



# THE SPACE ECONOMY AND THE CITIES

## State of the Cities

ERLN Economic Development  
at Sub-National Level Conference  
Geci Karuri-Sebina  
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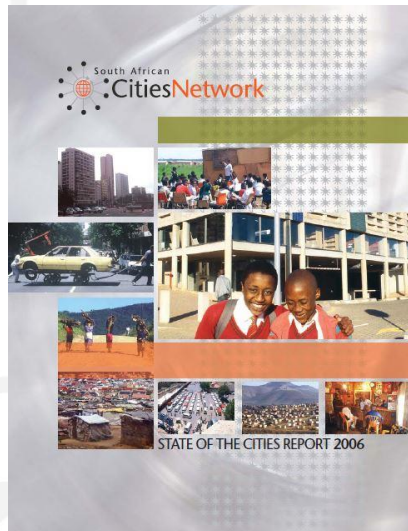
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# State of Cities Reporting

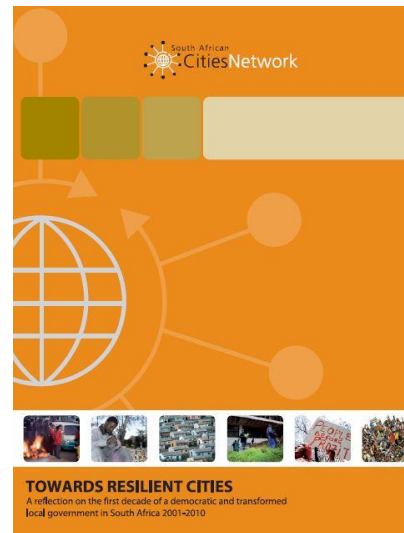


## SoCR 2016

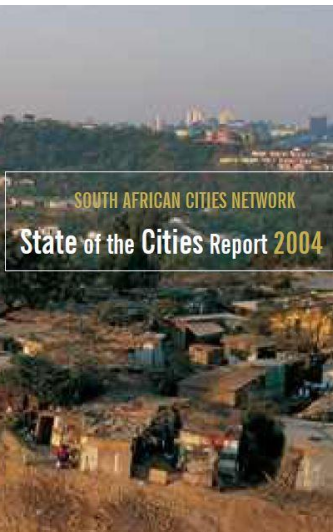
Making South African cities effective drivers of local and national development



**2006** - The apartheid form remains largely unchanged



**2011** - Cities are resilient but face key pressures and vulnerabilities, which require intervention and support



**2004** - Cities are important and can be drivers of social change

# Ch1: Introduction



- 5 years since SOCR3, 15 years of LG, 20 years of democracy:
  - Developmental local government has been **progressively delivering**
  - Though there have been **serious challenges & dynamics** in the emerging context for city governments
  - There is increasing recognition that transforming our cities, towns and villages is **imperative to achieving growth and stability**
- South Africa's achievement of its inclusive development objectives depends on strengthening our cities' ability to **support enterprise-building and livelihoods**.
- **SPACE** and **PEOPLE** are two key levers
- Need to reorient considering **both current (legacy)** and **future** circumstances and goals.

# Ch2: Spatial Transformation



- Short-term connections, long-term restructuring
- Land, Spatial Planning, Human Settlements, Mobility
- Regulations and instruments, but also market intereventions
- Key transformations:
  1. Re-structuring **space**: functional BE devolutions, address sprawl, exclusion, fragmentation & inefficiencies
  2. Reconfiguration of **power** imbalances: corruption (p-p), inefficiency, political power brokering, NIMBYsm
  3. **Institutional** transformation: IGR, alignment, local gov role and institution building
  4. Building organisational and managerial **capability**: skills and capacities, co-production, performance management

# Ch3: Productive Cities



- Theme: *Spatial Transformation that Enhances the Economy of Cities*
- Reflect on cities economic role and performance over the 18-year period 1995 to 2013: cities do lead South Africa's economy in higher levels of output, employment, income and productivity; and have the potential to expand diverse economic activity and create jobs and other forms of economic participation through greater innovation, human capital and investment.
- Significance of cities imminently holding the 3 key BE levers (SPLUMA, and HS/PT devolutions) which can be used to concentrate, densify, strengthen economies: deepen understanding, improve spatial intelligence, strengthen capacity to facilitate, implement and coordinate development
- Recognising their role in the national economy, cities should develop clear, bold city economic strategies that aim to strengthen their economies and enhance their inclusivity and resilience
- Macro and micro-economic analyses
- Relationship to other economic actors (formal and informal) and markets
- Weak economic development function in local government

# Ch4: Inclusive Cities



- Majority of South Africa's urban population are still socially, spatially, culturally and economically excluded
- South African cities are experiencing pressure towards deeper socio-spatial division with poor, black families facing the brunt
- While access to urban resources have improved, South African cities are still largely benefiting those who can afford to 'buy' their rights and freedom in the city
- *An urban spatial framework* that accommodates people affordably and at scale: public land, public space, public infrastructure, institutional & regulatory regimes focused on social good.



# Ch5: Sustainable Cities



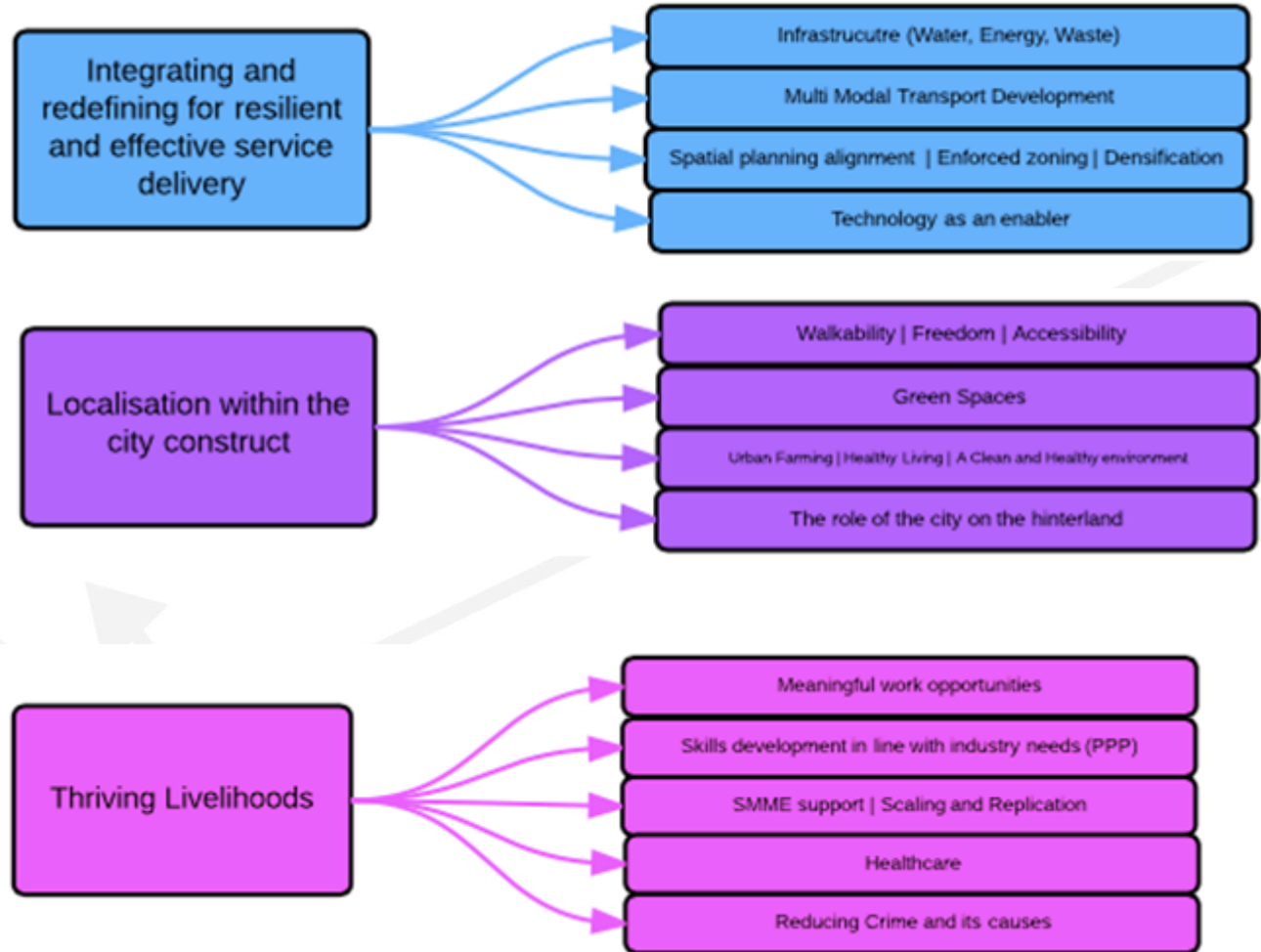
- *The ability to spatially transform a city is dependent on making sustainable land-use planning choices, and valuing natural and open spaces within cities in an inclusive manner.*
- Cities have grown, but in a resource-intensive way: service delivery and expansion achieved (electrification, water services, waste management, etc.) by largely conventional means
- Argument for **developmental responsibility** that is taken on in a transformative but also sustainable and resource efficient way given limited environmental thresholds and systemic considerations
- Current silo'd approach is inefficient and risks of exclusion



# Ch5: Sustainable Cities



- Principles e.g.



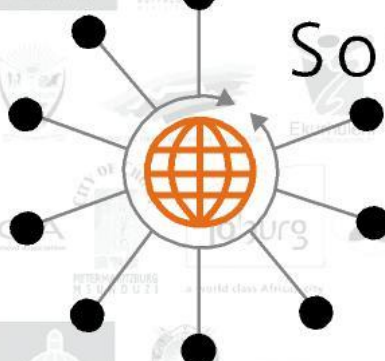
# Space Economy...



Having heard much about how continuing inefficiencies and inequalities in South African cities have impacted on overall productivity of people, businesses and municipalities:

- What is the significance of the **spatial consideration** in how we pursue economic development and growth strategies and plans?
- Are there useful **examples** where South African cities have demonstrated that through specific spatial interventions that productivity has increased / economies (formal or informal) have been strengthened? What can we learn from these?
- What are specific **questions or recommendations** for the various roleplayers about how inclusive economies can be enabled in South Africa?

Thank you



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