National Urban Development Framework
Harnessing a Common Vision for Growth and Development of South Africa’s Towns, Cities and City-Regions

Prepared by NUDF Steering Committee (Department of Cooperative Governance and Traditional Affairs and The Presidency and in partnership with the South African Cities Network)

Working Draft (10 June 2009) for Consultation
Executive Summary

The purpose of this draft national urban development framework (NUDF) is to provide a common nation-wide view on how to strengthen the capacity of South Africa’s towns, cities and city-regions to realise their potential to support national shared growth, social equity and environmental sustainability.

There are compelling arguments for such a framework to address the distinctive challenges and opportunities facing South Africa’s towns, cities and city-regions. These flow from the recognition that urban challenges require an inter-governmental response that deploys the considerable powers of national government in ways that build upon and reinforce the efforts of other spheres of government and other sectors of society.

The emphasis on the urban does not seek to reinforce a divide between urban and rural. ‘Rural’ and ‘urban’ areas are rather parts of a continuous regional, national, and international system inter-related through a web of economic, social, political and environmental linkages. There is thus a need for an inclusive urban development framework that complements the emerging rural development strategy within the broader frame of the National Spatial Development Perspective (NSDP).

Different government departments have given attention to the challenges of urban areas since 1994 and there have been significant achievements in areas such as service extension, municipal reform, urban renewal and economic infrastructure development. A range of policy initiatives are currently in process which will have a direct impact on the management of towns, cities and city-regions such as the local government and provincial policy reviews and the proposed land use management legislation. This NUDF seeks to help align such initiatives to reinforce common outcomes.

The NUDF is also about positioning South Africa within a global context characterized by rapid urbanization. There as some five million new urban residents every month internationally, the vast majority in the developing world. Cities globally tend to concentrate the challenges of poverty. At the same time, cities play a fundamental role in the global economy and are increasingly linked and interdependent through flows of global activity. They also generate large ‘ecological footprints’ and at the same time are exposed to increasing environmental risk including pollution and the consequences of global warming.

The international experience seems to suggest firstly that the national urban policy focus should not be on spatial targeting but rather on the application of a menu of alternative policy instruments (which might include spatial targeting). In particular, the evidence suggests that the key policy imperatives include the sequenced application of spatially-blind policies (that ensure that the benefits of urban economic concentration are redistributed to all areas through service delivery and social programmes), spatially connected infrastructure (with transport infrastructure as the big driver) and spatially targeted incentives (where justified by special circumstances). Secondly, it suggests that policy debates around urbanization should be focussed upon the efficiency and inclusiveness of the processes that transform a rural economy into an urban one rather than one that emphasises the advantages and disadvantages of urban or rural development or the pace of urbanisation or the volume of urban-rural migration. A central principle of urban policy should be to
ensure that urban settlements deliver agglomeration economies while reducing the grime, crime and time costs that accompany rising levels of urbanization.

Local research points to the following trends impacting up the management of South Africa’s towns, cities and city-regions:

- A strong urbanisation trend continues characterised by the net growth of city-regions, cities and larger service centres and towns on major access routes and movement corridors and by continued out-migration from the central areas of South Africa and even from traditionally densely populated coastal districts;

- Large numbers of people continue to remain in densely settled former homeland areas despite the lack of economic activity because the out-migration trend is offset by strong natural growth;

- The growth of South Africa’s economy is largely driven by the city-regions which are the centres of job growth, economic diversification and innovation;

- Cities, towns and hinterlands form part of an interconnected system of linkages despite their diverse roles and functions;

- There have been major advances in service delivery particularly in the major cities and city-regions but the national urbanisation dynamic increasingly concentrates service backlogs in major urban areas;

- There are increasingly critical sustainability pressures on the natural resource base and ecosystems supporting urban areas and high density rural settlements especially in regard to water availability but also biodiversity and land capability.

The NUDF proposes an urban settlement typology comprising city-regions, cities, regional service centres, service towns and local and niche settlements. Some 71% of South Africa’s population live in such urban settlements including 61% of those living under the minimum living level. These areas also produce 92% of South Africa’s economic activity.

A number of policy implications flow from the analysis and typology including:

- The need for better forward planning and growth management at all levels to ensure inclusive urbanisation;

- The need for a more integrated approach to economic and settlement planning at multi-jurisdictional regional level;

- The need for a differentiated governmental approach to settlement support;

- The need to prioritise institutional, service delivery and economic development support to the high growth cities and city-regions and the high-density settlement areas of the former homelands with large and growing populations but little economic activity and high rates of poverty.
• The need for concerted national action to manage environmental risk flowing from the growing natural resource pressures.

The following guiding principles regarding the effective management of South Africa’s towns, cities and city-regions are proposed:

• Focused national attention on urban challenges;
• Commitment to inclusive pro-poor urban development;
• Proactive management of urbanization;
• Integrated approach to urban and rural areas;
• Regional inter-governmental co-operation;
• Differentiated support.

The NUDF proposes a set of strategic outcomes for South Africa’s urban areas requiring a consistent, multi-sphere and multi-sectoral approach. These include improved urban form and sustainability, improved management of urbanisation and urban growth, improved urban infrastructure and service delivery system, improved urban social outcomes, improved economic competitiveness and resilience and improved urban governance.

General areas of potential leverage in improving the performance of the urban sector are also identified including land use management legislation and regulations, national fiscal transfer alignment, powers and functions alignment and improved national urban data collection and research. Additional recommendations are also made for the differentiated supported required by the different types of urban settlement.

Effective implementation of this framework will require higher levels of inter-governmental and sectoral alignment than has been possible up until this point. A number of mechanisms to improve planning and coordination are proposed including integration into national planning mechanisms, inter-governmental city-region planning and coordination mechanisms and an Inter-governmental forum for cities and city-regions.

A process of intensive engagement around the framework will be initiated with key national and provincial departments, organized local government and the major urban municipalities and other stakeholders to ensure broad ownership and commitment. This will be supplemented by additional research.
1 Introduction

1.1 Background

A National Urban Development Framework is being developed by the Department of Cooperative Governance and Traditional Affairs at the request of Cabinet. The process is being managed in conjunction with The Presidency through a joint Steering Committee and technical and process support has been provided by the South African Cities Network.

This initial draft pulls together the conclusions emerging from various research commissioned during 2008. It will now go through an extensive process of consultation with stakeholders during 2009 with a view to developing a broadly owned approach to South Africa’s towns, cities and city-regions across all spheres of government and sectors of society.

1.2 Purpose of framework

The purpose of a national urban development framework is to provide a common nation-wide view on how to strengthen the capacity South Africa’s towns, cities and city-regions to realise their potential to support shared growth, social equity and progress and environmental sustainability as key components of our national agenda. The establishment and consolidation of sound co-operative governance mechanisms is essential to achieve the above outcomes.

It is important to say at the outset what this framework is not. It does not offer comprehensive sectoral strategies relevant to urban South Africa. These have already been, or still need to be defined as part of the policies and strategies of national sector departments and other agencies. Nor does it propose any strategy for individual towns, cities or city-regions. This is rightly the responsibility of planning processes managed at the local and regional level by the relevant municipalities.

Rather, the framework provides a larger planning and policy context within which to situate a range of existing and future plans, policies and initiatives related to the urban sector, together with ideas about building our collective capacity to implement these plans.

1.3 Why a national urban development framework?

There are a number of reasons why it is desirable to have a national framework that addresses the challenges of towns, cities and city-regions. These include:
• National government is better placed than municipalities to analyse the forces shaping the national territory and to think strategically about the long-term possibilities and risks inherent in different development patterns – i.e. to consider the big picture. It can consider the evolving relationships between cities, towns and rural areas, and set overarching priorities according to the national interest and financial position. National arrangements may also be useful to prevent parochial behaviour by municipalities, such as “beggar-my-neighbour” policies in relation to jobs and investment.

• National government has control over important policy levers to enable each town and city to develop its strengths and fulfill its potential in building a country that is more prosperous and inclusive. These include funds to invest in infrastructure and services, laws to regulate the use of land, and powers to organise different parts of the administration around cross-cutting tasks. It can use these to reinforce areas with strong growth prospects by removing constraints, and to boost areas lagging behind because of infrastructural or institutional weaknesses.

• A growing body of international evidence suggests that urban areas make a disproportionate contribution to productivity growth and job creation, especially in the transition from primary to secondary and tertiary industries by virtue of the concentration of productive activity, entrepreneurs, workers and consumers in one place. National governments have a role to ensure the framework conditions are in place to enable this to happen without excessive physical congestion, over-heating of labour and housing markets, social and environmental pressures and without compromising the ability of rural areas to also provide a good quality of life for their citizenry.

• Cities are important for the cost-effective investment of public resources in major facilities such as integrated public transport systems, ports, power stations and national cultural amenities because of the economies of scale achieved. It is easier to generate the revenues to operate, maintain and replace essential infrastructure in places with a viable tax base. Investing in infrastructure and regulating the supply of land are two of the main instruments available for governments to steer the economy, especially when each element of policy is aligned to push in the same direction and reinforce each other.

• National government is uniquely placed to secure agreement between different sectors and spheres of the administration. A cross-cutting approach is essential in combating multi-dimensional problems such as urban poverty and unemployment, and complex infrastructure projects such as airports. Put simply, government can play a crucial role in realising the distinctive opportunities offered by urbanisation as well as confronting its challenges. Private investment in towns and cities is also more easily levered into places where national government has clearly signaled its support.

• Urban areas are crucial sites of social, political and cultural interaction and fusion. With rising personal mobility they are places where people from many different languages, traditions and belief systems come together. Long recognised as the centres of creativity and innovation, cities are also the most likely places for conflict to ferment. Central governments have powers to safeguard the rights of minority groups, such as rural or international migrants who are
threatened by local resentment and hostility stemming from competition for scarce jobs, homes and resources.

- The urban areas are vital in efforts to curb the use of non-renewable resources, to reduce pollution and other forms of environmental degradation, and to promote climate mitigation and adaptation because most were poorly designed from an ecological perspective and have large environmental impacts. They are also vulnerable to natural disasters and threats from food insecurity, power cuts, water scarcity, flooding, and sanitation and environmental health problems, often exacerbated by the lack of resources. Higher density, more compact cities with mixed land-uses can reduce the amount of energy needed for transportation and community services. National fiscal incentives and regulations are required to reduce greenhouse gas emissions and support cleaner industrial production, greener buildings and renewable energy sources. Government leadership can also help to raise awareness of the necessary sacrifices and procedures to create places where it is easier for people to adopt sustainable lifestyles and for business to adopt cleaner, greener practices. This may be through energy-efficient transport and housing, and waste management systems that recycle domestic and industrial waste. Carefully-designed environmental initiatives offer important opportunities for the poor to earn a living in the process.

In short, national government has unmatched powers of various kinds to support the development of more productive, cohesive and durable towns and cities. It is important to note that a national urban policy should complement rather than contradict the decentralisation of powers and functions to the lowest effective level. National engagement in urban concerns does not imply centralised control of cities, nor does it imply the substitution of national for local action. It also does not mean delegating full responsibility for complex challenges to local agencies. It is rather about deploying the powers of government in ways that build upon and reinforce the efforts of other spheres of government and other sectors of society, rather than displacing or dominating local initiatives.

1.4 The relationship between the urban and rural

We adopt a broad definition of “urban” in this framework as being those spaces showing some formal concentration of settlement, infrastructure, services, amenities and facilities. This includes all towns and cities. The emphasis on the urban in this policy framework does not seek to reinforce a divide between urban and rural, nor is it an argument for privileging the urban over the rural. The traditional dichotomy between ‘urban’ and ‘rural’, in fact, has limitations in a context where there are growing linkages between cities, towns and the surrounding countryside. Indeed the very definition of ‘urban’ and ‘rural’ have changed over time in South Africa because different criteria and thresholds have been applied. The interactions between areas arise partly from rising mobility, falling transport costs and the spread of telecommunications. They involve flows of people, finance, raw materials, consumer goods, waste products, information, water and energy resources. Migration is a particularly important ‘flow’ in South Africa, resulting in vital remittances for rural households as well as major population movements between cities and rural areas. Another example is the spread of the commuter hinterland of cities beyond the continuous built-up area into
surrounding towns and villages. A third is the growing appeal of countryside amenities for recreational pursuits by city dwellers, and vice-versa. As a result, cities have become more complex, decentralised ‘networks’ than the traditional single urban nodes surrounded by countryside. It also means that the economic fortunes of different places and communities are increasingly interdependent – bound together by multiple cords.

‘Rural’ and ‘urban’ areas are thus parts of a continuous regional, national, and international landscape and are interrelated through complex economic, social, political and environmental forces. The discrete consideration of rural development as completely distinct from urban development is therefore no longer valid. A balanced approach to development addresses both ends of the continuum, rather than rural areas in isolation of urban. There is thus a need for an inclusive urban development framework that complements the emerging rural development strategy. Both should reinforce each other in a mutually beneficial way.

2 Towns, cities and city-regions in national policy context

2.1 Urban development frameworks

A first Urban Development Framework (UDF) was approved by the national cabinet in 1997 (along with a rural counterpart). It was one of the first policy statements concerned explicitly with urban issues. This was initiated by the RDP office as an urban strategy, but was taken over by the Department of Housing when the RDP office was closed. It talked in very positive terms about the advantages of cities for economic and social development and called for more compact and coherent spatial development, with a more efficient and sustainable urban form. Integrated spatial and economic planning targeted at disadvantaged urban communities was said to be a priority, along with a more deliberate, planned approach to major physical projects. It was however recognized that the urban challenges went much broader than settlement and that a broader approach to urban challenges was required.

2.2 National Spatial Development Perspective

The key current national policy informant is the National Spatial Development Perspective (NSDP). The NSDP which was issued in 2003 and updated for 2006 is a major policy intervention that has introduced a new way of thinking about spatial dynamics in South Africa and the role of urban and non-urban areas within the national space economy. It is the key starting point for developing a common understanding of the urban space economy and the role of towns, cities and city-regions within this.

Importantly, the NSDP has not been positioned as a national plan that seeks to determine what should happen centrally but is rather a platform for greater alignment and coordination of inter-governmental action and spend. It recognizes that the numerous policies and actions of government
have spatial impact that need to be coordinated in order to optimise the social and economic returns. To this end, national government has initiated a process of harmonising the different planning frameworks of national provincial and local government and a number of pilot projects are underway.

The NSDP makes the important point that social and economic development and potential are not evenly distributed and that a strategic approach needs to be taken to investment nationally. The NSDP argues that in order to overcome the spatial distortions of apartheid, future settlement and economic development opportunities should be channelled into activity corridors and nodes that are adjacent to or link the main growth centres.

In defining potential, the NSDP drew on the recent tradition of ‘institutional economics’ that suggests that it is the institutional adequacy of a locality that will help determine whether development is sustainable or not rather than a more conventional approach of seeking sources of comparative advantage – largely human and natural resource endowment and strategic locality.

The NSDP advocates that in areas of limited economic potential, government should ensure that citizens are provided with a package of essential services as guaranteed in the Constitution but beyond that should concentrate primarily on human capital development rather than investing in place.

In this regard, the NSDP provides an initial interpretation of the potential of different localities and sectors but clearly indicates that this is not definitive and will need to be refined via the PGDS and IDP processes. Through an iterative process of interaction and dialogue, cities, districts and provinces will take the lead in defining each locality’s development potential, opportunities and challenges.

2.3 Sectoral department responses

Different government departments have also given considerable attention to the urban areas since 1994 and there have been significant achievements in urban management since 1994 notwithstanding the high rates of population growth within the major urban centres. These include:

- **Service extension.** All the major urban areas of South Africa have substantially improved access to basic services in both absolute and proportional terms notwithstanding high rates of urban population growth. Urban areas have been able to ensure much higher rates of service delivery extension than non-urban areas.

- **Municipal reform.** The local government reform process resulted in a major rationalisation of the previously fragmented system of local government. In the metropolitan areas in particular, the establishment of single metropolitan municipalities with extensive boundaries covering much of the functional area provide for a strong basis for the integrated management of a large conurbation.
• **Urban renewal.** A number of initiatives to promote urban regeneration have been undertaken ranging from the urban renewal programme in ten urban nodes across the country that has piloted an integrated inter-governmental approach, to the neighbourhood grants initiated by national treasury, to the Breaking New Ground flagship projects driven by the national Department of Housing. It is acknowledged that the impact of these initiatives has been uneven but major lessons for the further development of urban regeneration tools and instruments have been learnt.

• **Economic infrastructure development.** After a period of neglect after 1994, massive investments in transport generally and public transportation in particular are in process in South Africa’s metropolitan areas that will substantially enhance the transport situation. These include Gautrain, the bus rapid transit (BRT) initiatives in all the metropolitan municipalities and the large scale upgrading of major road corridors. In addition, major investments in the airport and port infrastructure of South African cities are currently underway. The development of freight hubs although still limited at this stage seek to enhance freight logistics and transportation.

At the same time, it is acknowledged that urban South Africa faces major challenges that need to be addressed if the big national poverty reduction and shared growth objectives are to be realised. These include the challenges outlined above of increasing growth, finding ways of addressing the housing challenge and substantially improving the environmental sustainability of urban South Africa given the unsustainable nature of current resource use trajectories.

A broad portfolio of policy initiatives are currently in process which will have a direct impact on the management of towns, cities and city-regions. They include:

• **The 17th constitution amendment bill** will vest national government with new powers of intervention at municipal level to facilitate service delivery and to achieve regional efficiencies and economies of scale when adopted. It is intended to facilitate the restructuring of the electricity distribution industry and the possible regionalisation of other municipal functions when necessary.

• **The local government and provincial policy reviews** are likely to result in a further clarification of the powers and functions of local government and a more differentiated approach to municipalities with different levels of capacity. This differentiated approach is also emerging in the annual division of revenue process where there is a tendency to allocate a range of inter-governmental grants directly to predominantly urban municipalities that have the requisite capacity.

• **Land use management legislation** is currently being developed after an earlier Land Use Management Bill driven by the Department of Land Affairs was withdrawn by Parliament in September 2008. The process is now being led by an inter-departmental reference group established by the Presidency with the intention of locating the drafting of new land use management legislation within a bigger process of re-imagining the planning system as a whole. This legislation should have a major impact on the ability of municipalities to manage urbanisation and urban development.
The recent establishment of national **Housing Development Agency** (HDA) is likely to change the process of human settlement management and housing delivery substantially and will impact upon the roles and responsibilities of municipalities. The intention is that the HDA will work with municipalities, private sector developers and provinces to fast track housing delivery. The agency will coordinate the availability of land, support municipalities and provinces in project development and implementation in line with the Breaking New Ground housing policy principles as well as facilitating mega developments and massive urban renewal programme in urban areas like Johannesburg, Durban and Cape Town.

A national climate change mitigation strategy was adopted by Cabinet in 2008 and a draft Climate Response Policy is in the process of being developed. This policy is likely to have significant impact on urban management including mitigation measures such as the promotion of green building and public transport. Coastal cities will also be required to give attention to the adaptations required to cope with sea level rise and the anticipated increase in “extreme weather” conditions. There is also increased scope for innovation in regard to waste and energy efficiency and the increased use of renewables.

The **National Transport Act** which was adopted in 2008 shifts responsibility for public transport towards cities. This combined with the current major national investments in public transport (BRT) and road infrastructure in the major urban centres (being driven by the Department of Transport) are likely to have a far-reaching impact on urban transport patterns.

While all the above initiatives contribute to urban development and management, they are often managed largely within sector department silos. It is important that efforts be made to ensure a high level of national alignment and co-operation to ensure a consistent national approach to the urban sector and to manage the cross-sectoral impacts. This framework is intended to help align and cohere such initiatives in a way that reinforces common outcomes and improves urban management.

### 3 Global context

It is useful to ground South Africa’s urban policy debate within the broader set of global dynamics. A few major trends are firstly outlined and then various lessons regarding national urban policies drawn from the international experience are set out.

#### 3.1 Global urban trends

**Global demographics and urban areas**

The world continues to urbanise rapidly. In 1950, 30% of the world’s population lived in urban areas. By 2005, this proportion had grown to 49%. As of 2008, more than half the world’s population lives in urban areas. By the middle of the current century, most regions of the developing world will be predominantly urban. Urban growth rates are highest in the developing
world. Currently 95% of the world’s urban population growth is currently absorbed by cities in the developing world – some five million new urban residents every month. Poor cities are growing much faster than rich cities. The average annual rate of change of the urban population of the less developed regions reached 3.4% per year in the period 1975-2005 compared with 0.8% in the more developed regions. In the future, the growth rate will continue to be particularly rapid in the urban areas of the less developed regions, averaging 2.2% per year during the period 2005-2030. In contrast, the urban population in the more developed countries is projected to grow at an annual rate of only 0.5%.

Much of this growth will be in smaller towns and cities. Note that the proportion of people living in very large urban agglomerations or mega-cities is relatively small. In 2005, 4.5% of the world’s population resided in cities of 10 million inhabitants or more. By 2015 that proportion is expected to rise to 5%. In contrast, 25% of the world’s population lived in urban settlements with fewer than 500,000 inhabitants and by 2015 that proportion is projected to rise to 27%.

These population megatrends are also causing re-urbanisation and growing metropolitanisation – the tendency for cities to over spill their historic borders, and for groups of neighbouring towns and cities to become increasingly interdependent. This presents a big challenge for regions to be effective organisers of urban development and of economic development that embraces a multiplicity of urban areas.

Cities are not yet up to the task of managing this urbanization trend. In much of the developing world, cities are inadequately equipped to manage such urban growth. 5.8% of children in cities in the developing world die before reaching the age of 5. Urbanisation is thus associated with poverty and poor health for the majority. In cities in the developing world, one out of every four households lives in poverty. 40% of African urban households and 25% of Latin American urban households are living below the locally defined poverty lines.

Urban areas and the world economy

Cities play a fundamental role in the global economy. Cities are also increasingly linked and interdependent through flows of global activity. Urban-based economic activities account for up to 55% of gross national product (GNP) in low-income countries, 73% in middle income countries and 85% in high income countries. Reasons for this trend include:

• Cities generate the agglomeration economies needed to attract global or regional corporate headquarters, offer a wide range of choice in resources and concentrate more specialised business services and infrastructure;
• Cities typically provide both advantages of specialisation and diversity that allows them to be competitive in high value-added activities and to have higher levels of innovation;
• Cities tend to have greater endowments of human and physical capital with higher skills levels, a more favourable demographic structure and higher stocks of equipment, buildings and communications infrastructure.

Tokyo, New York and London have emerged as ‘global cities,’ acting as the key nodes of the global economy. Cities such as Hong Kong, Los Angeles, and Paris are close to rivaling these established global cities. But each city also has distinctive important domestic and regional roles. Greater
Johannesburg has emerged as the African city with the strongest connections with the global economy and functions as the key financial and trade centre within a Sub-Saharan African context. The economic, social and environmental footprint gets increased even more when the whole urban conurbation of the Gauteng City Region is considered. However, many other African cities such as Cairo, Lagos and Nairobi also have strong global linkages and provide points of access to the global economy for their wider regions.

There has been a strong recent focus internationally on the concept of city-regions as the drivers of both economic competitiveness and of addressing social equity concerns. City-regions are increasingly identified as the key economic space that supports successful cities and cities at the same time are seen as the drivers of flourishing functionally connected regions. New regional policies are an “approach that recognises the importance of coordinated and planned action at the level below the nation where there is a clear geographical space in which there are economic, social and environmental dynamics playing out”.

The focus on city-regions is partly about the management of flows that typically cross space and administrative boundaries in space. Municipal boundaries tend to be about the management of space within boundaries. The city-region concept is more about the management of flows across space. Thus, the city-region focus is not only about the specific city-region itself and its internal flows but about the flows and relationships between that city-region and other relevant spaces including the global, the continental and national space economies.

The city-region should not be thought of as the contested space where cities and provinces compete for leadership. The city-region is rather a notional space for collaboration beyond statutory jurisdiction where not only government but the major economic institutions including institutions of higher learning, the business sector and labour need to collaborate to maximize competitive advantage and the sharing of economic benefits.

**Urban areas and global environmental change**

The urban sector both contributes to, and is affected by, environmental and climate changes. Although cities occupy just 2% of the Earth’s surface, their inhabitants use 75% of the planet’s natural resources. Urban activities generate close to 80% of all carbon dioxide emissions as well as significant amounts of other greenhouse gases. They also often produce very high levels of outdoor air pollution and some 1.5 billion urban residents experience endure levels that exceed maximum recommended levels.

Cities produce large ‘ecological footprints’ but this varies considerably between different kinds of cities. The ecological footprint of London is 120 times the city’s area. An average North American city with a population of 650 000 requires 30 000 square kilometres of land to service its needs. In contrast, a similar sized but less affluent city in India requires 2 800 square kilometers.

Because of their compact form and economies of scale, cities have great potential to reduce energy demand, minimize impact on natural resources and reduce “footprints” through better planning and regulation.

Evidence suggests that global warming could result in sea level rise that has a devastating impact on coastal cities. Three quarters of all large cities are located on the coast. Some regions such as in
Asia and Africa are particularly vulnerable and lack the infrastructure to withstand extreme weather conditions. The urban poor are particularly vulnerable and often live in more hazardous locations such as flood plains and in settlements that lack drainage and other protective infrastructure.

3.2 National urban development policy – international lessons

Research commissioned as part of the process of developing an urban development framework has identified a number of lessons regarding national urban policy that can be drawn from the international experience. These include:

Limitations of policies seeking to slow or balance urbanisation

Research confirms that no country has developed without the growth of its cities and that as countries become richer, economic activity becomes more densely packed into towns, cities and city-regions. The evidence also suggests that policy needs to acknowledge that economic growth is always spatially unbalanced and that to introduce or continue with policies which are designed to spread out economic activities – spatially or across the national urban system - carries with it the inherent danger that economic growth may be discouraged or arrested. The international experience especially points to the dangers of reducing national efficiency by introducing controls on the expansion of large cities. Related concerns about whether cities are too big also appear to lack foundation. The popular notion that urban growth is dominated by ‘mega-cities’ and of ‘unbalanced urban systems’ is not supported in the international experience which shows that at a global scale urbanization is not concentrated in mega-cities and that urban hierarchies are not becoming increasingly unbalanced with urbanisation. Over the last 40 years, the international record shows that the relative sizes of cities has remained little changed as the impacts of technological progress and increased democratization have offset each other with the former operating to increase relative urban concentration and the latter to reduce it.

The relative weakness of explicit spatial interventions

The research points to the weakness of a range of explicit spatial interventions which have been applied unsuccessfully in many countries as instruments to operationalise national urban policies. The international experience shows the limited success of national urban policy interventions that go against the advantages of existing agglomerations and of market forces - specifically government interventions to select or preference certain locations (as growth centres, new towns etc) which have limited economic potential. It is almost impossible for national governments to take on the task of pre-planning in detailed fashion the growth of a national system of cities, intermediate centres and small towns. Instead, a ‘self-selection’ framework seems to be preferable allowing market forces to lead the selection of places for economic growth on the basis of their competitiveness. Cross-country investigations point to the conclusion that fiscal incentives rarely succeed. Such incentives appear to exert an influence only for business location decisions among comparable locations. The dominant pattern of industrial relocation in the developing world tends to be within and between agglomerations rather than from large cities to smaller cities or lagging regions. What this implies is that instead of providing subsidies or tax breaks, policy makers should
focus more attention on streamlining rules and regulations in order to make local business environments more attractive.

**Powerful impact of implicit spatial policies**

In developing national urban policies, the powerful impact of implicit spatial policies in terms of shaping and reshaping national urban systems and of favouring the growth of certain localities as opposed to others must be appreciated. The initial emphasis in implicit spatial policies was upon understanding the powerful impress of macro-economic and sectoral policies. New research confirms the need to redefine ‘urban’ policy to include implicit urban policies such as the impacts of regulatory activity, international trade agreements and a range of interventions made by different levels of government that reward some areas at the expense of others. Policy should recognize that political institutions and policies directly affect urban concentration by determining the ability of central government to favour one city such as a national capital through for example choosing not to invest sufficiently in inter-regional transport or telecommunication connectivities so that hinterland cities are less competitive locations for private investors, thus reinforcing growth in the national capital.

**Importance of favourable local business environments as driver of growth**

New research in the developing world links the emergence of ‘successful’ urban centres to the creation of a favourable local business environment. Variations in local business environments which link to agglomeration advantages or geographical advantages are essential determinants of ‘productivity premiums’ that firms enjoy and thus influence their location decisions. For smaller towns and remote locations, the implication is that such localities potentially need to offer more attractive policy reforms and maybe even fiscal concessions to offset the effects of their relatively adverse economic geography.

**National approaches to improving urban competitiveness**

In more advanced countries the issue of competitiveness is approached through one of two different approaches. The mainstream approach is that which centres upon cluster identification, support and promotion and of support for creative cities, creative classes or knowledge-intensive activities. This approach actively engages with inter-urban competition and that cities undertake a range of entrepreneurial strategies which are designed to attract outside mobile capital. In this approach, urban development and competitiveness is understood largely as a consequence of the attraction of “external inward-bound investment”. A second approach to competitiveness is to invest in a city or region’s asset base for long-term development seeking to provide the foundations for long-term development from within. The approach of building upon clusters of assets may have greater positive longer run development implications than seeking to recruit mobile capital. In the record of the developing world the Chinese reform experience is significant for demonstrating how national government can promote urban competitiveness through various levers associated with changing regulations.
The regional scale

An important policy suggestion is that urbanization policies should be reframed in terms of scale. Policy makers should consider policy development at an appropriate geographic scale – an “area”, which would be a sub-national unit – a state or province within a country. The chosen scale should be large enough that it encompasses both rural-urban and inter-urban linkages. For example, the World Bank considers that an appropriate “area” for policy development would correspond to the middle tier of government between the central and the municipal and that policy makers should consider themselves managers of a portfolio of places. The pursuit of an “area” approach to urbanization does not, however, rule out the aggregation of urbanization strategies to national level in order to ensure that ‘national’ urbanization policies incorporate the unevenness of economic development. What it does suggest, however, is that in relation to different stages of urbanization, there would be different policy responsibilities for different levels of government.

Menu and sequencing of policy instruments to ensure inclusive spatial development

The core message from the international experience relates to the re-framing of policy debates on spatial targeting and urbanisation.

Firstly, it suggests that the policy focus should not be on spatial targeting but rather on the application of a menu of alternative policy instruments (which might include spatial targeting). In particular, the evidence suggests that the key policy instruments and imperatives relate to the judicious and sequenced application of spatially-blind institutions, spatially connected infrastructure and spatially targeted incentives as explained below:

1. Policy should recognise the importance of ‘spatially blind’ rather than spatially targeted policy interventions. Within the domain of spatially blind policies would be included national policies such as the income tax system, intergovernmental fiscal relations, and the governance of land and housing markets as well as education, health care, basic water and sanitation. In contrast to spatially targeted interventions, it is argued that spatially blind interventions which involve universal and progressive income taxation, social security and unemployment benefits “work less noisily” and should be the bedrock of public policies to integrate countries spatially and help them benefit from (economic) concentration and convergence.

2. Policy must acknowledge the importance of ‘spatially connective’ policies that link together places through infrastructural improvements, such as roads, airports or communication systems. Such spatially connective policies through infrastructure are considered essential in order to improve access to markets of lagging regions thus integrating them into national (and international) markets.

3. There remains a role for spatially focussed interventions but these should be applied only in certain circumstances and in combination with rather than as a substitute for spatially blind and spatially connected policies. Prior to using incentives national governments should better seek to understand why certain areas are being by-passed by the market as the success of any incentive programme will ultimately hinge on how well the problem is diagnosed.
Secondly, it suggests that policy debates around urbanization should be reframed and focussed upon the efficiency and inclusiveness of the processes that transform a rural economy into an urban one rather than one that emphasises the advantages and disadvantages of urban or rural development or the pace of urbanisation or the volume of urban-rural migration. In addition, debates need to consider how policy can best address the coordination failures that arise at each stage of urbanization. A central principle of urban policy should be to ensure that urban settlements deliver agglomeration economies while reducing the grime, crime and time costs that accompanies rising levels of urbanization.

4 The national urban context

4.1 National urban spatial trends

A rapidly growing urban population

The vast majority (95%) of South Africans live in places that occupy only 16% of the country’s land area yet generate 92% of formal economic activity. These places fall broadly into two categories:

- Nearly three-quarters (71%) of the population live in a limited number of cities and towns, particularly along the coast and in Gauteng and Limpopo provinces. These are described as ‘high density core’ in figure 1 and are shaded red. These places have well-established local economies and account for 88% of all formal economic activity in the country.

- Nearly a quarter (24%) of the population lives in and around the former homelands. These are described as ‘high density periphery’ in figure 1 and are shaded yellow. These places are quite different in character and produce only 4% of all formal economic activity. Jobs are very scarce and people depend heavily on social grants from the government, remittances from relatives working elsewhere and subsistence farming. Many of these areas are poorly connected to the major metropolitan hubs.
South Africa’s settlement structure is changing as a result of economic and demographic forces. Population movements are the most obvious indication, reflecting ‘push’ factors in rural areas (job losses in commercial agriculture and the unravelling of the homeland legacy, including limitations on farming and degraded soil) and ‘pull’ factors in cities and towns (the end of influx control, perceptions of better economic opportunities, public services and quality of life).

As a result, the urban population is growing much more rapidly than the rural. International migration from elsewhere in sub-Saharan Africa is an additional ingredient. The population of the six metropolitan councils reportedly grew by 2.9% per annum on average over the period 1996-2007 compared with the national average of 1.8%. This puts considerable strain on these areas, making it difficult to absorb the expanding population with adequate infrastructure, decent living conditions, proper livelihoods and a reasonably compact and efficient urban form. The issues go beyond municipal and provincial services such as housing, water, sanitation and electricity since most migrants are unskilled and destitute. Migration from whatever source can also add to social tensions in a context of scarce resources and jobs. Projecting current trends forward, it is clear that the cities experiencing rapid population growth face a formidable set of planning and delivery challenges that require a strategic approach rather than piecemeal responses. Urban poverty has clearly emerged alongside rural poverty as a major issue for South Africa.

Looked at more closely, these changes are uneven and the settlement pattern is becoming more complex as a result. There is a spectrum from fast growing places to areas experiencing absolute decline. It is important to understand what lies behind the aggregate patterns and to distinguish between net migration (in- minus out-migration) and natural change (births minus deaths).
Migration flows give crucial insights into where people want to live and work. They are analogous to powerful river currents or tidal flows that governments around the world have always found difficult to stem or steer in particular directions.

Figure 2 illustrates the scale of population change between 2001 and 2006 in different places, unpacking net change into the migration and natural change components. The right hand column of each small graph shows the considerable absolute scale of growth in the three Gauteng metros, followed by Cape Town and eThekwini. In Johannesburg metro alone there were 1.25 million more people in 2007 than in 1996 – more than the entire population of the Northern Cape. These five metros clearly dominate population growth across the country, and growth stems from both natural change and in-migration. The same is true, but to a far lesser extent, for Nelson Mandela metro and other parts of the Western Cape outside Cape Town.

**Figure 2 : Patterns of natural population change and migration, 2001-2006**

In almost all other parts of the country natural change is positive (i.e. more births than deaths), but net migration is negative. It appears that people are leaving these areas because of poor local prospects and moving towards the possibilities thought to be available in the major cities. The highest levels of net out-migration are from the Eastern Cape and Limpopo provinces.

Figure 3 analyses the pattern of population growth and decline at a finer scale. It shows an uneven pattern of change within regions. The main areas of large scale growth (shown in the lower right hand figure) are confirmed as Gauteng, Cape Town and eThekwini. However, there has also been
sizeable growth in some smaller cities and towns, particularly within Kwazulu-Natal, the Eastern Cape and Limpopo. In Limpopo people appear to be converging on nodes and corridors that offer better accessibility to jobs and facilities, such as the N1 highway and centres such as Polokwane, Thohoyandou, Tzaneen and Phalaborwa. In Kwazulu-Natal they include places such as Pietermaritzburg, Richards Bay, Ladysmith and Ulundi, and in Eastern Cape they include Mthatha.

Figure 3: Population growth and decline, 2001-2007

In order to direct public investment more strategically and avoid indiscriminate spending, the NSDP makes an important distinction between areas with long-term economic potential and those whose prospects were questionable. The former were provisionally defined as the 26 largest economic centres in the country and their hinterlands. The latter were effectively defined as areas of out-migration. The NSDP recommends that state investment in economic infrastructure be focused on the former, while the latter should benefit more from investment in people (education, skills, job information and subsidies to migrate). All areas would continue to be entitled to universal basic services. The logic is that economic investment should go where it would be most cost-effective and that discretionary investment in marginal areas should focus on preparing young, economically active people to be productive and mobile. Basic public services would enable the remaining older and dependent population to live more comfortable and dignified lives. This document extends these distinctions with a differentiated approach to areas of potential and need, recognising different degrees of potential and different levels of need. It also considers how settlements interact with each other in different ways and at different scales to form an interdependent urban system.
For example, identifying population growth in well-connected nodes and corridors is consistent with the NSDP principle of linking disadvantaged areas with areas of opportunity.

**Concentrated economic growth**

National economic growth has accelerated in recent years, although its incidence across the country has been uneven, putting some places under greater pressure than others. Figure 4 shows both the rates of change in economic output (the shading pattern), and the absolute scale of growth (the height of the bar in each area). Two main features stand out. First, northern and eastern parts of South Africa have generally grown more strongly than southern and western regions. The reasons for this include the commodities boom benefitting mining areas, heightened international trade with neighbouring states as a result of increasing regional integration into southern Africa, and disproportionate benefits from the recent consumer spending boom because of the large, growing population.

**Figure 4: Economic growth, 1995-2007**

Second, the strong performance of the major cities is very apparent, particularly in terms of the scale of growth. Table 1 looks more closely at the comparative performance of the four main city-regions. The third column shows that they have grown more strongly than the country as a whole in terms of GDP over the period 1995-2007. Columns 4 and 5 show that the gap in performance widened over the last five years. Cape Town and Gauteng have become the strongest performers. This is apparent not simply in terms of the scale of growth but also its composition, with relatively high value, knowledge-intensive sectors and functions.
Table 1: Comparative economic performance of the main city-regions (GDP)

<table>
<thead>
<tr>
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<th></th>
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</thead>
<tbody>
<tr>
<td>Gauteng city-region</td>
<td>42.3</td>
<td>3.9</td>
<td>5.0</td>
<td>6.2</td>
</tr>
<tr>
<td>Cape Town city-region</td>
<td>13.5</td>
<td>4.3</td>
<td>5.6</td>
<td>7.1</td>
</tr>
<tr>
<td>eThekwini city-region</td>
<td>12.2</td>
<td>3.8</td>
<td>4.7</td>
<td>4.7</td>
</tr>
<tr>
<td>Nelson Mandela c-r</td>
<td>3.5</td>
<td>3.5</td>
<td>4.3</td>
<td>4.8</td>
</tr>
<tr>
<td>City-region total</td>
<td>71.6</td>
<td>3.9</td>
<td>5.1</td>
<td>6.0</td>
</tr>
<tr>
<td>South Africa</td>
<td>100.0</td>
<td>3.7</td>
<td>4.7</td>
<td>5.2</td>
</tr>
</tbody>
</table>

Source: dplg, Presidency, SACN (2008)

GDP per capita and GDP per worker are standard indicators of how productive particular places are. Both are higher for the city-regions than for the rest of South Africa, despite the fact they attract such large numbers of unskilled and unemployed migrants, which tends to depress productivity averages.

Column 2 of table 1 shows the dominant position of Gauteng in the national economy, with more than two-fifths of total GDP. Gauteng’s importance as the country’s economic hub and gateway to Botswana, Zimbabwe and Mozambique can be illustrated by showing the pattern of major freight flows across South Africa (Figure 5). Almost 40% of all freight movement occurs between Gauteng-Durban and Gauteng-Cape Town. Road transport is between three to four times more important than rail.
There are important policy questions about Gauteng’s burgeoning position and nation-wide impact through remittances, migration and demand for agricultural produce, raw materials and recreational amenities. It also has a sizeable ecological footprint through the consumption of energy and other non-renewable, scarce resources. A very large volume of water has to be piped considerable distance from a different water basin in Lesotho at considerable cost. Much of the country’s land with highest agricultural potential is in Gauteng and Mpumalanga, but is threatened by urban sprawl. Gauteng’s inland position means that the international competitiveness of its industries is reduced by rising oil and logistics costs for raw materials, components and finished goods.

There are many unknowns about Gauteng’s position in national space economy. How far do its positive and negative spillovers reach? What are the relative benefits and costs of this concentration of activity in one place, and what is the appropriate stance for the government to take in relation to further consolidation? Would a more balanced regional approach involving selective deconcentration of jobs and services to secondary cities be worthwhile, or indeed feasible? What opportunities exist for enhancing the connections with coastal city-regions and would this lead to further concentration or dispersal of activity?

The impact of recent economic growth on jobs has been very disappointing in most places. Figure 6 shows that more than half of the country has experienced an actual loss of jobs over the last decade (measured as formal plus informal employment) – ‘jobless growth’ is an apt description. The pattern of employment growth broadly reflects the pattern of GDP growth shown in figure 4, with growth concentrated in the north and east. Gauteng stands out as the area of strongest jobs growth in absolute terms. It is clearly the country’s leading jobs machine by a long way. It is a serious concern.
that Cape Town has experienced surprisingly little employment growth, despite strong population growth. eThekwini has had rather more but still very small in relation to its existing jobs base.

Figure 6: Employment change, 1995-2006

One of the effects of low employment growth with an expanding population is that unemployment has been high and rising. High unemployment holds back economic development (it represents unused productive potential) and is a major cause of hardship, inequality and a range of damaging social problems. It is a particular challenge in the major cities to which young adults have moved with expectations of finding work. Employment growth has simply not kept pace with urbanisation. This has exacerbated the difficulties of migrant absorption and poses a growing threat to social stability and cohesion, especially in the context of an economic slowdown.

Service demands and urban management challenges

There has been substantial progress in delivering improved basic services to most parts of the country over the last 15 years, especially electricity, sanitation, water and housing. For example, according to the Treasury’s recent review of local government, access to electricity has increased by 10% since 2001, flush toilets by 6% and water by 4% (National Treasury, 2008).

National government has played an important role through direct financial support to municipalities, policy reforms and legislation. Yet, according to the same review, there is considerable scope for further improvement in both the quantity and quality of provision bearing in mind the size of the service backlogs and the pressures from population and economic growth. Municipalities need to increase capital investment by borrowing more money, they need to pay more attention to
maintaining their infrastructure assets, collect the money owed to them by service users and ratepayers, and price services to recover the costs of production, especially where households, businesses and developers can afford to pay. They also need to plan their infrastructure investments more carefully to ensure a more efficient and compact urban form, on the basis of more up-to-date spatial plans and quicker decision-making procedures.

The key point to emerge from the review, and endorsed by other evidence, is that progress has been uneven across the country with different issues facing different areas, reflecting variable socio-economic conditions and municipal competence. The performance of the six metros has improved steadily (they are now responsible for 57% of all municipal spending), but they also face the greatest challenges arising from the growing number of poor households and economic expansion. They have had difficulty keeping pace with the growth in demand for services which risks hampering economic growth and failing to improve living conditions for the poor.

This is supported by a review of infrastructure by the Development Bank of Southern Africa, which warned that transport systems in the cities (particularly road, rail and ports) have deteriorated over the last decade through increasing congestion, capacity constraints and lack of maintenance, and that this threatens economic growth (DBSA, 2006). This is partly being addressed through the major transport infrastructure investments currently underway in the major metropolitan areas.

The challenges of keeping pace with the demands of urbanisation are illustrated by the map in figure 7, which shows that despite the large number of new formal houses built over the last decade, the backlog is still considerable and concentrated in the big cities. There are an estimated 286,000 informal houses in Ekurhuleni, 260,000 in Johannesburg, 180,000 in Cape Town, 173,000 in eThekwini and 165,000 in Tshwane. Together they account for almost half (49%) of all informal housing in the country, and this is where the biggest increases have been over the last decade. The falling average size of households adds to the complication for policy because more units are required to house a given population.
This map also indicates that significant pockets of informal housing are also found close to important secondary towns, especially those in municipalities close to the Gauteng metropolitan areas. These areas also obviously correspond closely with the areas where housing backlogs and planned projects are concentrated as reflected in figure 8.
The relatively large proportion of the population within densely populated former homeland areas that still require access to services is also evident. The Eastern Cape and KwaZulu-Natal rural areas, for example, have the lowest access to piped water as reflected in the figure 9 below where the municipalities shaded in green have the lowest access.
Note, that metropolitan areas experiencing high rates of urbanisation such as Johannesburg and eThekwini also continue to have high levels of backlog and both feature on the list of districts/metropolitan municipalities with the largest water access backlogs in a district and metropolitan comparison (Stats SA, 2007).

A similar picture is evident when looking at electricity provision. South Africa has made huge strides in providing electricity to more than 2.5 million households between 1995 and 2007 (Stats SA). However, significant backlogs remain. The major metropolitan areas despite their high performance in extending electricity provision continue to build up significant backlogs because of urbanisation as reflected in figure 10 below. The map shows that the largest percentages of the national population not using electricity for lighting are concentrated in the metropolitan regions as reflected in the darkest shading.
The processes of urbanisation and population and economic growth are also placing major pressures on the natural resource base and the ecosystems supporting urban areas and high density rural settlements in particular. With regard to water, an analysis of available water resources (DWAF 2004) shows the dependency of the Gauteng city-region and other cities on water transfers and the huge costs of unfocussed development in providing access to water services in arid regions (figure 11).
The bar graphs show that most Water Management Areas (WMA) are using nearly all the available water, some are in a severe deficit situation already and only a few have more than is needed. This situation poses major development risks for the major cities and city-regions as well as the high density rural settlements. The maintenance and operating costs of these transfer systems are also substantial. The research also pointed to other resource challenges including the impact of urban development on the availability of high potential agricultural land and on biodiversity.

4.2 An urban settlement typology

The country’s settlement structure is far more complex than the ‘urban’ category allows for. It is useful to distinguish between different kinds of place in order to be clear about the different types of policy action required. A typology is helpful because different settlement types have been experiencing very different rates of economic and demographic growth in recent years. Hence, different kinds of place present quite distinct challenges for policy and require different responses, especially given the historical deliberate under-development of certain places. Some of the essential variations in settlement type can be captured on three dimensions: size, function and institutional legacy.

Size confers economic advantages – agglomeration economies for firms, workers and public services. Capturing the benefits of scale requires municipalities to work across administrative boundaries.
Function indicates an area’s economic base – mining, manufacturing, tourism, etc – and its role in terms of public and private service delivery. Different sectors face different threats and opportunities for growth and development.

Institutional legacy reflects inherited characteristics of past policies, particularly the land use policies that fostered economic and residential segregation within cities and the underdevelopment of the former homelands. More than anywhere else in the country, settlements in the ex-homelands lack the institutions and infrastructure one would expect considering their population size. This warrants particular policy attention.

Table 2 presents a provisional settlement typology reflecting these dimensions. They are also mapped onto figure 8. This categorisation is clearly tentative and illustrative. It should be subject to more detailed analysis, testing and refinement before it could be said to offer a definitive new categorisation of South Africa’s settlement structure.

Table 2: Provisional typology of different settlements, 2008

<table>
<thead>
<tr>
<th>Number of places</th>
<th>Population (% of national)</th>
<th>Economic activity (% of national GVA)</th>
<th>People living under a minimum level of living (% of national)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gauteng city region</td>
<td>1</td>
<td>22</td>
<td>39</td>
</tr>
<tr>
<td>Coastal city-regions</td>
<td>3</td>
<td>16</td>
<td>25</td>
</tr>
<tr>
<td>Cities</td>
<td>5</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>Regional service centres</td>
<td>41</td>
<td>14</td>
<td>15</td>
</tr>
<tr>
<td>Service towns</td>
<td>44</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Local and niche settlements</td>
<td>600</td>
<td>9</td>
<td>5</td>
</tr>
</tbody>
</table>

Sub total URBAN as a % of National | 71 | 92 | 61 |

Clusters and dispersed rural settlements | 21 | 2 | 31 |

Farms/rest of SA | 8 | 6 | 8 |

Sub total RURAL as a % of National | 29 | 8 | 39 |

Source: Presidency, dplg, SACN (2008). Endnote 7 contains the names of all the larger settlements.
The ‘city-regions’ comprise Gauteng, Cape Town, eThekwini and Nelson Mandela Bay, each with over one million population. They play a significant role as core cylinders of South Africa’s economic engine, with different sectoral specialisations. Their international connectivity and extensive hinterlands offer particular opportunities for future growth and development. One of their main challenges is to absorb large scale in-migration without destabilising indigenous communities or jeopardising their financial position. Maintaining an urban form that enhances rather than undermines productivity by promoting proximity and containing the costs for commuters and businesses is another particular challenge to big cities – ‘integrating town and township’. And of course the overriding priority is to create more jobs to provide household sustenance and dignity, and to bring structure and stability to communities.

‘Cities’ have populations of between 400,000 and 1 million and a well-established formal economy. They include East London, Bloemfontein, Nelspruit, Pietermaritzburg and Polokwane, and are often described as secondary cities. They have reliable infrastructure, relatively competent local government and a reasonable skills base. Hence they are fairly well placed to accommodate decentralised government offices, call centres or back office functions. One of their main challenges is to identify and develop distinctive economic niches to enhance their prosperity, particularly those cities with important mining or agricultural processing industries. Another challenge is to extend opportunities to peri-urban settlements and densely-populated rural hinterlands.

‘Regional service centres’ are smaller than ‘cities’. They have relatively functional formal economies and play a significant role in servicing their hinterlands, whether within dense former homelands or...
in vast, sparsely populated regions (such as Upington and Springbok). They typically hold their own nationally and are neither net contributors nor recipients of state resources. Many also face challenges of economic diversification and modernisation, including Rustenburg, Middleburg and Secunda. There are some anomalies, such as Phuthaditjhaba, which has a very small formal economy, almost entirely based on government services. It also has virtually no urban core or infrastructure despite its population of over 300,000 – similar to Bonn or Zurich.

Many cities and regional service centres perform vital cultural and educational functions, as well as social and economic roles. They have strong local identities and are major physical assets reflecting decades of investment in property and infrastructure. In most cases their rationale is as important as ever, and warrants government support to avoid the prospect and consequences of decline. Those centres that are close to or within the old Homelands (such as Polokwane, Queenstown, Mthatha and Tohoyandou) have been stunted by longer-term neglect. Lack of proper planning and land management reform; inadequate revenue collection capacity, and fragmented public policies, all imply a bigger challenge for government.

Smaller *service towns* and *niche settlements* perform a particular service role within their areas or further afield, such as tourism (e.g. Clarens). Some are experiencing strong economic growth, such as Prince Albert, or strong population growth, especially if located on important access routes, such as Alice.

Across the country there are many *dispersed settlements* that have never developed nodes with public amenities and commercial opportunities. By focusing on individual and household subsidies, government social programmes have helped to alleviate poverty. The foundations for economic growth, development and jobs however remain persistent challenges. Figure 9 shows that many rural areas are major beneficiaries of social grants and that a high proportion of the population depend on them. The figure also shows that a sizeable number of grant recipients are also in the major cities, reflecting the shifting national profile of poverty (table 2).
The current areas of traditional authority control account for approximately 20% of the country’s land area and 21% of its population, but only 3% of the formal economy.

### 4.3 Implications of the trends, challenges and typology

A number of policy implications flow from the national spatial trends analysis and the typology. These include:

- The pattern of urbanisation combined with growing service backlogs in the major urban growth nodes point to the need for better forward planning and management of urban growth at national, provincial and local level;
- The strong regional interdependencies and flows between ‘urban and urban’ and ‘urban and rural’ areas suggests the need for a more integrated approach to economic and settlement planning at multi-jurisdictional regional level to improve linkages and synergies;
- The typology points to the need for a differentiated governmental approach to settlement support given the wide diversity of settlements types with very different needs and capacities;
• The data suggests that there is a national need to prioritise institutional, service delivery and economic development support to two categories of settlement type in particular:
  
  o The high growth cities and city-regions whose rapidly growing populations, concentrated poverty and service delivery backlogs combined with their relatively high economic growth rates point to them as areas of strategic importance;
  
  o The high-density settlement areas of the former homelands with large and growing populations but little economic activity and high rates of poverty. In this regard, it is noted that critical attention should be paid to the relatively underdeveloped Regional Service Centres serving such areas with a view to improving urban management and connectivity as a key element of any rural development approach linked to such areas;
  
• The need for concerted national action to manage environmental risk flowing from the growing natural resource pressures experienced by the major cities and the high density settlement areas in particular.

5 National urban development principles

A number of guiding principles relevant to the effective management of South Africa’s towns, cities and city-regions and applicable to all of government can be derived from the analysis in the sections above. These are:

1. Focused national attention on urban challenges. Sustained, inclusive economic growth is a prerequisite for the achievement of other policy objectives, amongst which poverty alleviation is key. South Africa’s urban areas are its drivers of economic growth, its primary sites of population growth as well as being the points where many of its poverty, social and ecological challenges are concentrated. They are thus of national strategic importance and require particular and focused national attention and support to supplement local effort and innovation.

2. Commitment to inclusive pro-poor urban development. Policy will actively seek to ensure that the urban development process is inclusive and pro-poor. Increased investments in infrastructure and basic services for the poor that have been effective, internationally and in South Africa, in reducing urban poverty and mitigating urban income inequalities, will be emphasised.

3. Proactive management of urbanization. A strong proactive approach to managing urbanization needs to be adopted into the foreseeable future, given the continuing trend of significant migration to the cities. This will include improved forward planning for urban areas at both national, regional and city/local level, stronger mechanisms to ensure land availability for affordable settlement and an infrastructure investment focus on high growth urban areas. Managing urbanization will also entail a rural development strategy to complement the NUDF. This must ensure access to basic services and human development opportunities are available to anyone wherever they live thus ensuring that migration to urban areas is a matter of choice rather than a desperate move to access “better” conditions of living.
4. Integrated approach to urban and rural areas. Urban and rural areas form part of single interdependent system that needs to be managed in an integrated and holistic manner. There is no clear neat line between urban and rural. They are rather ends of a continuum and are highly interdependent - bound by a complex network of economic, social and ecological linkages. Urban and rural development should be seen as interdependent and complementary rather than as being in competition or mutually antagonistic.

5. Regional inter-governmental co-operation. Increased co-operation and accountability across jurisdictional boundaries is required to address the economic, social and ecological challenges facing urban areas and their functional hinterlands. This does not require additional layers of government or bureaucracy but more collaborative planning, coordination and cooperation.

6. Differentiated support. A differentiated policy and strategic approach is required for different kinds of urban spaces that acknowledges the widely varying challenges and capacities of different types of settlement. It must encompass the need to invest in nodes of economic competitiveness and potential growth and in the linkages between them while also ensuring a good quality of life for all regardless of location. A broad range of regulatory, infrastructural, financial and partnership tools will need to be harnessed and aligned to achieve the required urban outcomes. Improving the capacity of urban management and leadership is a key lever for improving urban performance.

6 Urban outcomes and indicators

The principles above inform an overarching vision for managing the growth and development South Africa’s towns, cities and city-regions

The critical national goal at the heart of this framework can therefore be expressed as:

To ensure the integrated and proactive management of South Africa’s towns, cities and city-regions in a manner that maximizes the poverty reduction, social progress and sustainable growth impact of urban development in the short, medium and long-term and that minimizes the negative social and environmental consequences often associated with the urbanization process.

A number of strategic outcomes related to this effective urban management goal have been identified based on the analysis of the trends and challenges above. In each case, a consistent, multi-sphere, multi-sectoral approach will be needed to achieve the outcome. These are outlined below.

6.1 Outcome 1 - Improved urban form and sustainability

It is widely acknowledged that South Africa’s urban form, characterised by urban sprawl, poor public transport infrastructure and poorly located lower income settlement has a negative impact on both social and economic progress. It is further accepted that policies since 1994 have not succeeded to
restructuring the apartheid spatial patterns of our cities and towns. On the contrary, a number of policies have unwittingly reinforced spatial fragmentation. A major change in approach is already emerging through Breaking New Ground and other restructuring incentives but this has tended to be piecemeal and silo-driven up until now. Key to achieving this outcome will include measures to promote the following:

- Greater urban integration and densification, particularly along the major transport corridors;
- Greater access and mobility, largely through improved public transportation and new mobility technologies;
- Greater resource efficiency and sustainability through measures including energy efficiency regulations and incentives for green buildings and infrastructure, the promotion of renewable energy and expanding public transport.

6.2 Outcome 2 - Improved management of urbanisation and urban growth

Similarly, the response of government at all levels to continuing urbanisation has tended to be reactive rather than proactive. Key to achieving this outcome will include managing both the motives and process of urban migration as well as managing the resulting growth in urban areas. The former will include interventions in the rural areas where some of the migration originates from. These will be detailed out in a separate rural development strategy while the latter will include measures to promote the following:

- Improving forward planning linked to spatial development at all levels of government;
- Enhancing land release mechanisms to minimise unplanned informal settlement growth;
- Better implementation of the integrated human settlement approach;
- More effective and efficient processes to ensure consistent land use management practice.

6.3 Outcome 3 - Improved urban infrastructure and service delivery systems

Notwithstanding the major gains in basic service delivery extension, there are a number of areas where urban service delivery realities and practices represent an obstacle to further development. Key areas for attention in achieving this outcome will include measures to promote the following:

- Refining the basic services agenda to enhance equity and to ensure that it reinforces other indicated outcomes;
- Improving urban social services, especially health, safety and education particularly for the poor;
- Improved systems of infrastructure maintenance;
- Improved mechanisms for providing higher order services for key economic areas as has been pioneered through the various business improvement district initiatives in many cities.
6.4 Outcome 4 - Improved urban social outcomes

Although the major urban areas appear to offer the poor more opportunities for a better life, the urban system remains ineffective in enabling people to escape poverty. More targeted action to improve social outcomes is critical. Key areas for attention in achieving this outcome will include measures to promote the following:

- Improving job creation and second economy support;
- Reducing urban crime and related social problems such as drug and alcohol abuse;
- Improving the quality of education and skills development outcomes particularly for poor communities;
- More effective incorporation of immigrant communities within society;
- Improving the effectiveness of health initiatives particularly with regard to HIV/AIDS and TB;
- Facilitating the provision of basic services, sustainable livelihoods and human development in rural and other low opportunity areas.

6.5 Outcome 5 - Improved competitiveness and resilience of urban and regional economies

South Africa’s ability to sustain high rates of growth into the future to support its ambitious social agenda will depend significantly on our national ability to continuously improve the competitiveness and resilience to market changes of our major urban areas. Key areas for attention in achieving this outcome will include measures to promote the following:

- Strengthening regional economic clusters through public-private strategic partnerships;
- Improving the national innovation and R&D system through enhanced collaboration between research agencies, industry and government;
- Strengthening regional and rural-urban economic linkages;
- Improving efficiencies in the movement of freight and services between local, regional, national and global markets;
- Improving South Africa’s linkages with global markets through customising trade and investment promotion to address city-regional needs;
- Promoting inter-city and inter-regional coordination to strengthen competitive positioning in global markets.

6.6 Outcomes 6 - Improved urban governance

Major reform of the municipal governance system has occurred over the past decade and structures and systems much more conducive to effective development have been put in place. There remain significant areas where the current governance arrangements can be refined to better achieve national objectives. These include:
• Ensuring that the necessary powers, functions and fiscal capacity is devolved to metropolitan and other well capacitated municipalities to enable them to manage the challenges of complex urban development;
• Improving the local responsiveness of the large urban municipalities;
• Improving inter-governmental coordination regarding urban challenges;
• Developing more effective strategic partnerships with private and community sectors at town/city and regional level.

6.7 Indicators and targets

These outcomes will need to be refined through the process of engagement with stakeholders. This exercise should include a set of high level strategic Indicators and targets related to each outcome and the respective responsibilities of the different spheres of government in achieving such outcomes. The outcomes and indicators should ideally also be aligned and developed within the system of national indicators compiled by The Presidency.

7 Towards a programme of differentiated support

In order to strengthen the potential of South Africa’s towns, cities and city-regions to achieve the outcomes outlined above, a number of proposals for reform are suggested. Some are general in character and applicable to all types of settlement. Others are more specific to the different types of settlement in line with the need for a more differentiated approach.

7.1 General support initiatives to urban sector

A number of areas of potential leverage in improving the performance of the urban sector more generally have emerged. These include:

• **Land use management legislation and regulations.** The complex and uncertain land use management dispensation has been a major impediment both to the effective regulation of private sector development, the provision of well-located land for affordable settlement as well as the restructuring of the urban form to address the apartheid legacy. The reform of legislation has been on the agenda for some time. This needs to be expedited so that a set of land use management instruments able to achieve the urban form outcomes outlined above can be systematically achieved over time. Major reform of the land-use planning and management system is required to put into practice the principles of densification and integration, and gradually transform the spatial structure of cities. This includes the redevelopment and intensification of well-located sites and mixed-use development with a share of affordable housing. A more strategic approach to dealing with the growth of informal settlements on the
periphery of cities is also required to avoid perpetuating polarisation through purely reactive planning. The current package of municipal infrastructure, basic services and housing needs to be adapted to fit the densification agenda better. Changes are also required to the procedures for land acquisition, planning, registration and transfer to accelerate the delivery of accessible housing for the poor. Sensitivities surrounding land zoning, infrastructure standards and the release of economic opportunities need special attention. Mechanisms are also required to avoid haphazard and inappropriate private development around the edge of cities that continues to be subsidised by public infrastructure. Simpler procedures are required to address the land tenure complications in the former homelands. In the above context, the review of zoning ordinances, Development Facilitation Act and other related legal instruments would be essential. Responsibility for costing a major urban land release should be done by National Treasury. City municipalities also need to use current instruments such as the IDP and the spatial development framework instrument, possibly reinforced by by-laws to ensure that development follows a strategic spatial logic.

- **National fiscal transfer alignment.** The current formulas for national revenue redistribution will need to be reviewed by the Finance and Fiscal Commission and aligned with the approach of new policy frameworks including the NSDP and the NU DF. Government should extend financial freedoms and flexibilities to competent municipalities in order to speed up the provision of services in a manner that can be sustained and to address bottlenecks, backlogs and neglected repairs and maintenance. A new revenue stream is needed to replace the RSC levies in order to support economic development efforts. New financial instruments may be needed to raise capital required for new productive investment, recognising the different needs and capacities of different places. There is a particular concern to address the apparent funding gap for recurrent operating costs and maintenance of infrastructure, especially in areas where most consumers are poor. Better technical assistance should be provided to places with weak capabilities in financial management, external borrowing, income generation and debt collection. Long term urban scale modeling of financial systems should be undertaken to monitor viability, durability and the consequences of different planning and investment decisions. In addition, a macro-framework for conditional grants related to the built environment needs to be developed that ties funding to integrated project proposals linked to coherent settlement level plans.

- **Powers and functions alignment.** The policy review on provincial and local government should clarify and then begin the process of rationalising the powers of public bodies over the built environment and infrastructure in order to integrate these functions more effectively and to strengthen local leadership. Strategic planning for more integrated cities and service delivery are hampered by fragmented responsibilities for land use planning, housing and public transport between provinces and local government. There is an additional need for clarity of responsibility over services such as water in areas with two-tier local government. Functions where there is institutional overlap and duplication, with the potential for ambiguity and conflict, need to be ironed out in the interests of simpler, more efficient and accelerated implementation.

- **Improved national urban data collection and urban research.** National, regional and local planning will be strengthened by a more systematic approach to the collection of relevant data.
at a national level. Substantial data is currently collected nationally but it is often not collected in a form that is easily usable in local planning. There are also substantial gaps in the current data sets collected. It is proposed that a task team be established to prepare a framework for national spatial and urban development data indicating the roles and responsibilities of the different data collecting agencies.

7.2 Support for city-regions

The major city-regions are experiencing the biggest pressures arising from population growth and economic expansion. These pressures need to be accommodated in the interests of social progress and continuing prosperity. Additional investment in infrastructure, public services and housing is important without destabilising the financial position of these municipalities. This needs to be accompanied by the introduction of stronger fiscal and regulatory mechanisms to ensure more efficient and equitable forms of land development. This includes an enhanced role for spatial planning, quicker procedures for land release, methods of recovering the full costs of infrastructure, and capturing the uplift in land values arising from public investment. Specific strategies may be required for key sectors of the economy and essential non-renewable resources, including links to sources of R&D, investment and skills training.

Regional planning is particularly important across city-regions, especially in Gauteng. Municipalities, provinces and infrastructure providers such as Transnet need to co-operate and coordinate across administrative boundaries, perhaps under the leadership of the core municipality and within the context of a set of rules established nationally. Transport, housing and spatial planning are three policy areas requiring particular attention at the city-region scale because of the obvious problems if decisions are inconsistent across arbitrary administrative boundaries. One of the main objectives should be to increase connectivity within each city-region so as to improve functional efficiency for businesses and access to opportunities for households. This includes rapid transit systems, freight logistics and broadband. In this regard, a city-region planning mechanism should be established for each city-region as outlined in section 8.

In addition, a national inter-governmental shared growth strategy for each city-region should be developed possibly within the context of ASGISA and national industrial policy. This should send a consistent message of conviction to key government departments and state agencies, as well as the private sector, about the priorities for policy development and public investment. The traditional piecemeal delivery of capital projects and services should evolve into a more coherent approach reflecting long-term commitment and belief in the contribution of certain places and activities to the goals of national growth and transformation. This is happening in other countries and is bound to achieve greater impact and effectiveness than disjointed initiatives driven by disparate interests. Key decision-makers and investors need to know what and where the government’s expectations are for economic development. As a national policy statement it should set out distinct competitive strengths, targeted niche sectors and major development themes for each city. Its general stance would be less negative about rural-urban migration and more positive about the potential of cities to inspire and transform the nation, provided they are planned and managed in a more strategic way.
7.3 Support for cities

While the secondary cities are not as institutionally complex as the city-regions and generally have less dynamic economies and slower rates of population growth, they play a critical regional service function. Many of them are provincial capitals. It is critical from a national strategic perspective that the viability and continued development of these cities is ensured. A priority for many cities is to help them to develop, diversify and expand their economies, through targeted business support, skills training and serviced land. Stronger transport and broadband connections with the fast-growing metropolitan centres may also be worthwhile. Sectors with the potential for niche development will need specialised technical and marketing assistance, possibly delivered through dedicated partnerships of key actors and agencies. Continued efforts are also needed to upgrade infrastructure, renew run-down areas, improve services and extend facilities to disadvantaged communities. Streamlining of responsibilities for built environment functions is particularly important where there is two-tier local government and a relatively remote provincial authority. The specific economic and social development strategies for each secondary city and its broader region need to be addressed through the mechanisms outlined later. However, there are some generic areas of potential intervention specific to the secondary cities need to be explored. These include:

- **Government services decentralization.** Certain government service functions currently located within the metropolitan areas can potentially be decentralized to secondary cities as a way to strengthen their economies. Areas with potential for decentralization include call centres and social service administration services. This is a strategy that has been adopted in many European countries.

- **Targeted economic infrastructure investment.** While the secondary cities do not have the same requirement for economic infrastructure investment, national government will need to be responsive to ensure that targeted infrastructure investments to protect or strengthen their competitive advantages is facilitated, even when such investment is not necessarily a priority for the relevant state-owned enterprise.

7.4 Support programme for regional service centres

There are a large number of regional service centres. Many of them show signs of decline. Others exhibit rapid growth. In general, they will need to be supported. However, there are a number of such regional service centres that have strategic importance because of their economic or service role. This is particularly true of those regional service centres with high density rural hinterlands, such as in the former homelands. Bearing in mind their large population catchments, many of these centres are underdeveloped in terms of economic activity and deficient in higher order public services. It is therefore important to strengthen such centres by identifying those with most
potential and then investing in the necessary infrastructure and ‘place-making’ activities. These centres could ultimately serve a variety of purposes, including:

- Nodes for distributing a range of services to dispersed populations,
- Market towns for assembling regional agricultural produce, crafts and other products,
- Centres for tourism, leisure, recreation and other niche functions,
- Transport hubs with good links to larger towns and cities elsewhere, and
- Places delivering high level public services, including training centres, small business support, agricultural extension services and a range of social services in health, education and so on.

Careful analysis is needed of the potential of different places and appropriate policy interventions, taking into account the possibilities afforded by their geographical location. These centres are likely to require municipal capacity building, including a range of technical and managerial skills and information systems to assist with strategic planning and improved service delivery. They will also need more efficient mechanisms to bring forward land for economic development and affordable housing, and simpler, more transparent regulatory procedures. Some places will require investment in core urban infrastructure, environmental improvements and place marketing to develop new economic activities.

Good external connectivity (road, rail, air and electronic) will be an important feature – success is bound to depend on developing strong economic linkages with towns, cities and city-regions elsewhere. The possibility of setting minimum standards of social and economic services (health, education, training, small business support, etc) for settlements of different sizes should also be explored to help clarify norms and expectations.

### 7.5 Support for towns

It is particularly hard to generalise about small service towns and niche settlements, many of which perform unique functions and are growing at very different rates. The appropriate role for development policy varies widely. The foundations for economic and social progress should include sound infrastructure in the right place, improved public services extended to cover the whole population, intensified support for small businesses and investment in vocational training to address skills shortages and improve access to jobs.

### 8 Mechanisms for alignment and coordination

Effective implementation of this framework will require higher levels of inter-governmental and sectoral alignment than has been possible up until this point. A number of mechanisms to improve planning and coordination are proposed as outlined below:
8.1 Integration into national planning mechanisms

The national planning system is currently being reviewed and a national planning commission is being established to help facilitate a higher level of strategic cross-sectoral planning within government. It will be critical to ensure that this framework is incorporated within the national planning process and that the further development of the framework and its instruments be managed tightly with this emerging mechanism.

8.2 Inter-governmental city-region planning and coordination mechanisms

It is noted that the city-regions in particular require a higher level of cross-jurisdictional planning and coordination than has thus far been possible. It is proposed that an inter-governmental coordination and planning mechanism along the lines being developed in Gauteng but appropriate to the needs of each different city-region should be established for each of South Africa’s four major city-regions. These mechanisms will need to be established within the frame already provided by the Inter-Governmental Relations Framework Act and will need to involve the relevant municipalities, provincial government as well as relevant national departments and state owned enterprises.

8.3 Inter-governmental forum for cities and city-regions

South Africa’s major cities have a mechanism for research and learning around common issues through the South African Cities Network. The SACN also facilitates linkages between the cities and relevant national government departments. However, it is suggested that this mechanism be supplemented by a formal higher-level inter-governmental forum attended by relevant members of the national cabinet, the mayors of the major cities, relevant premiers or provincial ministers as well as relevant executives of the state-owned enterprises to given attention to key strategic issues facing the major cities and city-regions. Typically these issues cannot be resolved at a provincial level nor would the MINMEC format be suitable. It is suggested that the policy review process should identify an appropriate mechanisms for the proper representation of cities with respect to policy-making and intergovernmental coordination.

9 Process forward

It is noted that a framework for towns, cities and city-regions that seeks to focus and align the activity of all of government will only be effective if there is strong ownership, understanding and
commitment to the framework from the relevant spheres of government and the relevant departments and agencies. It is further noted that an important part of getting support and ownership will be through intensive one-on-one engagement with key departments, municipalities and other stakeholders. The current transitional political period make it especially important to ensure broad ownership politically and administratively.

Work-sessions will be held with key national government departments, with relevant provincial governments, with the major metropolitan and city local municipalities and with organized local government to secure their views and to work through the implications of the framework for their department/municipality over the course of 2009.

The work-sessions would be supplemented by a series of thematic roundtables of relevant stakeholders and specialists. Some will be focused on urban type (focused on identifying the specific support needs of different urban types - city-region, city, regional service centre and town). Others will address sector issues (focused on key outcome issues such as improving urban form, economic strategy and inter-urban cooperation, urban governance, urban ecological sustainability and urban job creation and poverty reduction).

A number of areas of additional research have been identified during the course of phase one of the process. These include:

- **Spatial trend scenarios/projections.** A piece of development work noted in the initial proposal was the development of long-term spatial scenarios based on the trend overview research and aligned to the national scenarios.

- **Urban labour market performance.** The creation of jobs and livelihoods is fundamental to tackling poverty and promoting prosperity. A better understanding of labour market dynamics in different places is particularly important in the context of growing concerns about the uneven geography of jobs, the growth of casual and part-time work and the looming economic slowdown. For example, Gauteng has experienced strong jobs growth since 2000 whilst Cape Town has had very little, despite strong population growth. This has important implications for urban-rural relationships through migration and remittances. The main objectives of this part of the work are: (i) to examine the scale and nature of employment changes in cities and towns over the last decade, and (ii) to analyse how the labour market has adjusted, for example through migration and changing participation rates (e.g. the discouraged worker effect and informal work).

- **The urban land market and vacant land.** Better utilisation of vacant urban land is vital to the densification of cities and containment of urban sprawl. It is also important for urban integration and improved access to economic and social opportunities for the poor. The main objectives of this part of the work are (i) to document the scale, nature and condition of vacant urban land in cities and towns, (ii) to identify the reasons for vacancy, including issues of ownership and constraints such as contamination or lack of infrastructure and services, and (iii) the plans of public authorities for encouraging that land to be (re)developed, including dilemmas faced around the value of the land and the opportunity costs of releasing it for uses such as low density housing.
Prospects for towns in the former homelands. There is a case to be made that these towns could perform a catalytic role in the development of impoverished rural areas. They could function as regional service centres for a variety of public and private services for households and small enterprises, as well as transport and communication hubs. The main objectives of this part of the work are:

* to identify the most important towns within the former homelands with the potential to perform this role, and
* to analyse the constraints to their growth and development, including issues related to infrastructure and the regulation and development of land.

The draft NUDF will be updated based on the input from work-sessions, thematic workshops and further research for on-going consideration by the Steering Committee. A final version will be submitted at the end of the process for submission to the Cabinet.
Notes

i In the 2001 census, enumeration areas (EAs) were demarcated and classified on the basis of the extent of the built-up area, land use, cadastral boundaries, tribal and other administrative area boundaries and enumerator workload requirements (such as ensuring that the total number of persons to be enumerated was above a certain minimum and below a certain maximum). Based on the EA’s "geography type" (which includes the four categories: ‘urban informal’, ‘urban informal’, ‘rural informal’ and ‘tribal area’) the population was then either grouped as urban or rural (with tribal areas forming part of the rural category). Statistics South Africa has since experimented with size and density as more robust criteria for defining urban areas. The urban share of the national population varies between 42% and 68% depending on the thresholds applied.


v City-regions are Gauteng, Cape Town, eThekwini and Nelson Mandela Bay (Port Elizabeth).

Cities are Msunduzi (Pietermaritzburg), Mangaung (Bloemfontein), Buffalo City (East London), Polokwane (former Pietersburg) and Mbombela (Nelspruit).