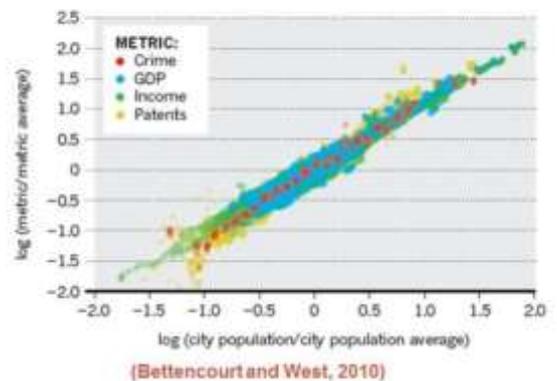
The relationship between urbanisation and development

1. Urbanisation as an **effect** of industrialisation
 - Population following jobs & incomes
2. Urbanisation **contributes** to development
 - Once-off efficiency gain from scale economies: labour pool, supply chains, public goods
3. Urbanisation **fuels** development
 - Cumulative, self-reinforcing, dynamic effects – learning, innovation ('buzz')

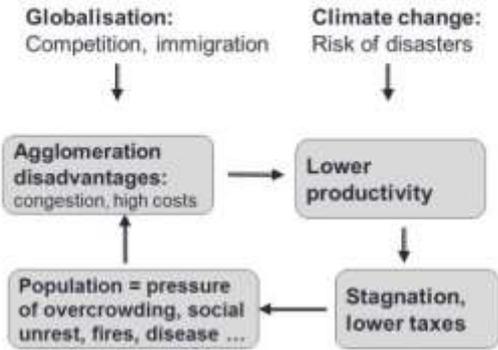
Virtuous circle



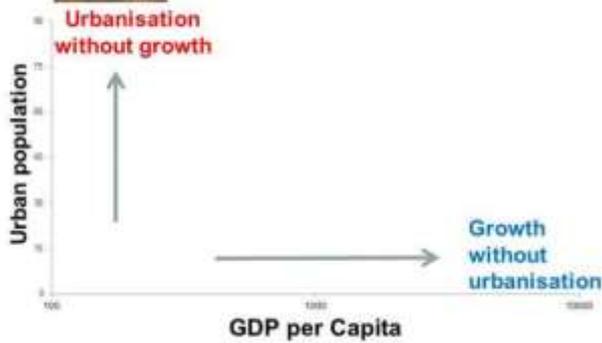
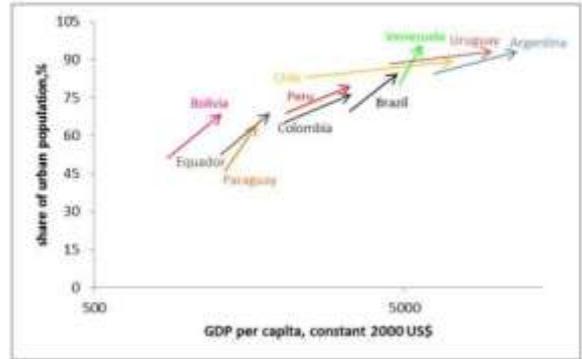
US evidence: 15% efficiency gain with 2x size



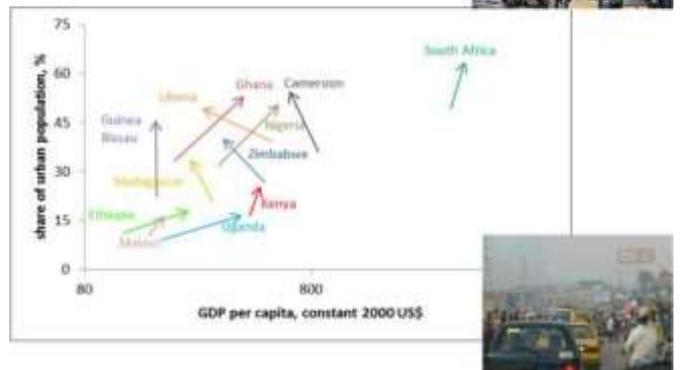
Possible negative externalities



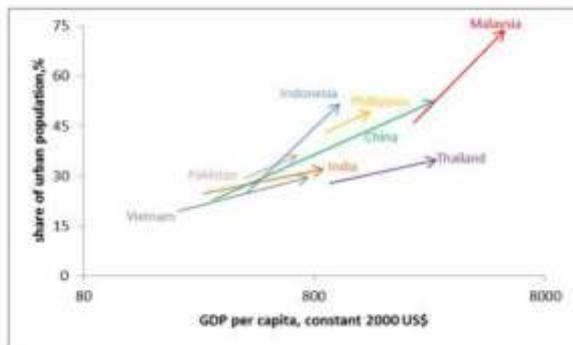
South America 1985-2011



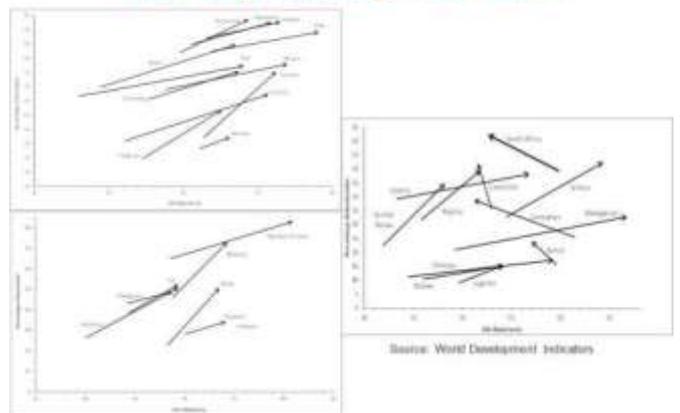
Africa 1985-2011



Asia 1985-2011



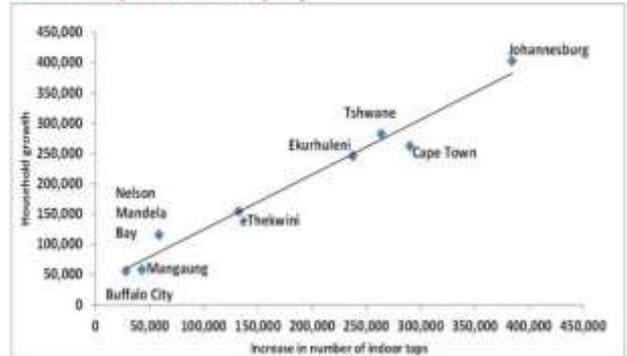
Life expectancy, 1985-2011



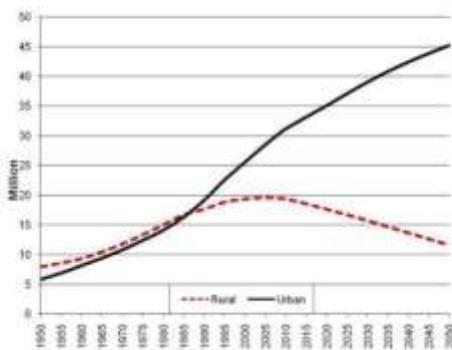
S Africa's tortured history of urbanisation

1. Driven by mining and industrialisation from late C19th, based on cheap labour, circular migration
2. Narrow post-war Apartheid ideology lacked economic logic - anti-urbanisation, oppressive controls, segregation, exclusion, removals
3. 1980s collapse and crisis, urbanisation rebound
4. But physical and psychological legacy in deep ambivalence towards urbanisation. Seen as a demographic/social problem. Policy is reactive & welfare oriented. Not a development opportunity

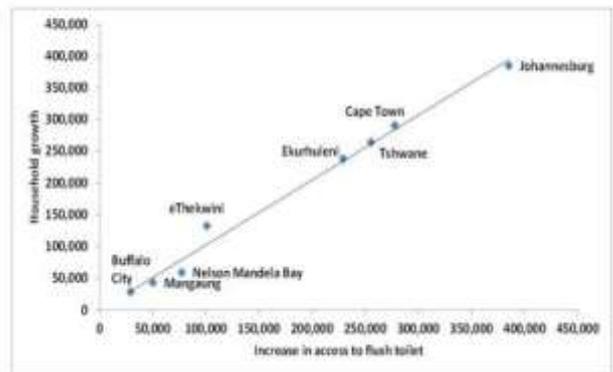
Services keeping pace (but backlogs): water (indoor taps)



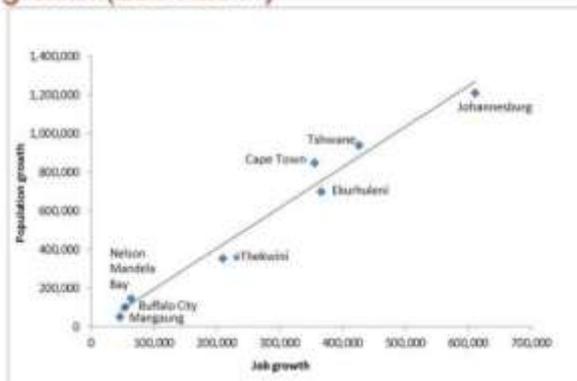
Total urban and rural population



Services keeping pace: flush toilets



Better alignment: population versus jobs growth (2001-2011)



Households in informal dwellings	2001		2011		Absolute difference	Percentage Change
	Living in Informal dwelling	%	Living in Informal dwelling	%		
Johannesburg	212,693	20	249,823	17	37,130	17
Ekurhuleni	213,334	27	218,259	21	4,925	2
Tshwane	139,483	22	184,014	18	24,531	18
Cape Town	142,982	18	218,780	20	75,798	53
eThekweni	150,391	18	149,288	16	-1,103	-1
Nelson Mandela Bay	59,795	23	38,861	12	-20,934	-35
Buffalo City	55,056	28	49,790	22	-5,266	-10
Mangaung	43,811	23	32,747	14	-11,064	-25
Total Metros	1,017,545	22	1,121,563	18	104,018	10
Rest of South Africa	818,686	12	841,170	10	22,484	3
Total South Africa	1,836,231	16	1,962,733	14	126,502	7

20

Households in informal dwellings	Absolute Difference		Percentage Change	
	Backyard informal dwellings	Other informal dwellings	Backyard informal dwellings	Other informal dwellings
Johannesburg	45,367	-7,844	58	-6
Ekurhuleni	30,154	-24,455	60	-15
Tshwane	27,947	6,446	117	6
Cape Town	42,154	33,646	129	31
eThekweni	10,689	-11,791	39	-10
Nelson Mandela Bay	968	-21,901	12	-42
Buffalo City	108	-5,153	1	-12
Mangaung	256	-11,320	3	-32
Total Metros	157,643	-42,371	66	-6
Rest of South Africa	95,786	-84,556	44	-14
Total South Africa	253,429	-126,927	55	-9

A positive policy

1. Positive signal to cities
2. Pro-active urban planning
3. Supply of land
4. Investment in basic services
5. Transport infrastructure
6. Enabling economic environment & skills

21

Number of poor households	2001		2011		Absolute Difference	Percentage Change
	R0-R38,400	%	R0-R38,200	%		
Johannesburg	708,152	67	740,984	52	32,832	5
Ekurhuleni	552,987	71	562,617	55	9,630	2
Tshwane	406,960	63	437,415	48	30,435	7
Cape Town	432,867	56	502,409	47	69,542	16
eThekweni	590,315	72	561,562	59	-28,753	-5
Nelson Mandela Bay	191,662	72	192,695	59	1,033	1
Buffalo City	157,910	81	144,801	65	-13,109	-8
Mangaung	150,425	80	139,538	60	-10,887	-7
Total Metros	3,191,296	68	3,282,022	53	90,724	3
Rest of South Africa	6,086,019	86	5,826,470	70	-259,549	-4
Total South Africa	9,277,317	79	9,108,492	63	-168,825	-2

Summary

1. Urbanisation can help fuel the process of development
2. More effective with productive, healthy workforce, active consumers and investors
3. Dependent on positive attitude towards inclusive urbanisation:
 - access to land and infrastructure
 - pro-active planning for efficient urban form
 - reinvestment from growth
4. Alternative is vulnerable and dysfunctional

29

New initiatives:

- National Development Plan (chapter 8)
- Urban Settlements Development Grant
- Cities Support Programme
- Integrated Urban Development Framework
- **Very early days**
- Is policy **restricting** urbanisation or
- **'just accommodating'** it, or
- **'embracing and enabling'** it?

Thank you!



**Department of
Cooperative Governance**

**HARNESSING THE POTENTIAL OF
URBANISATION: THE ROLE OF
NATIONAL GOVERNMENT**

26 February 2014

Modjadji Malahlela



Introduction

- It is therefore no longer a question of being pro or against urbanisation, or whether to discourage or encourage urbanisation.
- Accepting the phenomenon of urbanisation, debate that should preoccupy government should be understanding:
 - (i) *the drivers of urbanisation,*
 - (ii) *the rate of urbanisation,*
 - (iii) *Its geographic patterns, and*
 - (iv) *characteristics of people in cities/urban spaces*



Structure

1. Introduction
2. Why national government (Some key areas):
 - 2.1 Policy and Legislative Environment
 - 2.2 Coordination and Integration
 - 2.3 Stakeholder Mobilisation
3. Responding to the Role: The Integrated Urban Development Framework
4. Conclusion



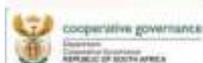
Introduction

- Despite other challenges linked to urbanisation, trends in developing countries indicate that urbanisation can generate significant opportunities for economic growth and ultimately contribute to poverty reduction.
- This is however not a given, but requires conscious and well planned interventions from government, both proactively and reactively.
- Efforts are needed to ensure that various levels of government (in particular) work together in reshaping the built environment to achieve smarter and fairer development.



1. Introduction

- It is an undeniable fact that the world is becoming predominantly urban, hence the 21st century is “dubbed” the **Urban Century**.
- Statistics indicate that:
 - Beginning 19th century: less than 2% pop urban*
 - 20th Century: 10% pop urban*
 - By 2010: Urban pop increased to 50%*
 - By 2030: projected to increase to approximately two-thirds*
- SA not an exception, with over 60% of the population residing in urban areas.
- **Implication: “One in every two people is an urban dweller”**



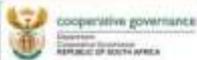
2. Why National Government?

- The effects of urbanisation are felt more at a local/city level. To deal with the challenge however, requires national government to play a central role because:
 - (i) Generally, factors that shape and influence the rate and patterns of urbanisation are beyond the mandate of cities;
 - (ii) Proactive urbanisation management is a multifaceted process involving the combined activities of many institutions, actors and role players;
- National government has control over important policy levers to enable each city and town to develop its strengths and harness its potential in building a country that is more prosperous and inclusive.



2. Why National Government?

- National government is better positioned to:
 - (i) analyse the forces shaping the city-regions, cities and towns;
 - (ii) strategically consider the bigger picture on different development patterns and how best to harness the potential and mitigate the challenges;
 - (iii) Given the scope and complexity of the challenges, pull together at a bigger scale different societal and sectoral strengths, focussing them to a common goal.



(2.3) Stakeholder mobilisation

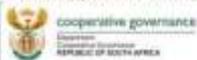
- Government must lead, but cannot do it on its own. Business and civil society must participate and also take co-responsibility for solutions.
- National government needs to play a central role of mobilising and creating societal consensus around joint urban development objectives.
- Create a platform(s) for tapping the knowledge and the strengths of non-governmental stakeholders for the development, implementation and monitoring of the policy framework and initiatives. For example, a forum like a National Urban Forum could be used as a platform for stakeholder engagements on aspects of urbanisation



(2.1) Policy Environment

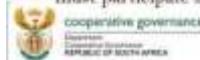
It is the responsibility of national govt to create a legislative and policy environment that empowers cities (in particular) and other role-players to promote integrated urban development through:

- Establishing a policy framework to promote integrated urban development-national urban policy framework or the Integrated Urban Development Framework(IUDF) in the case of SA.
- Frameworks to guide forward planning and management of urbanisation, which enables / fosters intercity / regional urban planning so that planning is not confined to individual city boundaries;
- Ensuring that cities have the powers(subsidiarity principle) and the capacity to render services necessary for ensuring integrated urban development. This could be built environment functions or other social services functions.
- Ensuring a supportive financing and fiscal framework that acknowledges the challenges that cities and towns face.



3. Responding to the role: The IUDF

- Process started in November 2012 to develop an Integrated Urban Development Framework(IUDF).
- The IUDF takes its cue the "Urban futures" vision set out in the NDP. In this section the NDP asserts "The main challenge in planning and managing urban areas is to enable job creation linked to sustainable livelihoods and to establish well-performing human settlements. This should be at the heart of what municipalities do and how they function."
- It is a policy process and framework to understand why urban divides remain stubbornly in place, with an eye on promoting effective instruments to change this legacy and promote resilient and inclusive urban settlements.
- Objective is to provide an interdepartmental, intergovernmental approach to attain integrated urban development.
- Government must lead, but cannot do it on its own. All stakeholders must participate and also take co-responsibility for solutions.



(2.2) Coordination and Integration

Due to the multiple role-players involved there are sometimes sectoral gaps, conflicts and contradictions even among govt entities. It is the role of national govt to:

- Ensure availability of sectoral policies and programmes to support integrated urban development;
- Assist with the alignment and integration of sectoral initiatives to minimise conflicts and contradictions in a way that ensures attainment of sectoral objectives and sustainable integrated urban development;
- Coordination of various spheres/levels/sectors of government to support cities (in order for cities) to fully discharge their mandate. This requires improvement in coordination of sectoral policy areas and a new sense of responsibility for integrated urban development;
- Establish or support vehicles/mechanisms for coordination and integration.



The IUDF

- Identify policy priorities and interventions to ensure that all levels of government and components of the state contribute to the progressive integration of urban development investments in order to realise the urban dividend.
- Propose interventions to overcome entrenched apartheid spatial patterns.
- Provide a national framework for managing continuing urbanisation more efficiently and equitably.
- Propose methods to strengthen urban and rural linkages
- Identify sector-specific policies and possible revised regulatory arrangements to facilitate more resilient and inclusive patterns of urban development.



The IUDF

- Propose methods to improve performance of existing financial instruments to accelerate infrastructure provisioning and integrated service delivery.
- Contribute to harmonising existing legal and institutional frameworks.
- Contribute to public dialogue and the unlocking of citizen energies for developing their communities and local environments.



The IUDF

- To date, a Discussion Document has been finalised, and is available on the CoGTA website. **It is not the IUDF**, but a conceptual framework guiding the development of the IUDF.
- Draft IUDF to be consulted with stakeholders April - June 2014.

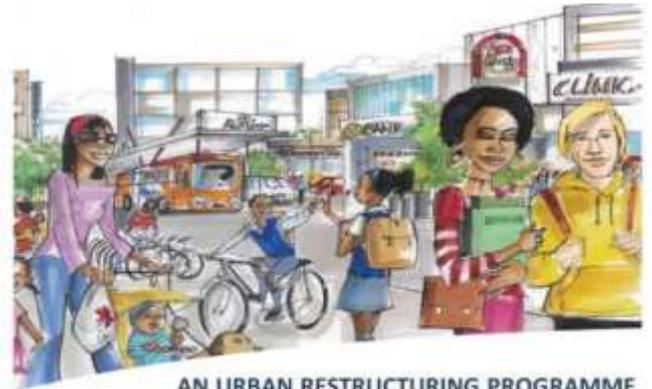
BE PART OF IT !!!!!!!!



4. Conclusion

- Urbanisation is proving to be an "unstoppable phenomenon", compelling governments to respond.
- Despite the challenges associated with urbanisation, it provides opportunities for development, particularly for developing countries struggling with the challenges of poverty and unemployment.
- For the benefit to be realised, however, requires a coordinated approach that should be led **nationally**, and driven by cities. While the challenges manifest at city level, other levels have a critical role to play.
- It further requires the active participation of both governmental and non-governmental stakeholders to co-create and take co-responsibility for solutions.
- We hope the IUDF will provide such a framework in pursuance of integrated urban development.

KE A LEBOGA



AN URBAN RESTRUCTURING PROGRAMME

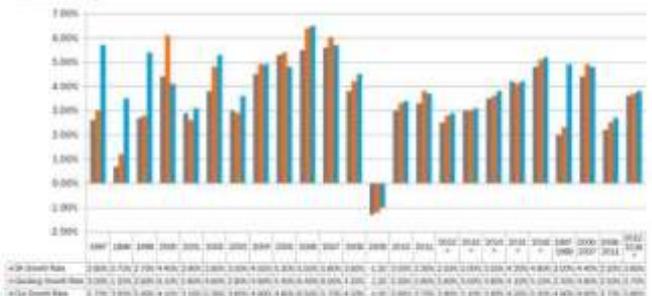


Corridors of Freedom

Re-stitching our City to create a new future

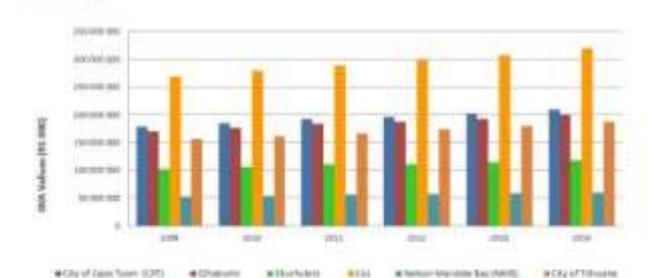
26 FEBRUARY 2014

ECONOMIC GROWTH BY GVA: SA, GAUTENG & COJ



(Source: Constructed from Global Insight REX Data, March 2013)

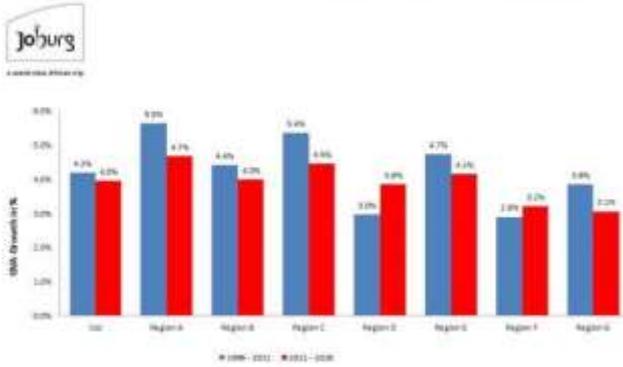
SELECTED METRO GVA AT CONSTANT 2005 PRICES (R1 000)



(Source: Constructed from Global Insight REX Data, March 2013)

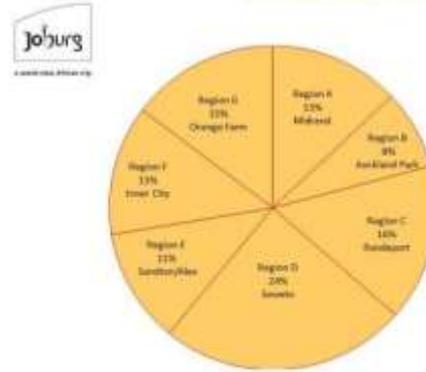
Urbanisation: How to harness the Potential?
 DST Government Cluster Policy Workshop 26 February 2014

REAL GVA GROWTH RATES AT 2005 PRICES



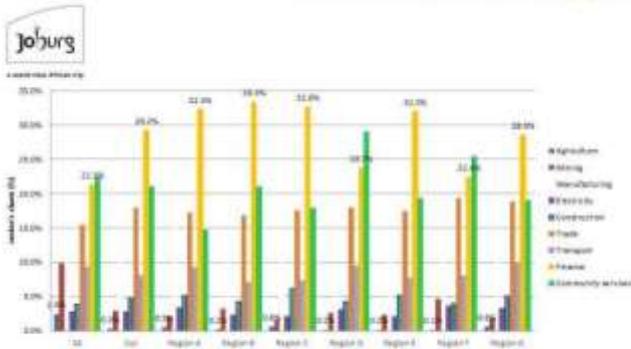
(Source: Constructed from Global Insight REX Data, March 2013)

REGIONAL SHARE OF TOTAL COJ POPULATION: 2012



(Source: Constructed from Global Insight REX Data, March 2013)

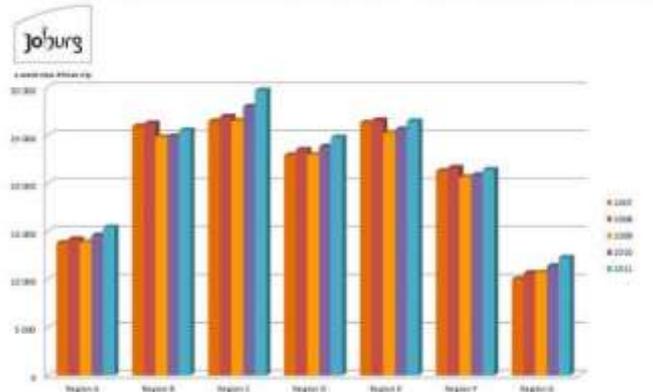
SECTOR'S SHARE OF REGIONAL GVA (%): 2011



Finance, Community services, Trade and manufacturing have the largest shares of total output for the COJ and all its regions.

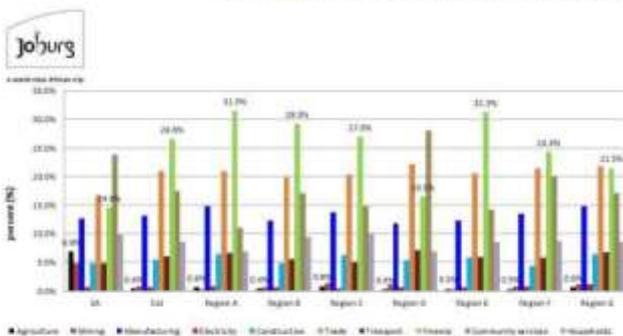
(Source: Constructed from Global Insight REX Data, March 2013)

ANNUAL DISPOSABLE PERSONAL INCOME: MILLION RANDB AT 2005 PRICES



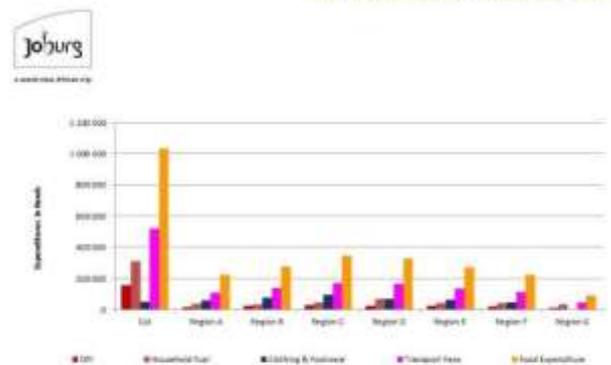
(Source: Constructed from Global Insight REX Data, March 2013)

EMPLOYMENT BY SECTOR'S SHARE OF TOTAL (%): 2011

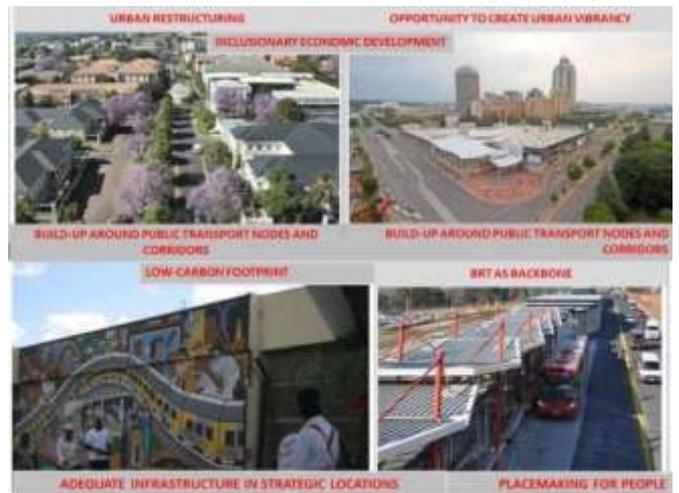
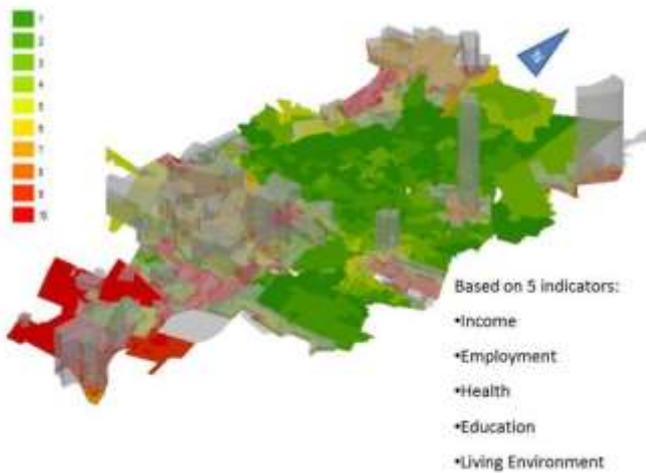
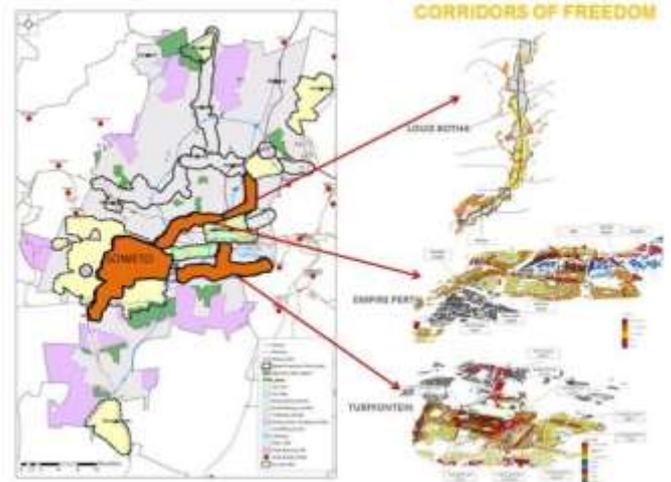
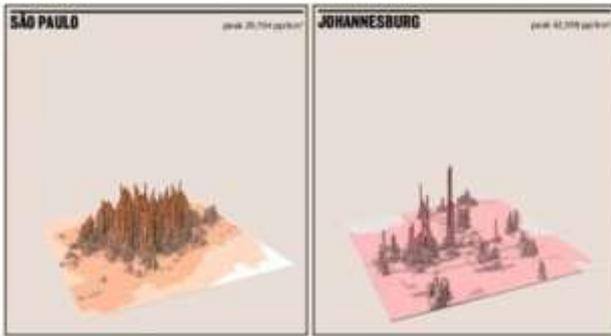


(Source: Constructed from Global Insight REX Data, March 2013)

COJ HOUSEHOLD DPI VERSUS EXPENDITURE



(Source: Constructed from Global Insight REX Data, March 2013)



RATIONALE

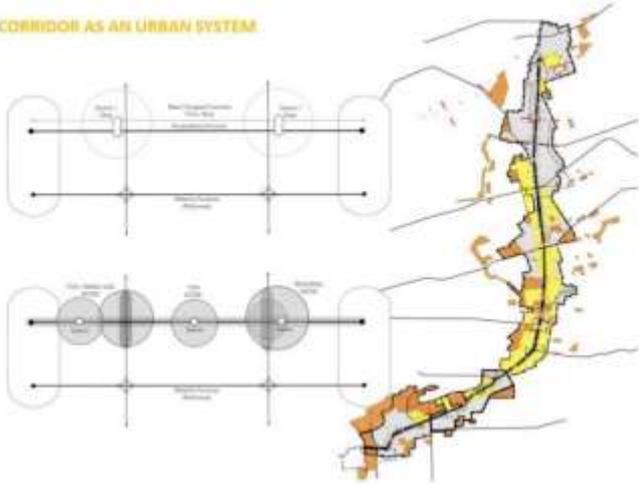
"Corridors of Freedom are fundamentally about realising the agreed-to national programme of building a non-racial, non-sexist socially and economically cohesive South Africa, using instruments such as Transit Orientated Development (TOD) and corridor development to transform space and our relationship with it.

Corridors of Freedom are an antithesis to the apartheid spatial form, which will birth a fundamentally different society to the one we inherited in 1994."

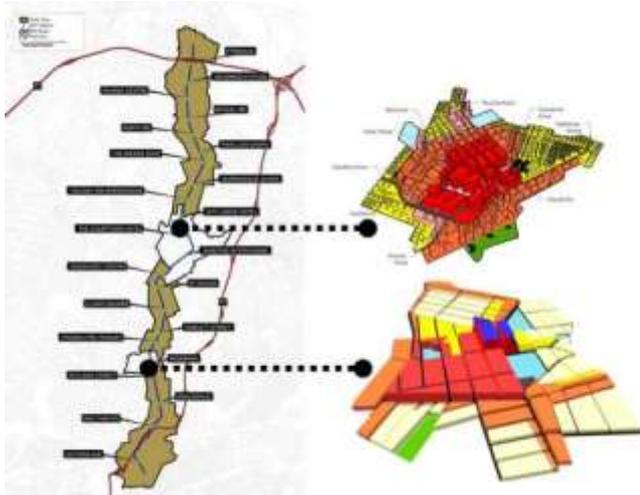
Executive Mayor Parks Tau



CORRIDOR AS AN URBAN SYSTEM

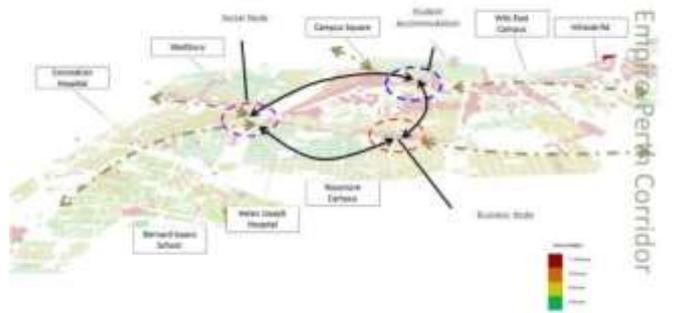


WALKABILITY ANALYSIS



PROPOSED TRANSIT SYSTEM

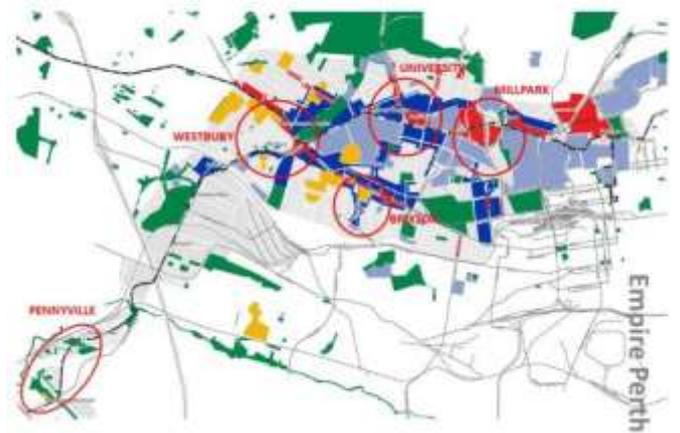
PRECINCT PRIORITIES



PRIORITY PRECINCTS



Empire-Perth Corridor



Empire Perth



STUDENT PRECINCT VISUALISATION



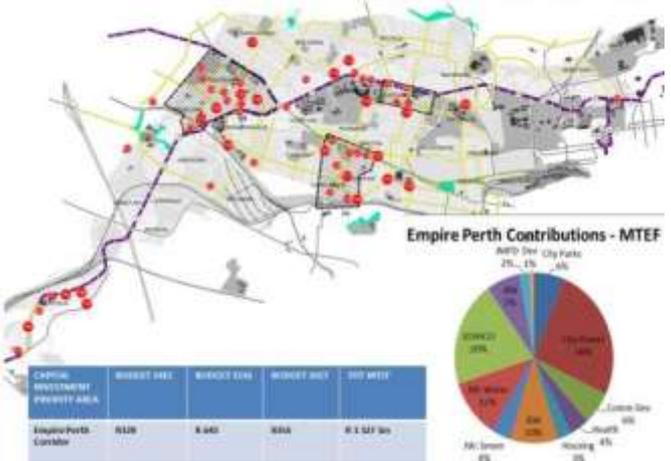
DEVELOPMENT CATALYSTS WESTBURY PRECINCT

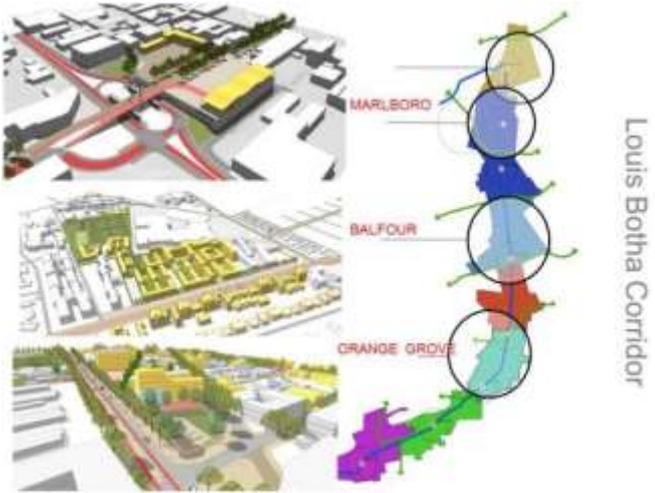
Project	Description
Precinct wide initiatives	<ul style="list-style-type: none"> Urban Management Community Policing
WBT Road Infrastructure Priority	<ul style="list-style-type: none"> Electromer Street 750m Greenway Street to Art Place Street 1500m
Community Centre Upgrade	<ul style="list-style-type: none"> Market Facilities Drug Rehabilitation Program Children's Mobility Program
Social Upliftment Projects	<ul style="list-style-type: none"> Feasibility study for Community Vegetables Gardens

DEVELOPMENT CATALYSTS HOUSING TYPOLOGIES VISUALISATION



PRIORITY PRECINCTS AND KEY PROJECTS





Louis Botha Corridor

ORANGE GROVE



Louis Botha Corridor

ORANGE GROVE



Louis Botha Corridor

ORANGE GROVE



Louis Botha Corridor

ORANGE GROVE



Louis Botha Corridor



Louis Botha Corridor

Urbanisation: How to harness the Potential?
DST Government Cluster Policy Workshop 26 February 2014

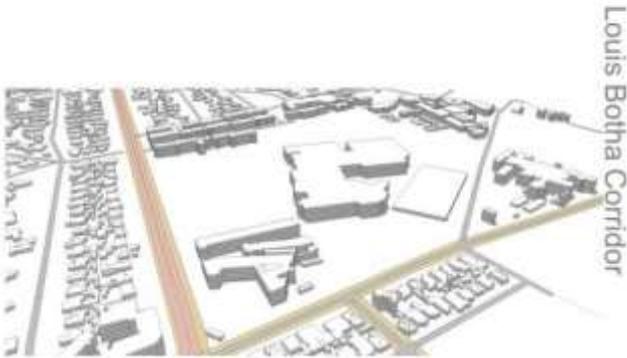
GRANGE GROVE

TODAY THE CORRIDOR LOOKS LIKE THIS...



BALFOUR

AND WE WANT IT TO LOOK LIKE THIS...



BALFOUR

