

Filling this data vacuum will spur smart local growth planning

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There has been little informed public discussion of how South Africa's spatial economy has changed in recent years. This is strange considering the centrality of space to apartheid, and the hardships caused by separating people from economic opportunities.

The silence partly reflects the lack of information on the location of business activities and jobs; little is known about the shifting economic landscape of different places or the economic size (GDP) and performance of different cities, towns, townships and other activity centres. It would help to know which areas serve as incubators of enterprise and which are more like graveyards. Place-based policies depend on being able to monitor changing relationships between where people live and work, and track the movement of firms between districts and towns.

The statistical vacuum has been filled by a few private suppliers of spatial data who offer municipal planners and other public administrators a range of neatly packaged solutions. Their data sets, diagrams and maps can be downloaded and reproduced by passive users who lack data analysis skills, provided they pay a hefty subscription. Yet there are concerns surrounding the reliability of much of this data. It is usually derived from some opaque statistical model or algorithm that is projected forward from an historic baseline. The providers refuse to disclose the sources, methods or assumptions underlying their "black boxes". Doubts about veracity have deterred most bona fide

researchers from using these data sets.

The lack of credible spatial economic data has inhibited the growth of whole fields of inquiry and teaching in urban and regional economics, economic geography and spatial economic analysis. These disciplines are thriving in other countries where subnational economic statistics are far more dependable.

The weakness of the public discourse on spatial economic patterns in South Africa means that vital policy and research questions about urbanisation, uneven development, territorial disparities and the productivity of cities and towns have been neglected. This in turn means that policymakers have not been held sufficiently to account for the lack of progress in strengthening local economies and narrowing urban and regional divides.

The country has been trapped in a cycle that tolerates unreliable statistics, passive data users, sparse empirical research, scant public understanding, weak demand for accurate evidence and little appetite for improved knowledge of economic fundamentals. The situation has been compounded by the tendency of government departments to restrict access to their databases and to rebuff efforts to improve local economic statistics.

Fortunately, within the past year steps have been taken to break out of the torpor, thanks to an informal grouping of stakeholders whose starting point is to improve the supply of reputable spatial statistics. The initiative involves getting more data users switched on, encouraging researchers to get actively involved and stimulating public discussion of local economic issues and place-based policies.

The cities support programme within



The cities support programme within the National Treasury has formed a partnership with the Human Sciences Research Council to mine, curate and analyse new sources of spatial economic data. Picture: Alon Skuy

the National Treasury has partnered with the Human Sciences Research Council to mine, curate and analyse new sources of spatial economic data. The collaboration builds on an agreement between the Treasury, the South African Revenue Service and the UN University World Institute for Development Economics Research to make available anonymised tax data about enterprises and individuals for research and policy purposes. This allows for aggregated municipal and submunicipal economic trends to be publicly released and analysed for the first time. The collaboration also includes Stats SA and a growing network of interested municipal officials, academic researchers and NGOs.

Preliminary economic profiles of each city have been produced using the new

statistics. These reveal the detailed geography of jobs and incomes, and how clusters of different industries are distributed spatially. The availability of time-series data since 2014 (with scope to update each year) also enables the performance of central business districts, townships and suburban centres to be compared. It is proving to be a rich data set providing unique insights into the changing economic structure and dynamics of urban areas.

This nascent venture offers considerable potential for further development. Some people will be responsible for refining the supply of data and converting it into accessible packages and dashboards. Others will be using the data for policy analysis and research purposes.

Realising the full possibilities of this initiative depends on four critical ingredients. First, the database needs to be arranged in user-friendly formats to maximise take-up. An attractive web interface and online tutorials will simplify data extraction and manipulation, and development of this is under way.

Second, the spatial tax panel should be regularly updated and extended to incorporate other economic and administrative data sets for localities. This would enhance its usefulness and enable the existing patterns and trends to be corroborated and new and deeper insights to be generated.

Third, public officials and policy analysts should be encouraged to take full advantage of the database to ensure that it achieves a significant impact. Data analytics training and capacity building of public servants and NGOs will help to widen the network of active users. The City of Cape Town and eThekweni have led the way so far in showcasing the potential for tax data to inform spatial economic planning.

Finally, it is important to mobilise the broader research community to participate in spatial economic analysis. A larger cohort of scholars and civil society activists interested in the development of local and regional economic ecosystems will help to invigorate the public discourse and improve the accountability of decision-makers.

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