Human Sciences Research Council

Development
Urban, Rural and Economic

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in South Africa

Regional Policy and Planning
Overview

Post-apartheid initiatives: DPS, district planning, PEGS and alignment

Use in homelands

Limited initiatives under apartheid

Development of regional planning

Geographic spread

ISDRP

NSDP

Urban Development Strategy/Framework/Perspective

SDIS

Implicit policies

Post-apartheid (regional) policies addressing the space economy

Regional question – spatial equity and the space economy
decentralisation

Main regional policies under apartheid, particularly industrial

and influences

Overview of the development of the SA space economy to 1994,
Regional Policy and Regional Planning

- Space economy = nature and distribution
  (also intra-regional planning)

- Regional planning = planning within
  (regional planning)

- Development across regions (also inter-
  ie, planning to affect the distribution of
  Regional policy = planning across regions.

- Regional development over space
substitution, but post-protectionism, this isn't changing
the state etc). Dominance reinforced by policies of import
finance. Dominant role in organisation and control (HQ's,
later manufacturing, and then services – especially
Dominance of Gauteng linked to its initial mining role,

- to play the dominant role

- Economy initially developed around Cape Town as a

- conflict etc

- politics, varying local and regional influences,

- interacting with an uneven territory of resources

- economic development in S.A and state policy –

S.A space economy shaped by both the form of

- economy to 1994

Development of the S.A space
Development policy

State industrial decentralisation or homeland development. From 1950s, some towns were stimulated by servicing hinterlands. In some places, manufacturing of resource development roles in administration or smaller towns generally grew in response to some form of motor industry (P/E/Durban), chemicals (Durban), food (C/T/Durban), textiles and clothing in the course of development, eg. textiles and clothing roles, but they also captured some manufacturing sectors centres of tourism, their links to hinterlands and service coastal metros developed around their role as ports.

Economy to 1994
Development of the SA space
1980s

Influx control was extended from the 1950s to the
and attempting to force African people to live in/near
policies, creating independent homelands from 1976,
From 1950s, the state extended and reinforced these
under the 1913 Land Act
creation of reserves (later homelands) - formalised
a labour force. Influx control policies were linked to the
Influx control goes back to C19 and attempts to generate
Industrials de-centralisation
Homeland development
Resettlement
Influx control
Main state policies affecting space were

Economy to 1994
Development of the SA space
decentralisation points

many new towns - linked to resettlement, homeland capitals,

**Homeland development was associated with the development of**

although Gauteng remained dominant to the coast, and later to peripheral towns near and in homelands,

of decentralisation of labour intensive industry - first from Gauteng important influence (together with market pressures) - led to a level Industrial decentralisation policy (1950s to 1990s) was also an
distance from areas of employment

people removed. Often resulted in creation of dense settlements as a
removals from urban areas and freehold rural land. Some 3.5m
homelands - sometimes by consolidation of land, but also by forced
Resettlement policies moved people from areas in white, SAs to

**Economy to 1994**

Development of the SA Space
uneven pattern of development remains, and the complex and patterns didn't change radically, and the complex and homelands were facing collapse, although settlement.

By late 1980s, many policies like influx control and

influential in the establishment of the new SA provinces. These had little concrete effect, but were

boundaries. These had little concrete effect, but were
devolution regions cutting through homelands

State reform responses included the creation of

70s to mid 80s Resistance to influx controls and rapid urbanisation mid
From 1960, incentives were offered to stimulate agricultural and industrial development (absorbing 50% of displaced from land). The 1955 Commission proposal homelands, with twin policy of the 1950s, used in service of apartheid.

Broader interest as a way of managing urbanisation, but little occurred. Cases linked to creating employment for people displaced by resettlement, not also clothing which could draw on rural labour, and in some industries (but also clothing) which could draw on rural labour, and in some cases.

Genesis first in the 1940s - mainly development of resource-based industries.

The main explicit regional policy:

Industriial Decentralisation Policy
Industrial Decentralisation Policy

- Homelands reducing or removing labour regulation and minimum wages in the mid-1970s, and with a greater emphasis on incentives, also watered down, and with a greater emphasis on incentives, also watered down, and so they were.

- Capital strike and resistance to new controls, and so they were.

- Cities industrial land and limited expansion of labour-intensive industries in 1967 – controls on metropollitan growth through control of release of development corporations within homelands – went along with homelands consolidation and development of industrial development.

- From 1968, policy shifted to promotion of industrial development, coloured and Indian employment was high, Balanced development policy also included areas where white, industrial development
Industrial Decentralisation Policy

In the late 1950s/early 1960s, the Industrial Decentralisation Policy was introduced to encourage industries to set up outside the metropolitan areas. This policy aimed to balance economic activity by promoting decentralisation.

The policy had some effect in encouraging industries to decentralise. However, it was not substantial.

Although policy had some effect in encouraging industries to decentralise in the 1970s along with cost pressures on labour, the depopulation of white rural areas and planned metropolitan areas to counterbalance big cities, and the hierarchy of development axes, growth points, decentralisation points, and economic activity in space, and created a plan with a settlement hierarchy, developed axes, growth points, and decentralisation points.

Steel works in Newcastle were closed, ports of Richards Bay and Saldanha, and major parastatal owned heavy industries outside of what is now Gauteng. Establishment of heavy industry outside of what is now Gauteng. Through locating decentralisation — attempts to create growth poles, through locating decentralisation to late 1960s/early 1970s also saw a technocratic thrust to
Practice market drive to decentralise low wage industries, and the weight of past structure (although some coastal metros benefited) – largely to strong

Impact of 1991 incentives was similar to 1980s, despite very different

Two tier incentives – periphery of coastal metros and outside of them

Strengthening caution at expense of coastal metros

Also tied to compensation for the hidden effects of macro-economic policy

Major review of policy in late 1980s, and as state increasingly shielded to a

Major forces

Had much more impact than previously – but went along with strong market

Localised in terms of the new regions. Tired incentives, more in homelands

Major expansion of industrial decentralisation policy and incentives, and

1982 – context of state reform attempts to create insider-outsider policy

Industrial Decentralisation Policy
- Growth pole initiatives remained, castles in the desert,

- Periphery

- Generated vulnerable, incentive dependent growth on the

- Periphery

- With limited local multiplier

- Firms attached to the periphery were lame ducks or branches

- In the face of economic forces

- Argument that it was costly and had limited real effect – can't fly

- It is associated with control of big city growth

- It was seen as strongly linked to apartheid

- Strongly against it as

- Business-oriented groups and academics argued

- Great debate in 1980s and 1990s about decentralisation

Industriai Decentralisation Policy
Industrials Decentralisation Policy

Different arguments by other academics in the 1990s.
Rustenburg

the metros, but also in some of the secondary cities like Richard's Bay and

decentralisation to local areas: very strong growth in Gauteng, some of

decentralisation points

period since 1994 has seen a shift away from previous patterns of

push to decentralisation, but also a rapid loss of jobs in some of the

a massive decline in clothing jobs, a shift to informalisation, along with a

For the clothing industry – always an important decentraliser – it has meant

with SA’s rapid entry into global markets and dropping of trade barriers.

The economic climate for labour intensive industries has been very harsh

elements to the growth

Richard’s Bay, Newcastle (to an extent), although there are problematic

otherwise have survived and are seen as successful examples of growth.

local government (e.g., Butterworth) or industrial restructuring

Some places have collapsed, but often due to other factors like incompetent

Policy in effect is gone.

No systematic research on this, but...

Verdict 10 years later?

Industrial Decentralisation Policy
in metros
- 85% of rural incomes from state expenditure, compared to 25%
  now growing
- 75% of rural households in poverty (although urban poverty is
  Overlapping this - urban-rural divides e.g.
- Large concentration of people in homelands, with low levels
  growing rapidly
  areas, although some large cities and even metros not
  Economic concentration in Caatinga, metros and urban
  Disjuncture between where people and jobs are:
  in rural areas
  Major service and infrastructure backlogs, especially
  Institutional fragmentation and spatial differentiation

By 1994, there were clear regional challenges:

Equity and the space economy

The Regional Question: Spatial
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small towns, partly due to the major push off farms since 1994. But there is significant rural-rural movement, and movement to areas.

Migration increasingly directed at rapidly growing cities and substantially in recent years as economic growth has lifted off.

By an economic logic, shifts in land use and economic activities have both driven and been driven by changes in global markets, administrative restructuring, and economic restructuring in South Africa. "Regional inequalities and spatial economic differentiation have been affected by SA's exposure to economic restructuring and the spatial effects of globalization."

Equity and the space economy.
Regional Policy Since 1994.

Regional, Question not explicitly considered in policy in the early years, but:

- Regional Question not explicitly considered in policy in the early years, but:
- Regional/special policy has been highly contested, and
- Although many expected a strong pro-city approach,
Regional Policy Since 1994

- Models
  - Potential (bottom up), and followed European
  - Mainly based on notions of developing endogenous
decentralisation, but limited effect
  - Element for a few years, and replaced industrial
  - Offered tax holidays (incentives) had a limited spatial
Manufacturing Development Programme which
  - SPDs from 1996 – circa 2001
  - With economic potential
- Early spatial policies attempted to develop areas
much evidence that it has been taken very seriously.

- Completed by 2000, but only adopted as policy in 2003, and not
  - effectively pro-city
  - Took a strong position focusing on areas of growth and potential
  - Framework

Spatial Development Perspective, modelled on EU Spatial Development Planning Perspective, apart from Spatial Distortions – National
- 1999, with support of Dept Transport and Growing Concerns
  - Provincial Spatial Development Strategies, but failed
  - First initiative in 1996 – tied to do right through amalgamation of
    - forms of national Spatial Planning from 1996

Concern about policies having contradictory spatial
effects and lack of synergy led to initiatives to develop
Regional Policy since 1994
Regional Policy since 1994

6%. "2005 Geographic Spread Programme"

"2006-6 call to accelerate growth in the urban renewal and 1SRDP nodes to 3%

out

6%.

our

2005 - Revison of NSDP to include support of 24 towns servicing

conflicts. Has meant pro-urban policies have had a rough ride

Concerns about rapid migration to cities, stagnation of rural areas and rural

resulted in him policy

Development Perspective (2005) - stating importance of cities - have not

developed Urban Development Policy/Strategy (2003/4) and Urban

initiatives to revile the Urban Development Framework from 2003 -
called for focus on poverty nodes - 40% preferential expenditure

integrated Sustainable Rural Development Programme (1SRDP) 2001
directions

While NSDP went towards a pro-city approach, other policy went in different
later through downstream effects and multipliers.

Essentially a project approach, based on trickle-down, from key anchor projects to broader regional development – first through construction, and

between departments.

Political champions at national level to facilitate and ensure co-ordination.

Projects/anchor projects, and to address bottlenecks to development

Involving targeted support by a project team to identify strategic

and generation of wealth in the area.

Infrastructure, facilitating new investment, leading to sustainable job creation

Intention to unlock this potential through targeted interventions in improving

Conceived in 1996 as a way of unlocking growth in areas with unrealised

SDIS
Initially focused on manufacturing, but later broadened to farm and tourismlocally.

Most areas, and then was expected to be taken over by short-term interventions for only a few years in their economic and social development.

The local economy, and encouraging local links and anchor projects then become magnets for downstream activities to leverage growth, e.g. road in Maputo Corridor.

Anchor projects focus on most significant economic multipliers and encouraging local links.
Also elements of a colonial extractive model - heavily industry through major infrastructural investment/focus on growth pole approach - inducing development of a growth pole. But some SDSs - especially Cegea - have elements regional economies strengthening and a supply side approach to improving approaches focusing on developing regional draws at one level from bottom-up regional.

Conceptually the approach is mixed.

SDIS
pressures for more

intended to focus on high potential areas, but politically there were

Use of corridor idea – not necessarily meaningful

Some cross-border initiatives

way in cities

Most SDIs were in rural areas or smaller towns, but also used in a limited

Gauteng Special Zones

Limpopo

Durban and PMB

Richards Bay

Wicked Coast

Fishing River

West Coast

Platinum

Phakelwana

Maribo Corridor

SDIS identified throughout SA

SDIS
Transborder initiatives •
Community-publik-private partnerships •
Capacity building •
LED support •
SME development •
Cluster and linkage studies •
Tourism, agro and forestry projects •

Linkages and spin-offs to locals and SMEs through

- Initial focus on mega-projects, but later more emphasis on
  Mozambigue (Mozal, gas plant etc)
- Energy, border post and develop core resource projects in
- Rehabilitate core infrastructure along corridor (road, rail, port,
- Earliest project, and most successful
  Maputo Corridor

SDIS
premier then largely collapsed due to uninterested new endowed in 2001—given over to province, and

Did well while it had political support—but this

and could have generated more linkages

about form of growth in Mozambique (Mozal),
and job creation (65,000 jobs), but concern
Relatively successful in generating investment

SDIS
SDIs

- Overall impacts
  - Uneven growth – only occurred in some areas
  - Blockages took time to address in some areas, especially rural, so short time frame was problematic
  - Critique of resource based industrialisation in some areas
  - Low wage and short-term nature of jobs
  - But several SDIs did undertake linkage programmes, which were fairly successfully
  - Some were quite innovative, initiating capacity building and other programmes
  - Special agency form of SDIs was effective – but vulnerable to shifting political support
  - But programme was too short-term and some successful programmes were cut off
notion of Regional SDIs
- Approach transferred to African context

Lubombo, Richards Bay
Projects continued in different forms (eg.
Programme ended around 2001, but some

SDIS
greater economic potential

• Transfers, labour market intelligence to enable people to move to areas of

• Concentrate on social investment (human resource development, social

• These areas, government should provide only basic services and

• Argues the need to focus on areas of growth and potential, and outside of

• Concern that spending patterns are perpetuating apartheid spatial patterns

• Spent in support of growth – period of economic structures

• Spent judiciously/to maximum effect. Concern that money is not being

• Very limited funds for capital development (6-9% of budget) – need to

• No spatial vision

• Public money is being spent in spatially contradictory/non-reinforcing ways:

• Developed 1999/2000 to respond to concerns that

NSDP
Recognition that many people are living in places with weak economic bases – it
which help them to become more mobile
that also deserve support
need to be supported, but there may be localities where potentials are underexploited
Argument that growth is likely to continue in major centers of the past, and these
to change the dominant pattern of growth specially
Allig government spending to growth, on the argument that government can do little
country
ensuring that development institutions are able to provide basic needs throughout the
foster development on the basis of local potential
support restructuring where feasible to ensure greater competitiveness
"focus economic growth and employment creation in areas where this can most
VISION: 

NSDP
- Welfare (basic household services, mass transport, labour, facilities)
- Tourism (transport, activities and amenities, accommodation)
- Retail and Services (commercial facilities, transport, security, retail and facilities)
- Management and control (ICT, office accommodation, conference facilities)
- Exploration and development activities (storage etc.)
- Exploitation (transport, energy, basic labour market information, labour intensive mass produced goods and natural resource networks, labour market information)
- Producer services, industry promotion and communication, after-sales
- High value production (transport, access to sources of innovation, amenities)
- Innovation/implementation (ICT, clusters of excellence, quality of life)

NSDP develops a set of maps showing different types of potentials that could be supported through appropriate infrastructure.
but no official new policy as yet – but no official new policy as yet –
24 towns – ie., a spread/spatial equity approach
As indicated, later modified to provide support to
than a framework
perspective – an indicative perspective, rather
Conceptually informed by the European spatial
Localities would need to prove potential
Investment according to potential
So argues for varied approaches with economic

NSDP
Paritcularly given their scale – IDPS could be seen as a form of regional planning sufficiently led to workings of provincial governments sufficiently led to either too aspatial and limited or not successful – either too aspatial and limited, but mainly not Growth and Development Strategies, but mainly not Post-apartheid – early initiatives to introduce Provincial Lead to forms of regional planning in areas such as KZN regions, and creation of regional services councils also Late apartheid and initiatives to create cross-border regional development planning Regional development planning Ironicrly, creation of homelands led to a form of narrow guidelines Under apartheid – limited regional plans – mainly few

Regional Planning
for many local level IDPs that aren't cohending active force at regional level, and a framework or regional management to provide a more current interest in new forms of regional plans

not adequate of regional plans) – but concerns that these are and overarching context for IDPs (ie. to be forms District planner intended to provide a framework

Regional Planning
How policy should address them

- Development potential

Nature of conditions in particular areas

- Alignment to occur through interaction on:
  - New emphasis given to PGDS in this context, and to linking from NSDP to PGDS and IDPS
  - New initiatives towards inter-governmental planning, linking IDPs with various spheres of governance

Regional Planning now seen as a key part of
Conclusions