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Wits University Wolpe Series

26 May 2011

JHB

Topic:


LOCAL GOVERNMENT ELECTIONS: THE CHALLENGES FOR DEVELOPMENT

Speakers:

Gillian Hart
Edgar Pieterse


The aim of these dialogues is to create a space for open and informed dialogue and debate around key local and global political, social and economic issues facing South Africa.

LG elections: Challenges for development





WOLPE DIALOGUE SERIES
Edgar Pieterse | African Centre for Cities, UCT
26 May 2011

ACC IS A UCT RESEARCH SIGNATURE THEME



Outline:

1. Unbearable expectations
2. The Backstory
3. Options for Reform
4. Where to start?



Expectations of Local Government

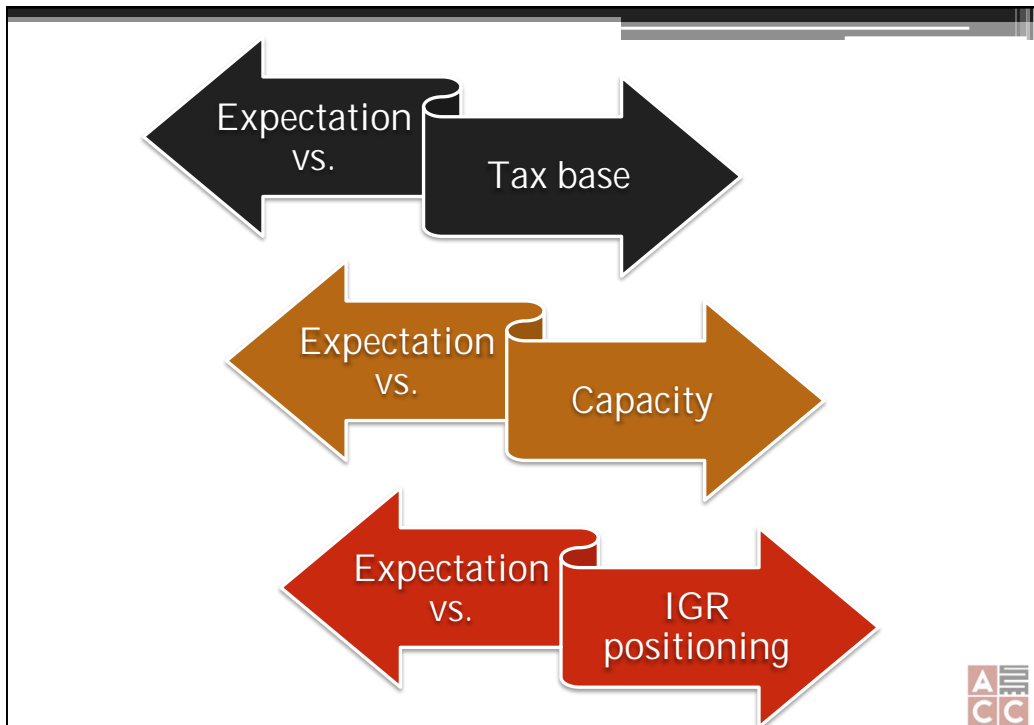
“Developmental local government is local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic, and material needs and improve the quality of their lives” (White Paper on LG, 1998: 38).



IDPs—the Linchpin of developmental LG

- “...an assessment of the existing level of development in the municipality, which must include **identification of communities which do not have access to basic municipal services**;
- the council’s development **priorities** and objectives for its elected term, including its local economic development aims and its internal transformation needs;
- the council’s development strategies which must be **aligned with** any national or provincial sectoral plans and planning requirements binding on the municipality in terms of legislation...” (Systems Act, RSA 2000)





RESOURCE BASE	CAPACITY	IGR PRESSURES
<ul style="list-style-type: none"> • Shrinking tax bases-economic stagnation & decline • Growth in unfunded mandates • Growth in capex but not opex 	<ul style="list-style-type: none"> • Decline in engineering services • Ltd pool of accounting and procurement professionals • Absent community-development officers • Low strategic management & Leadership base 	<ul style="list-style-type: none"> • BETWEEN A ROCK & A HARD PLACE RE: • Public Transport • Housing • Arts and culture • Electricity • Land-use • ECD • Economic development

In the bottom right corner of the table area, there is a small logo with the letters 'A' and 'CC' stacked vertically.

Despite these grave disjunctures, since 2006, the raised expectation on local government was to: effect **SUSTAINABLE HUMAN SETTLEMENTS**, **VIRBANT LOCAL ECONOMIES**, **ACCESS TO FREE BASIC SERVICES** & **MORE EFFECTIVE OPPORTUNITIES FOR CITIZEN PARTICIPATION**



THE PUBLIC HOUSING PROGRAMME IS A POWERFUL LENS TO EXPLORE THE IMPLICATIONS...



Since 1994, the state has provided 3.2 million subsidies & built 1.8 million units...

Despite this being one of the largest and most ambitious public housing programmes in the world, it has had the paradoxical effect of worsening urban fragmentation and segregation... THE FUNDAMENTAL URBAN GEOGRAPHY OF SA



- Public housing is on the periphery, reinforcing low-density sprawl
- These houses depreciate overnight by as much as 80% and burden households with no income with an unaffordable reproductive cost
- It raises the cost threshold for connective trunk infrastructure
- It further disconnects poor people from potential economic opportunities and deepens various lines of intra-urban inequality
- Overall effect: **worsening of the apartheid space-economy of segregation, division & fragmentation**



THE BACKSTORY: Structural economic exclusion



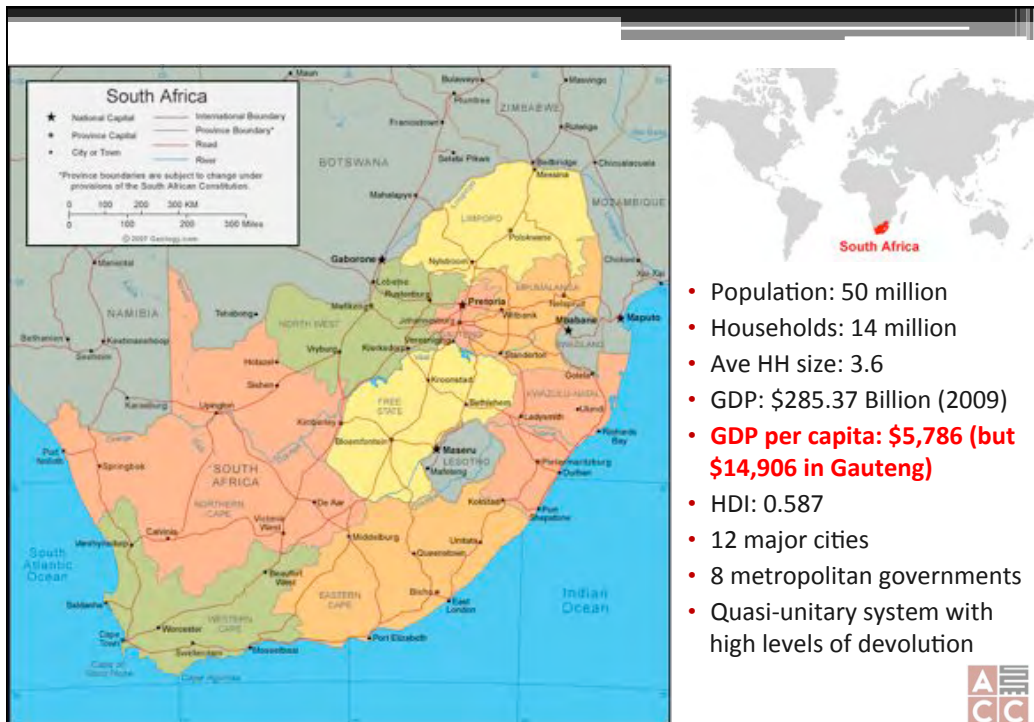
WHY IS THE SPATIAL MISMATCH SO DURABLE?

COLONIAL-APARTHEID
SPATIAL PATH-
DEPENDENCY

PLUS, FLAWED URBAN
POLICIES SINCE 1994...



©Syd Willows



Fundamental development problems

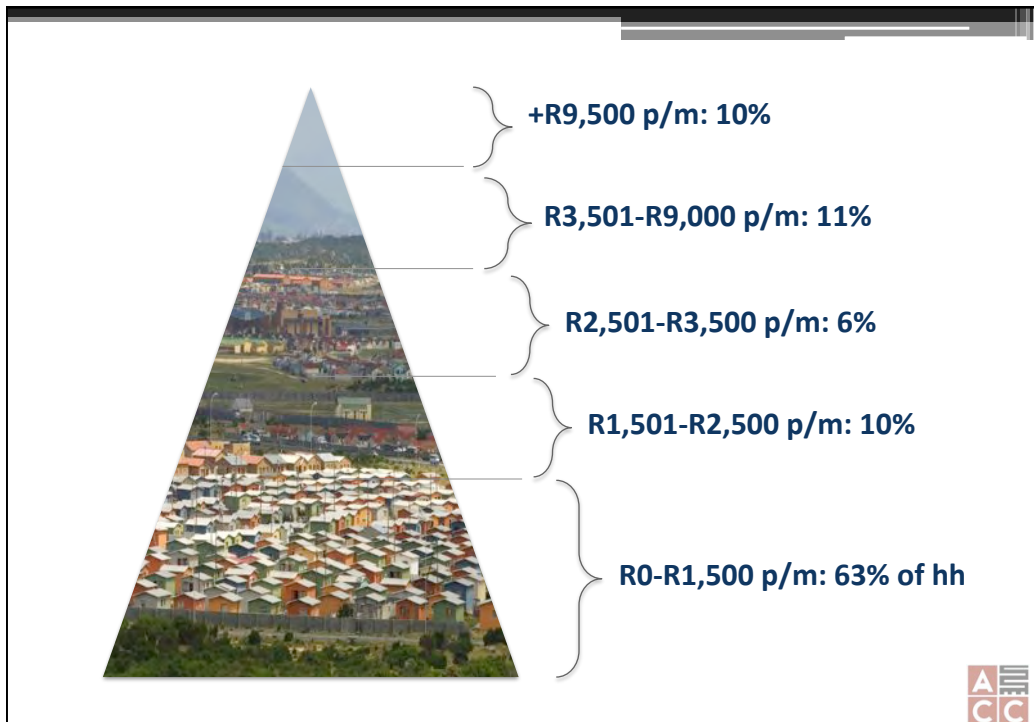
Poverty

- 63% of hh living on less than R1500 (\$217) p/m; **79% on less than R3500 (\$530) p/m**
- life expectancy: 48.4
- 14 million receive social grants (up from 2.5m in 1999); excludes the unemployed`
- unemployment rate: 25.5% (or 35%); above 50% for 15-24 yr

Inequality

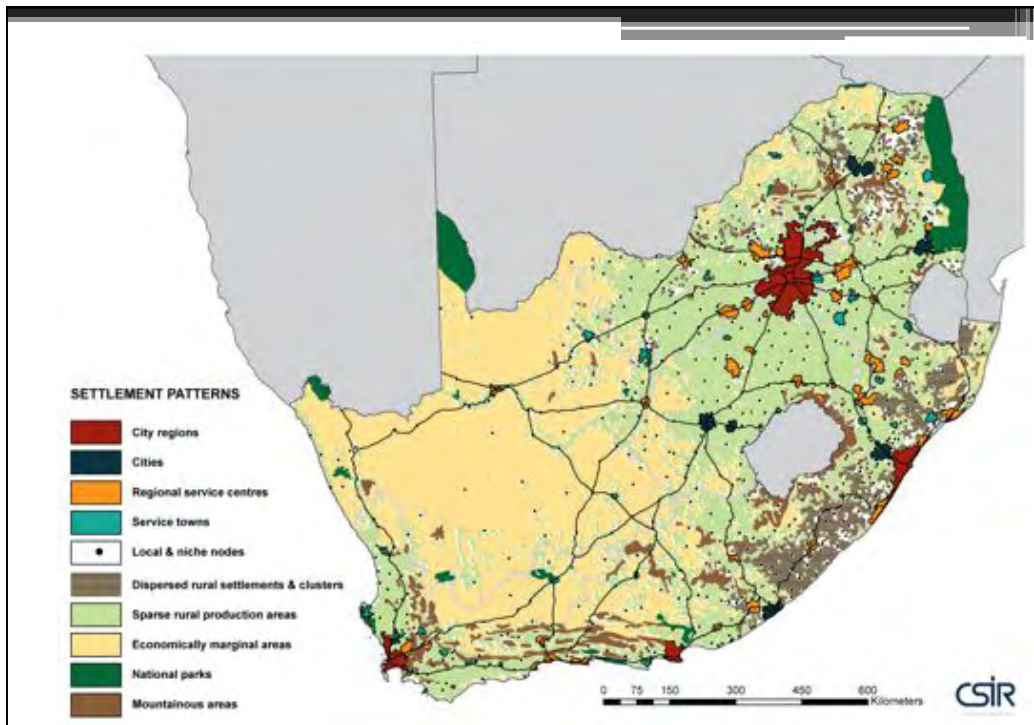
- per capita income for poorest 10%: R735 (\$110) vs R70 144 (\$10,600) for richest 10% in 2006
- Percentage of total income of poorest 20%: 1.7% vs 72.5% for richest 20%
- Gini coefficient: 0.685 (2006) – top five in the world! Cities 0.75!



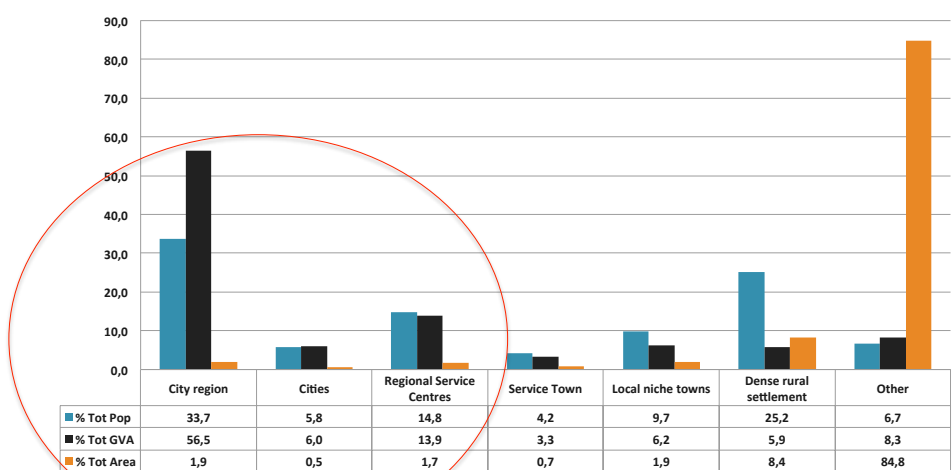


- In 1970-1980s: confluence of deindustrialisation + take-off of urbanization of black people + a withdrawal of the state from segregated public housing provision...
- Left a right royal mess for the new government in 1994: **mass unemployment, informalisation... and a regulatory system that drives structural exclusion and segregation**





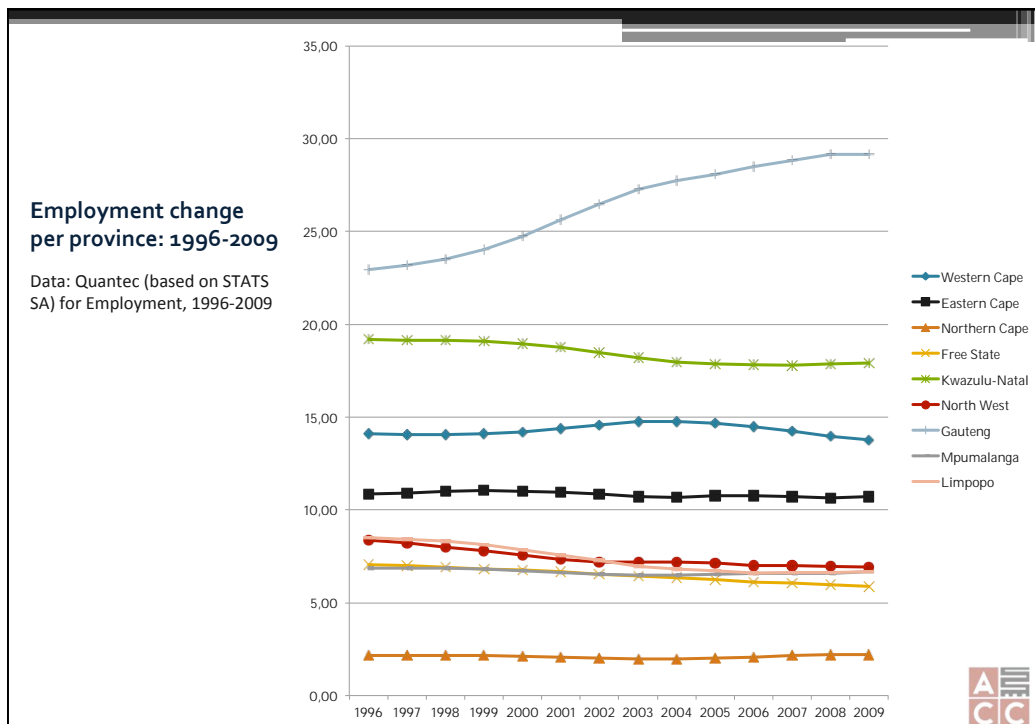
Settlement type, population & contribution to GVA, 2009



Source: CSIR, 2011.

Urban areas: 70.6% of GVA & 54.3% of populations

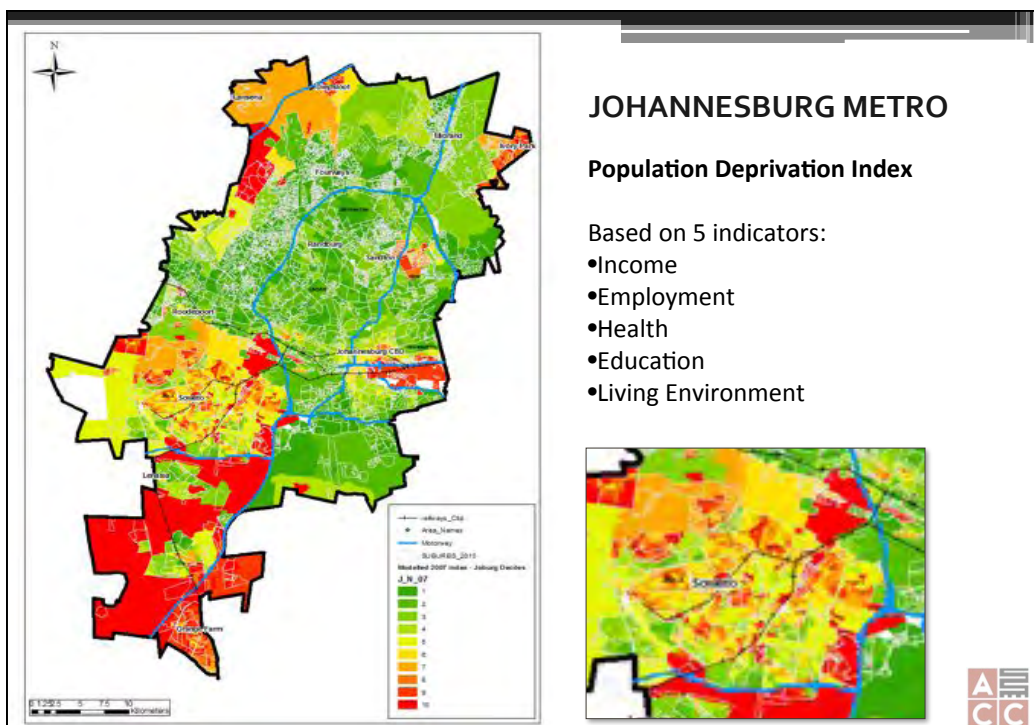
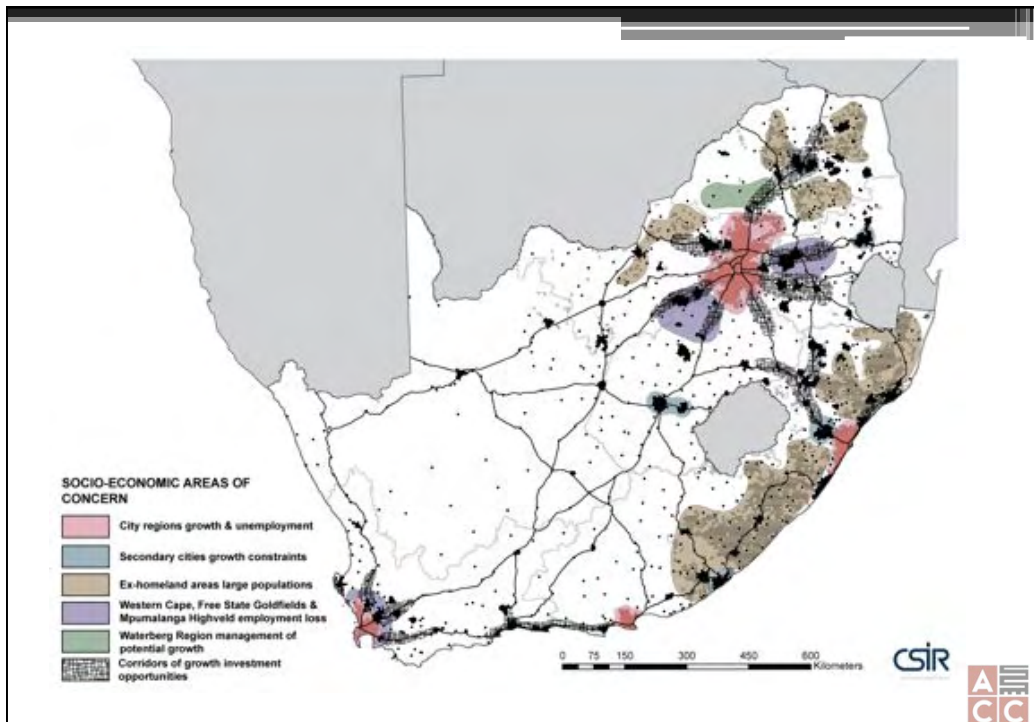




Employment change and economic growth by sector, 1996-2009

Sector	Average Annual Change in Employment	Average Annual Percentage Change in GVA
Agriculture	-5.1	+1.4
Mining	-1.2	-0.6
Manufacturing	-1.3	+2.2
Electricity, Gas, Water	+1.4	+1.7
Construction	-1.5	+6.3
Wholesale and Retail	+1.9	+3.5
Transport and Communication	+0.3	+5.7
Finance and Real Estate	+4.3	+5.6
Community and Personal Services	+1.7	+3.6
Government	+1.1	+1.7
Total	+0.5	+3.3

Source: CSIR, 2011.



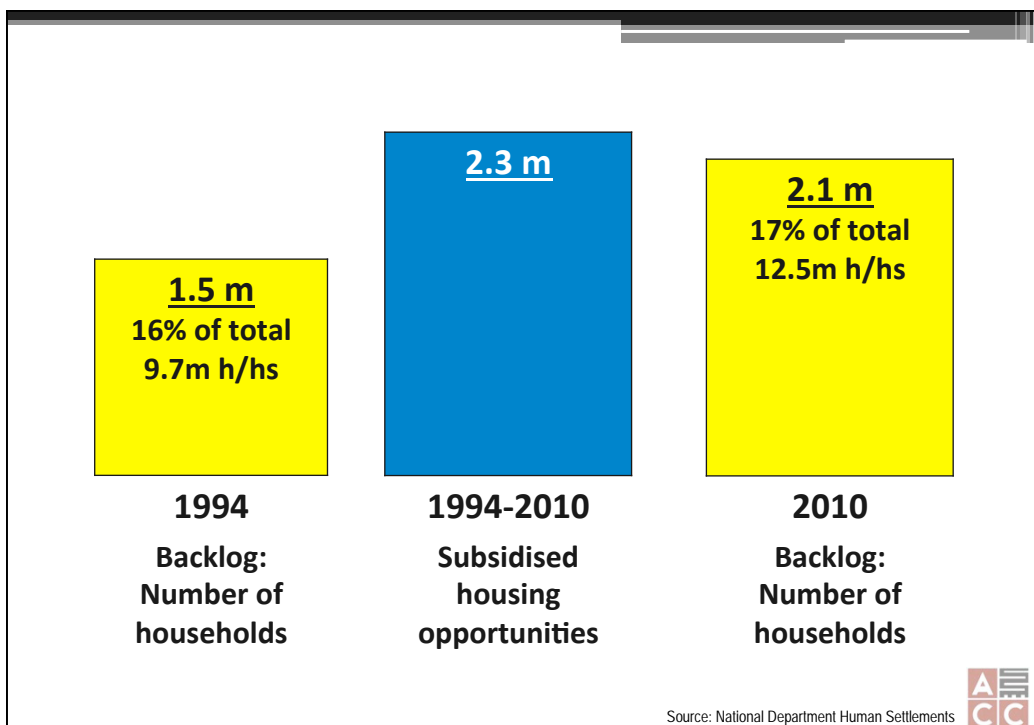
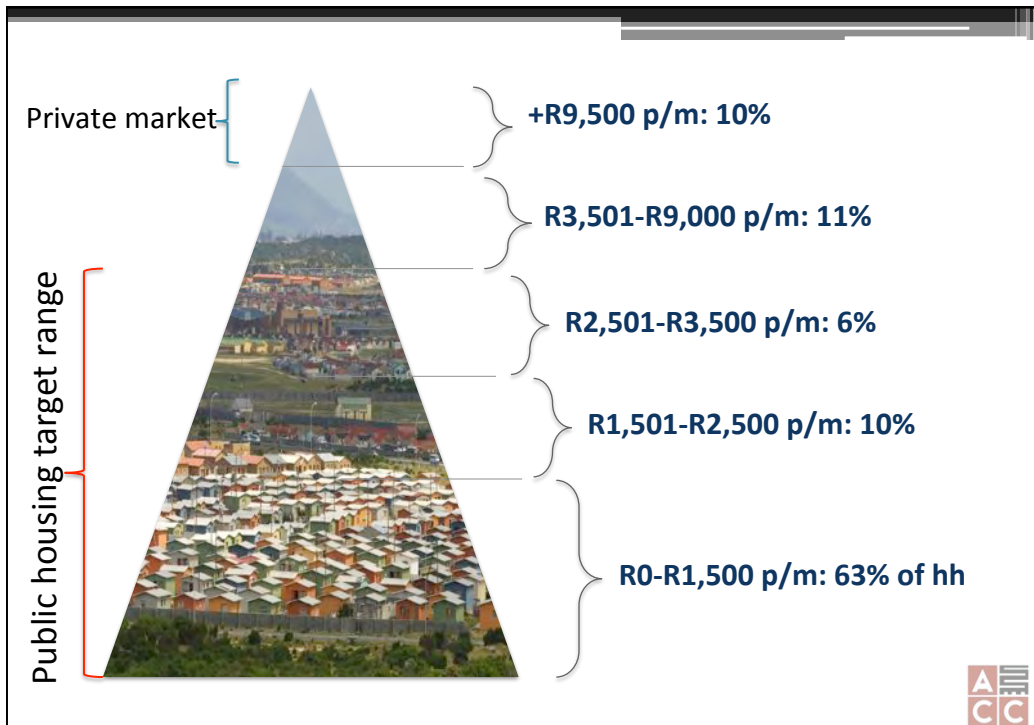
Causal drivers

- Low human capital due to poor education and health attainments
- Reinforced by **spatial marginalisation** which undermine economic and educational attainment and reinforces inwardly focussed 'ghettos' of exclusion; a recipe for extreme social violence (reinforced by the RDP housing programme)
- Result: Vicious circle of **cumulative disadvantage** associated with race

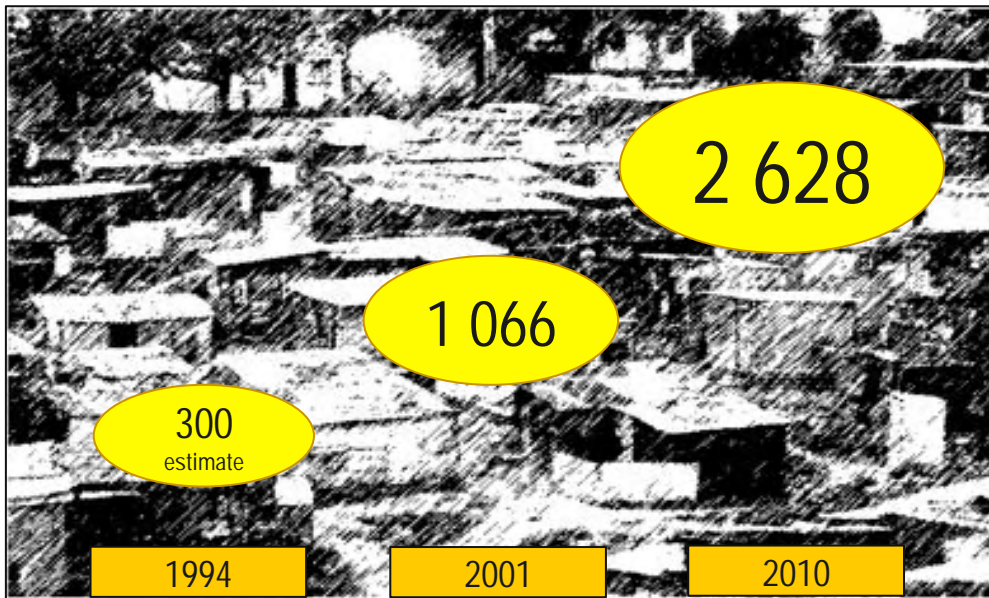
	1980	1990	2000	2006	2010*
Primary sector	15.5	13.1	10.8	8.8	3
Secondary sector	27.6	26.0	24.2	23.6	31.2
Tertiary sector	56.9	61.0	64.9	67.6	65.8

Source: Rustomjee & Hanival 2008 & *CIA Factbook, 2011.





Informal settlements, 1994-2010

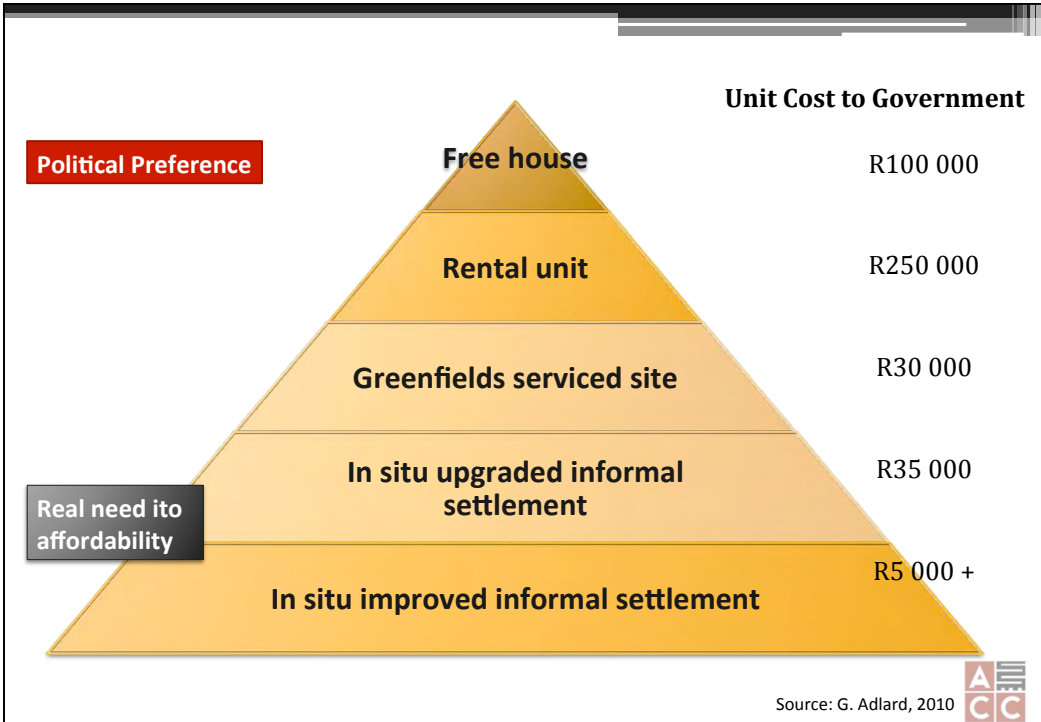
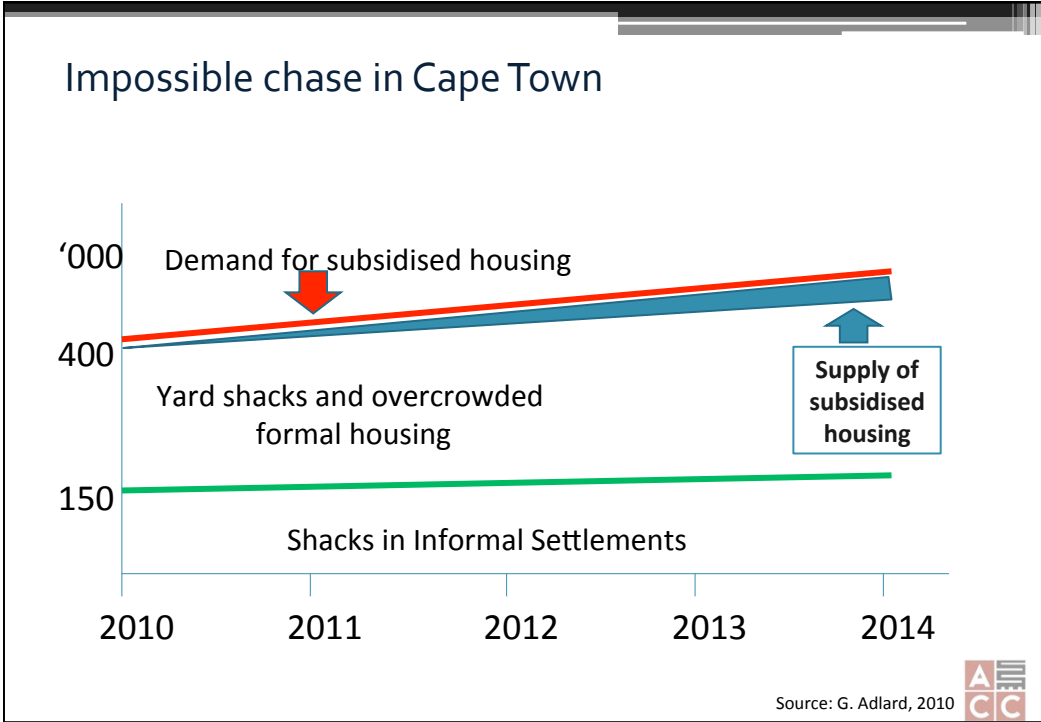


Source: National Upgrading Support Programme 

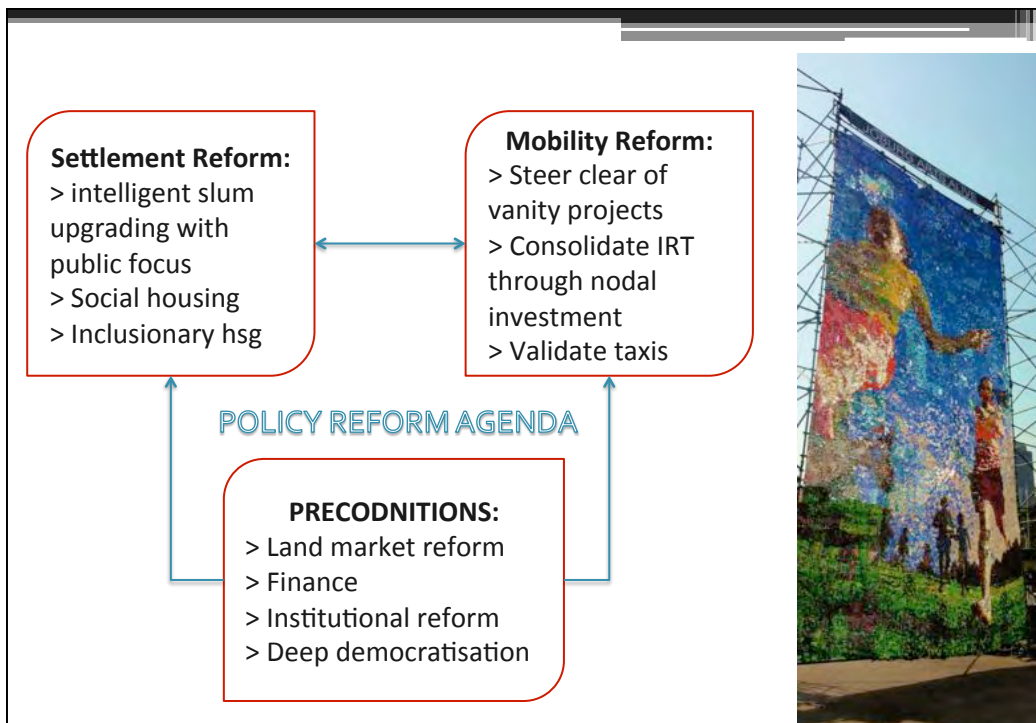
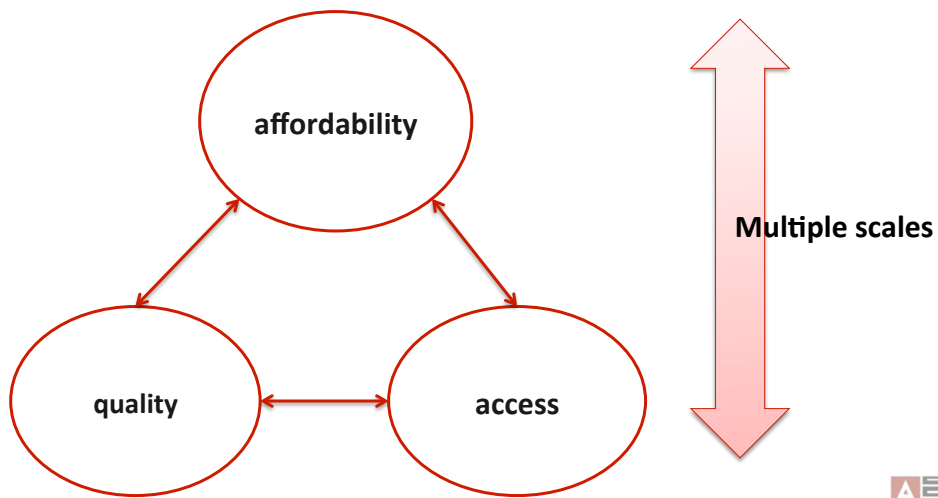
An example from Johannesburg







The balancing act that no one wants to confront



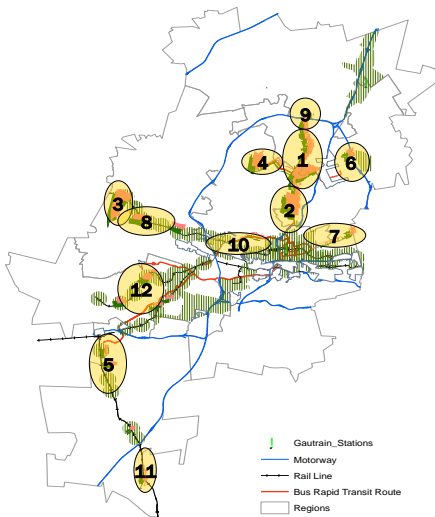


Where to?



Core challenges:

**YOUTH EMPLOYMENT, POLITICAL EMPOWERMENT & CONTROL
COMBINED WITH A RADICAL SPATIAL REORDERING AGENDA**



**INCLUSIONARY
PUBLIC & CARE
WORKS
PROGRAMMES**

Citizenship academies
embedded in
autonomous civil society

