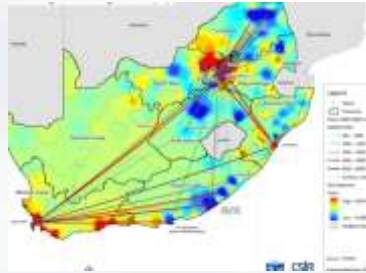
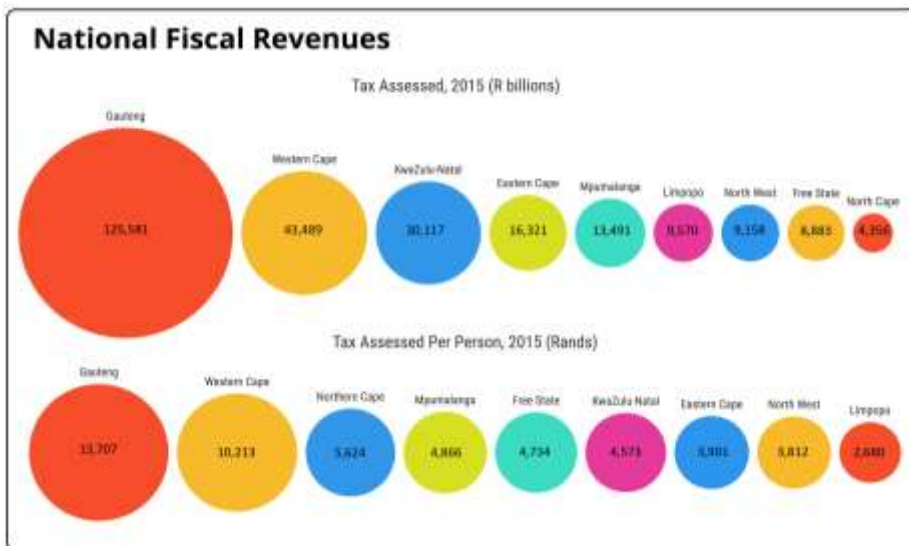


City-Regions as Drivers of Inclusive Development

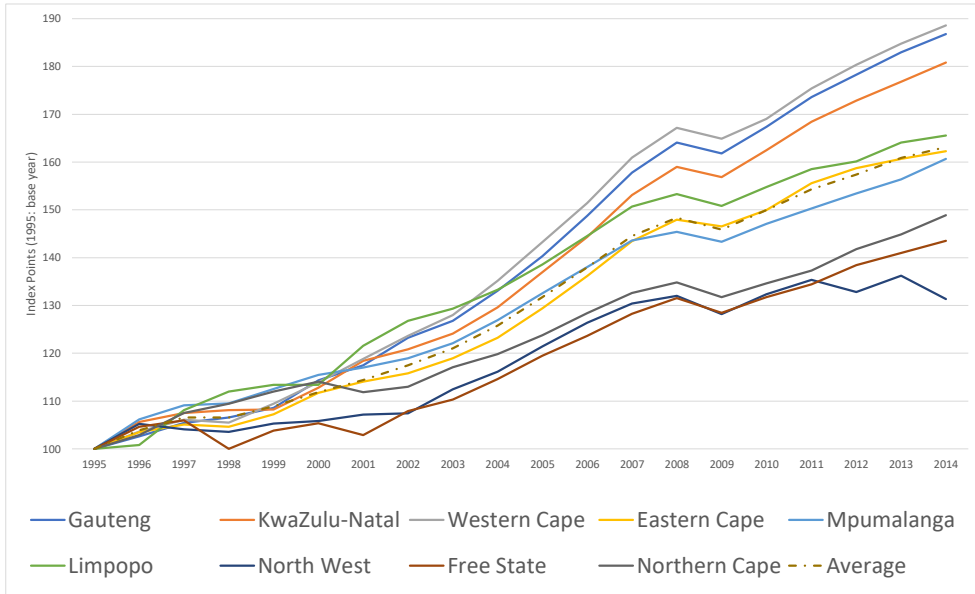
Ivan Turok
Justin Visagie
& EPD colleagues



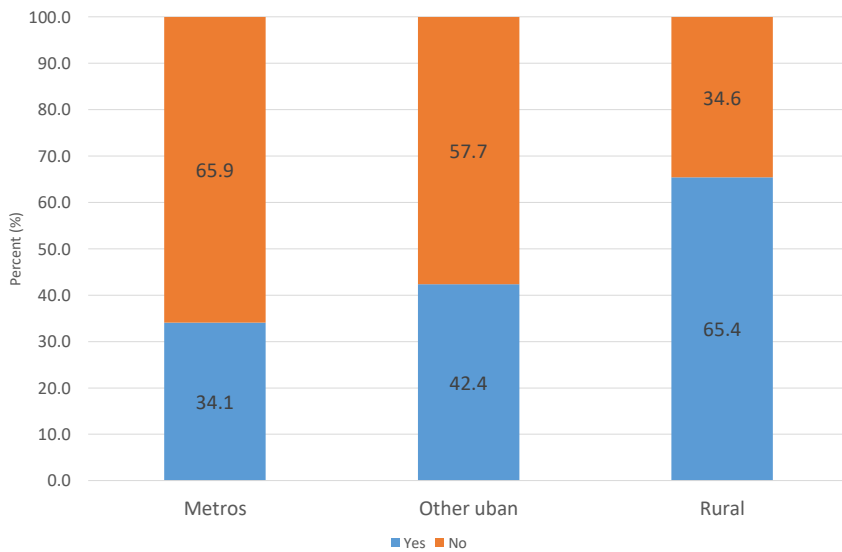
Growth is concentrated



Divergent regional trends (GDP)



Does this household receive a social grant?



Households in urban areas are more self-sufficient. Only a third receive a government cash transfer.

Driving forces?

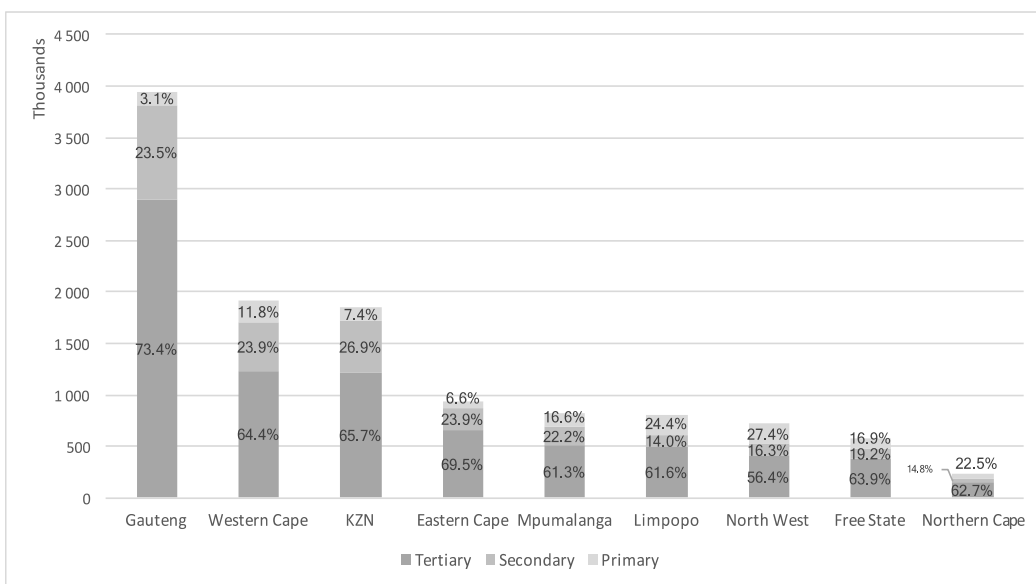
Concentration

- Higher productivity
- Agglomeration – human interaction
- Business specialisation & clustering of value chains
- Knowledge & information
- Human capital & learning
- Buzz & aspirations
- International connectivity

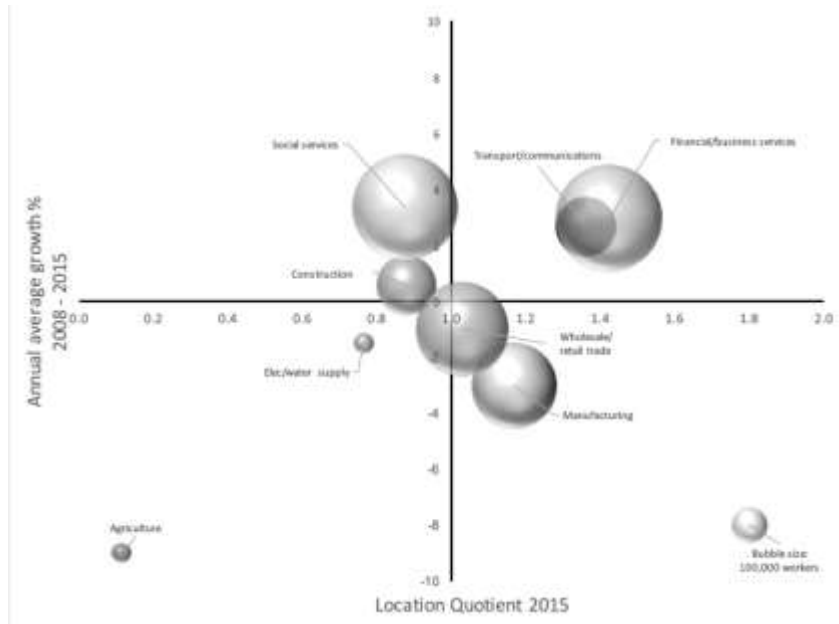
Dispersal

- Routine manufacturing
- Mining
- Nature-based tourism
- Renewable energy
- Political pressures
- Access to land

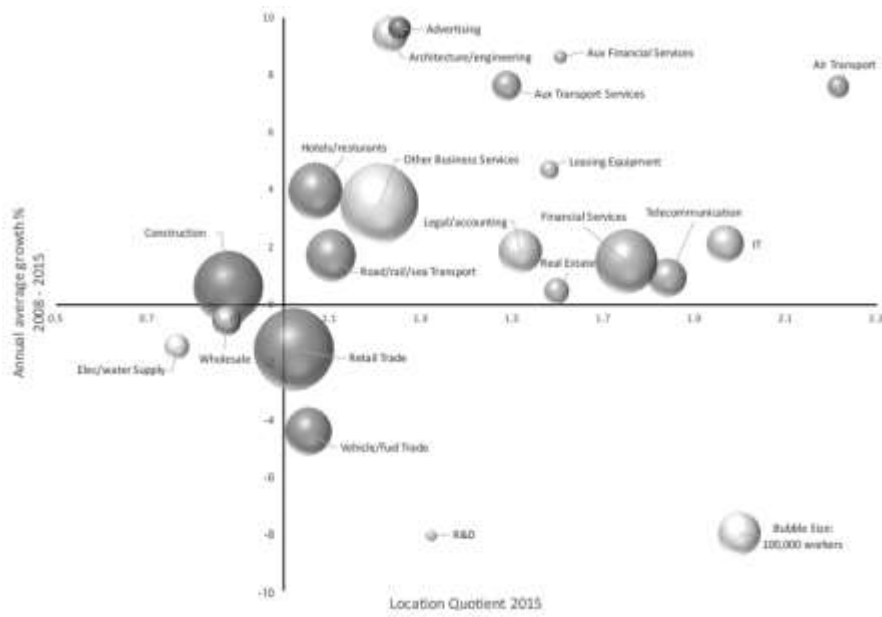
Dominance of employment in services



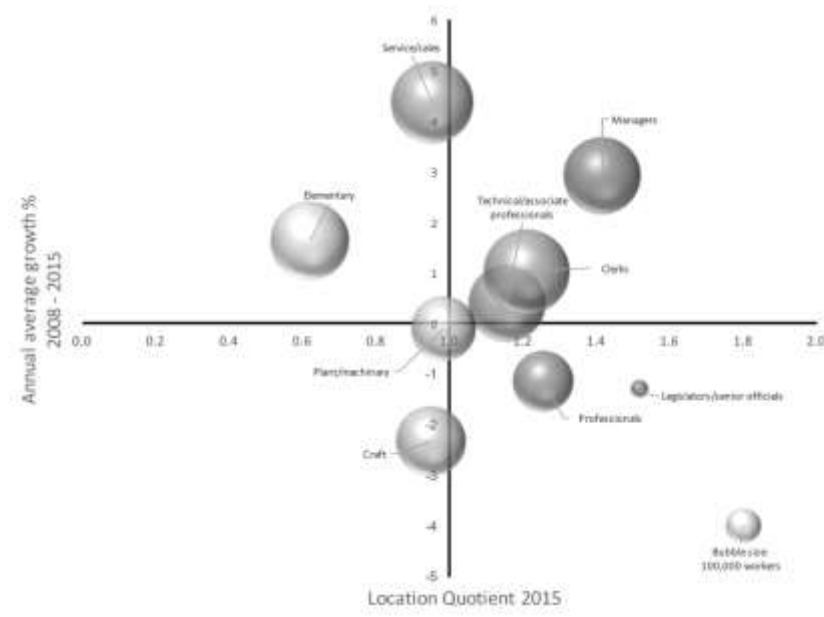
Strength of tradable services in Gauteng



Unpacking services in Gauteng, 2008-2015



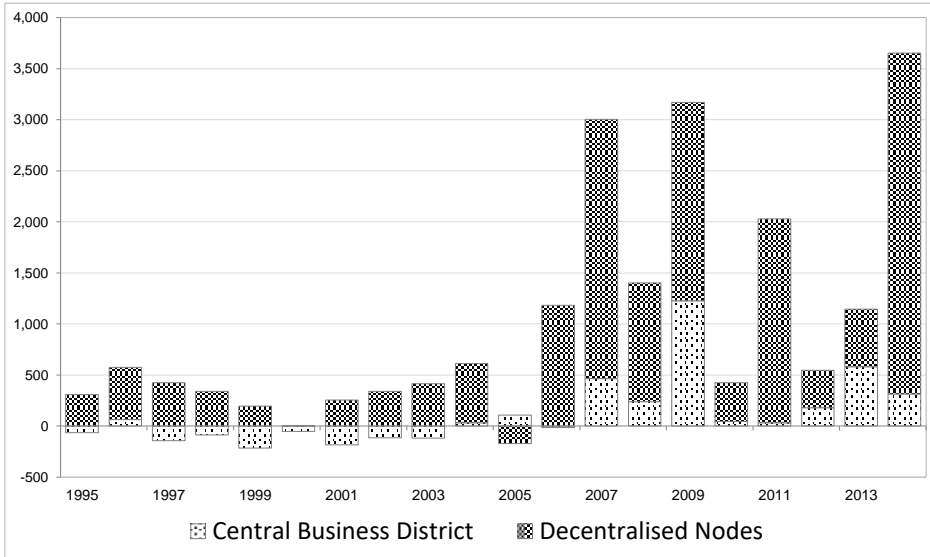
Unpacking occupations in Gauteng, 2008-2015



Tradable services tend to be highly concentrated within Gauteng

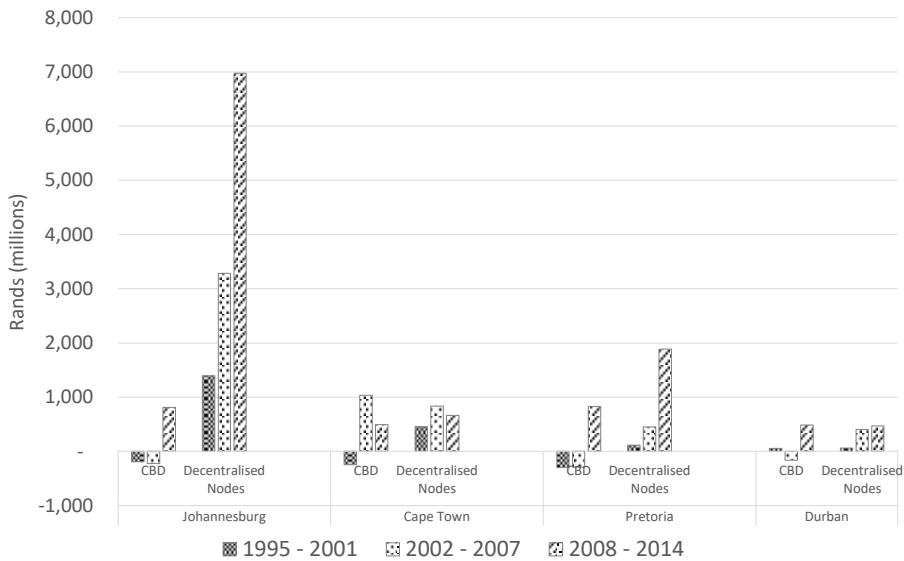
- Was Johannesburg CBD prior to the 1990s
- Now Sandton and other decentralised nodes

Net investment in office space per square metre, Real 1994 prices



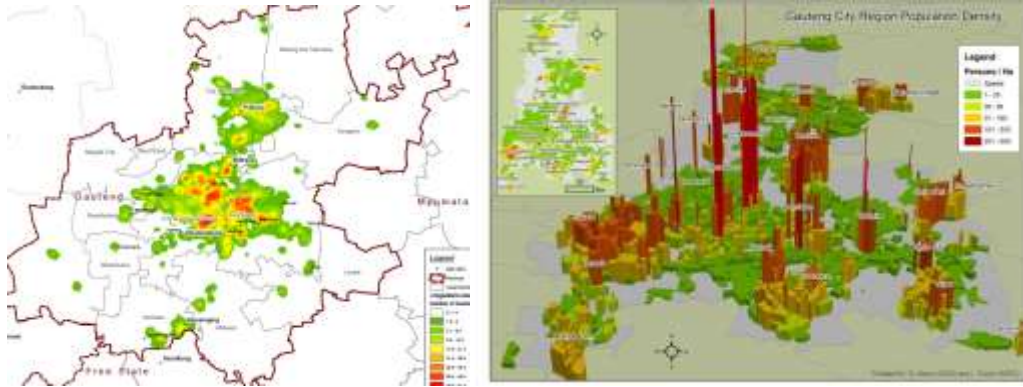
Source: MSCI Real Estate

Net investment in office space by metro, Real 1994 prices



Source: MSCI Real Estate

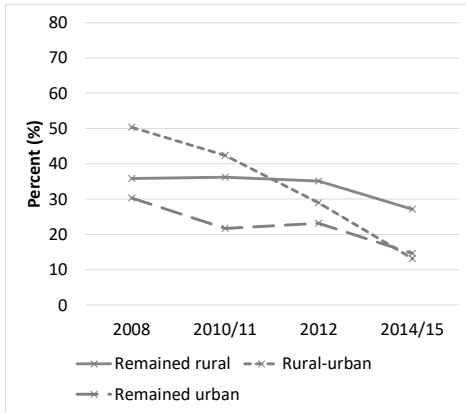
But the population is dispersed



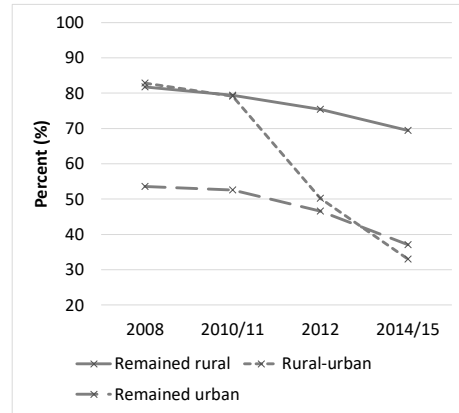
Economic inclusion is hampered by ...

- The very success of cities!
- The land market displaces poor households and informal traders
- NIMBYism
- Lack of affordable housing
- Massive skills mismatches
- Ambivalent government policies towards urbanisation
- Inappropriate regulatory frameworks

Nevertheless determined migrants manage to get ahead



Rate of unemployment



Rate of poverty