

South Africa's Spatial Economy:
Towards a Research (and Policy)
Agenda

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Questions

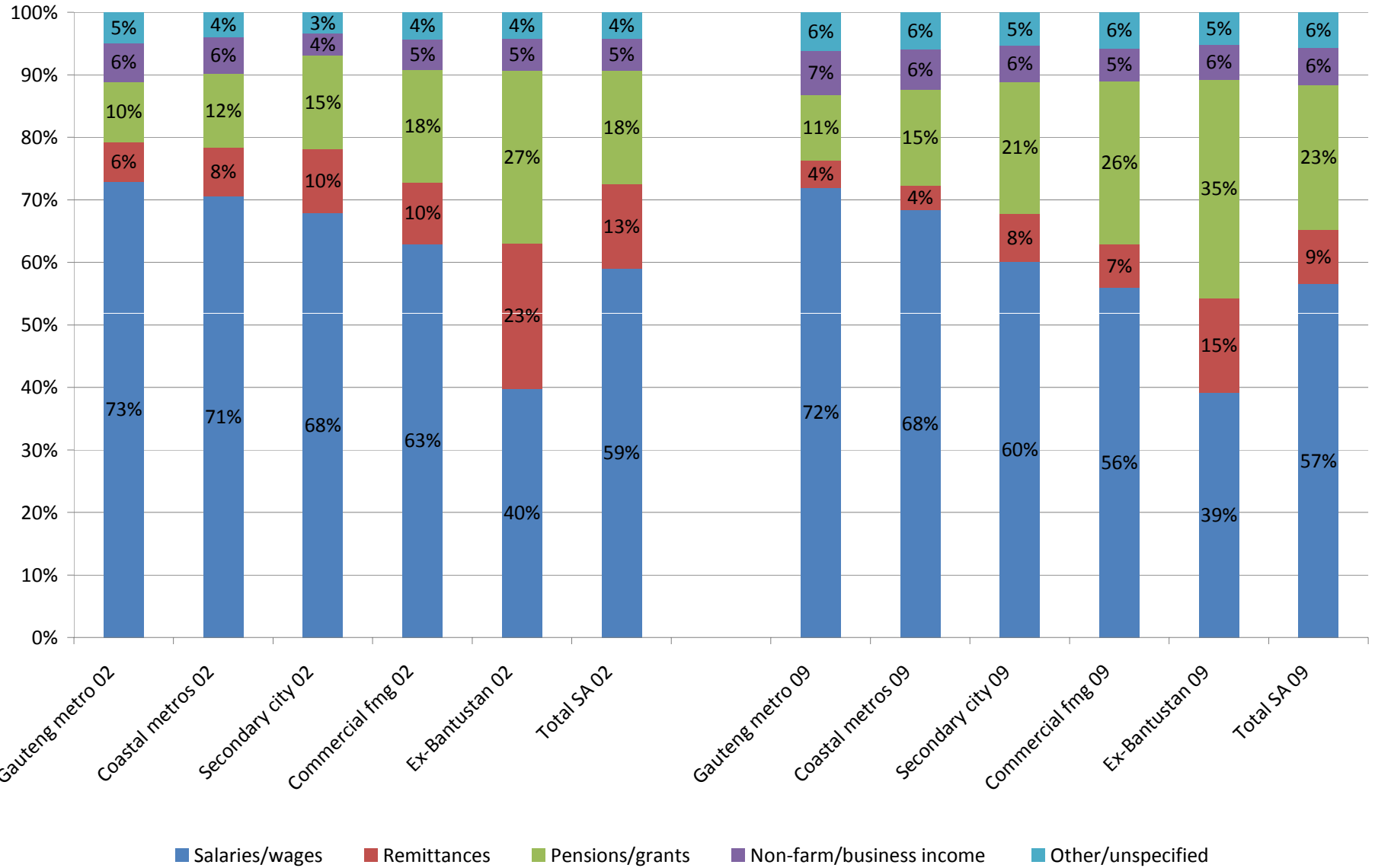
- Level of spatial inequality?
- Trends?
- Does this matter economically?
- Causes?
- Adjustment mechanisms?
- Policy responses?

Spatial scale is important

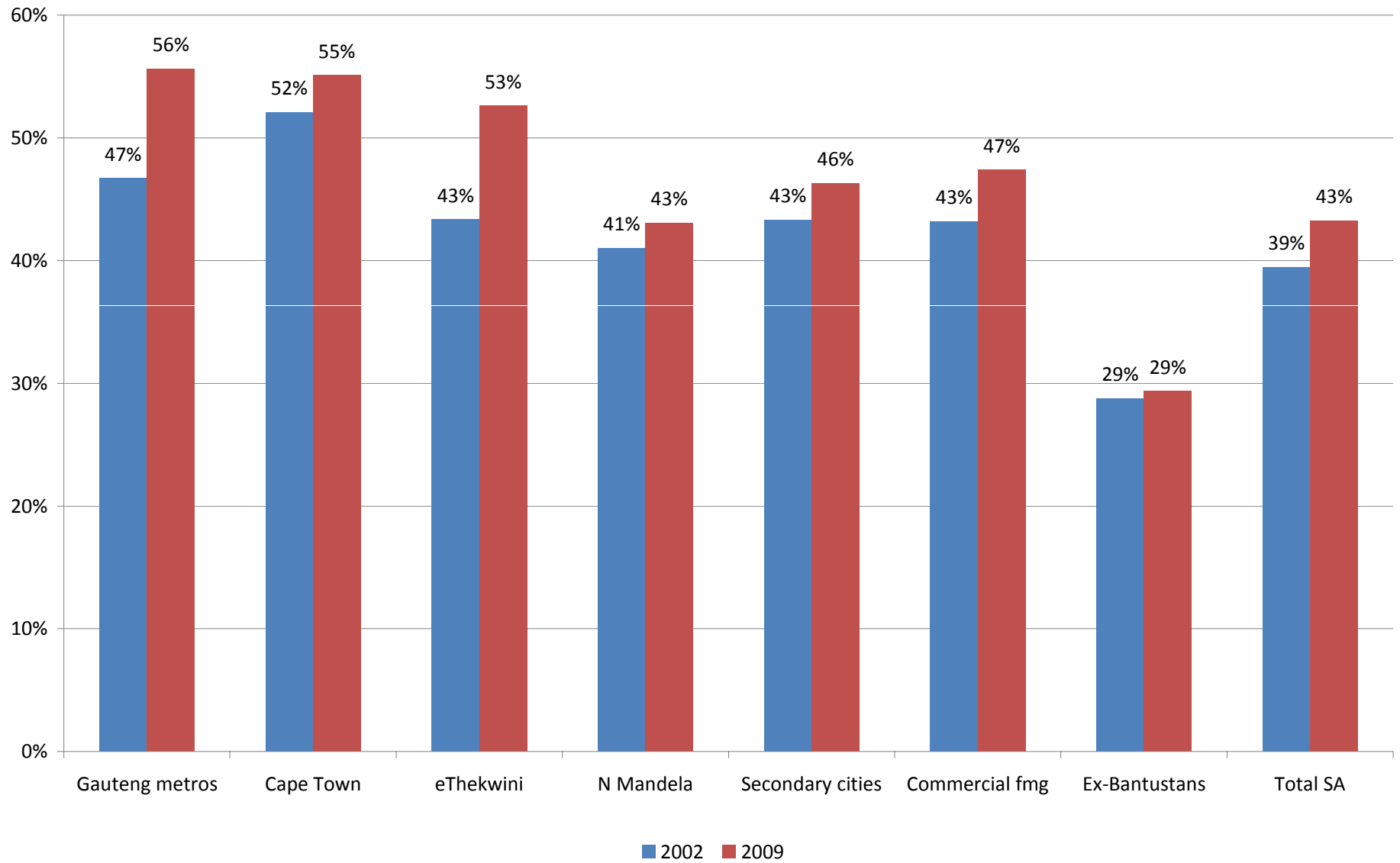
Spatial inequalities between functional regions

- Economic gaps are wide and getting bigger

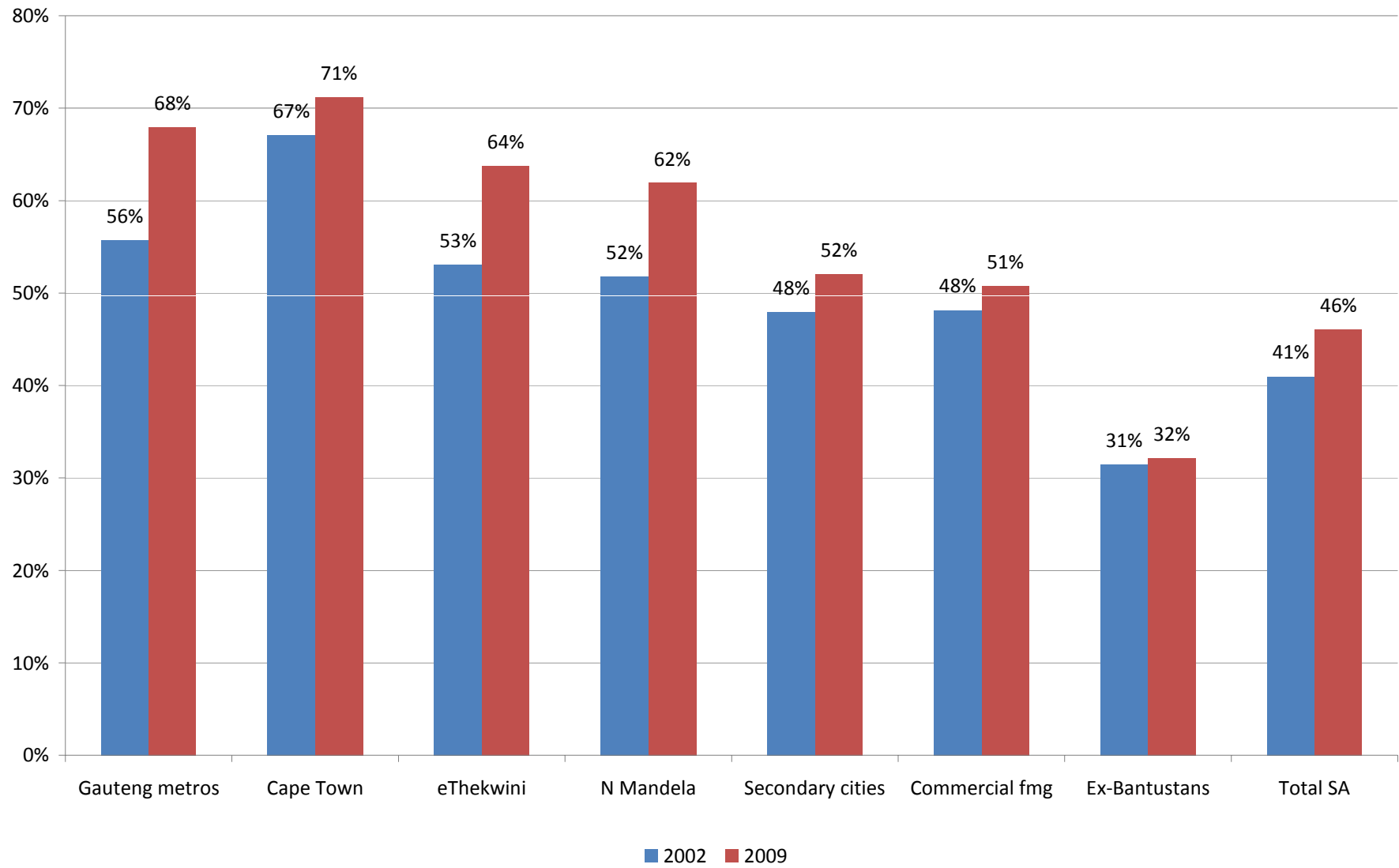
Main source of household income



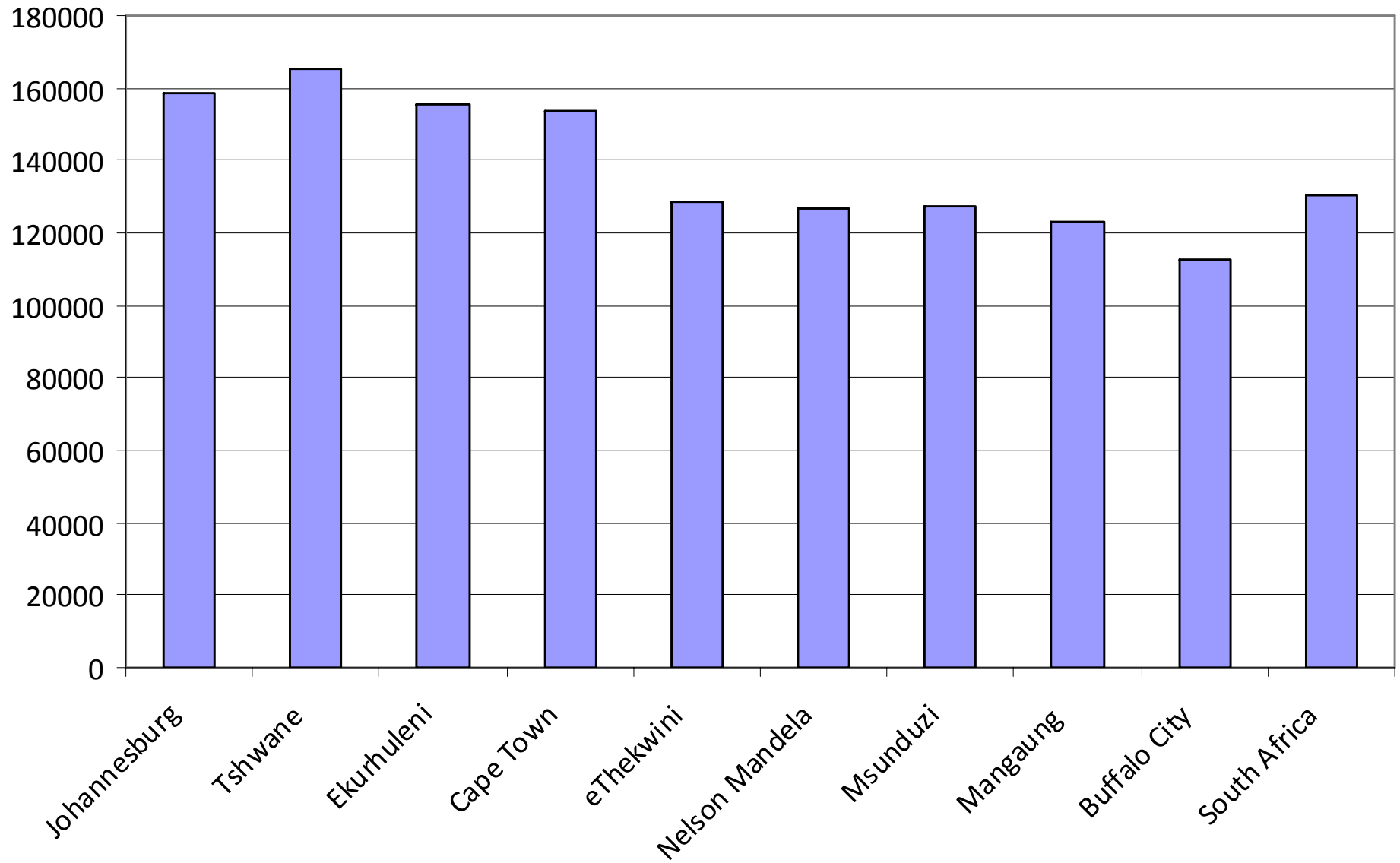
% employed among 15-64 year olds



% employed among 15-64 year olds with Grade 12+



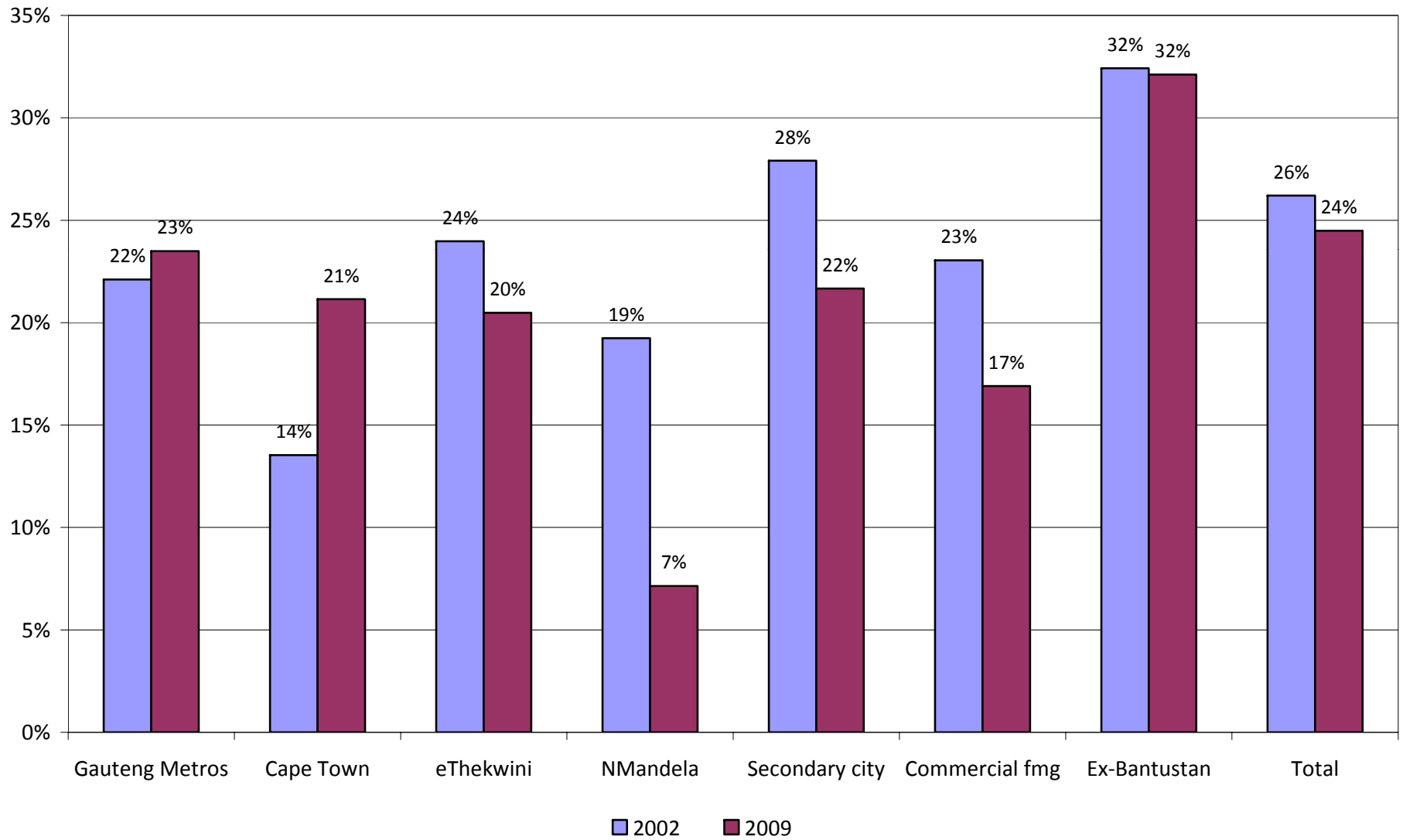
Labour productivity, 2009 (GVA/employment)



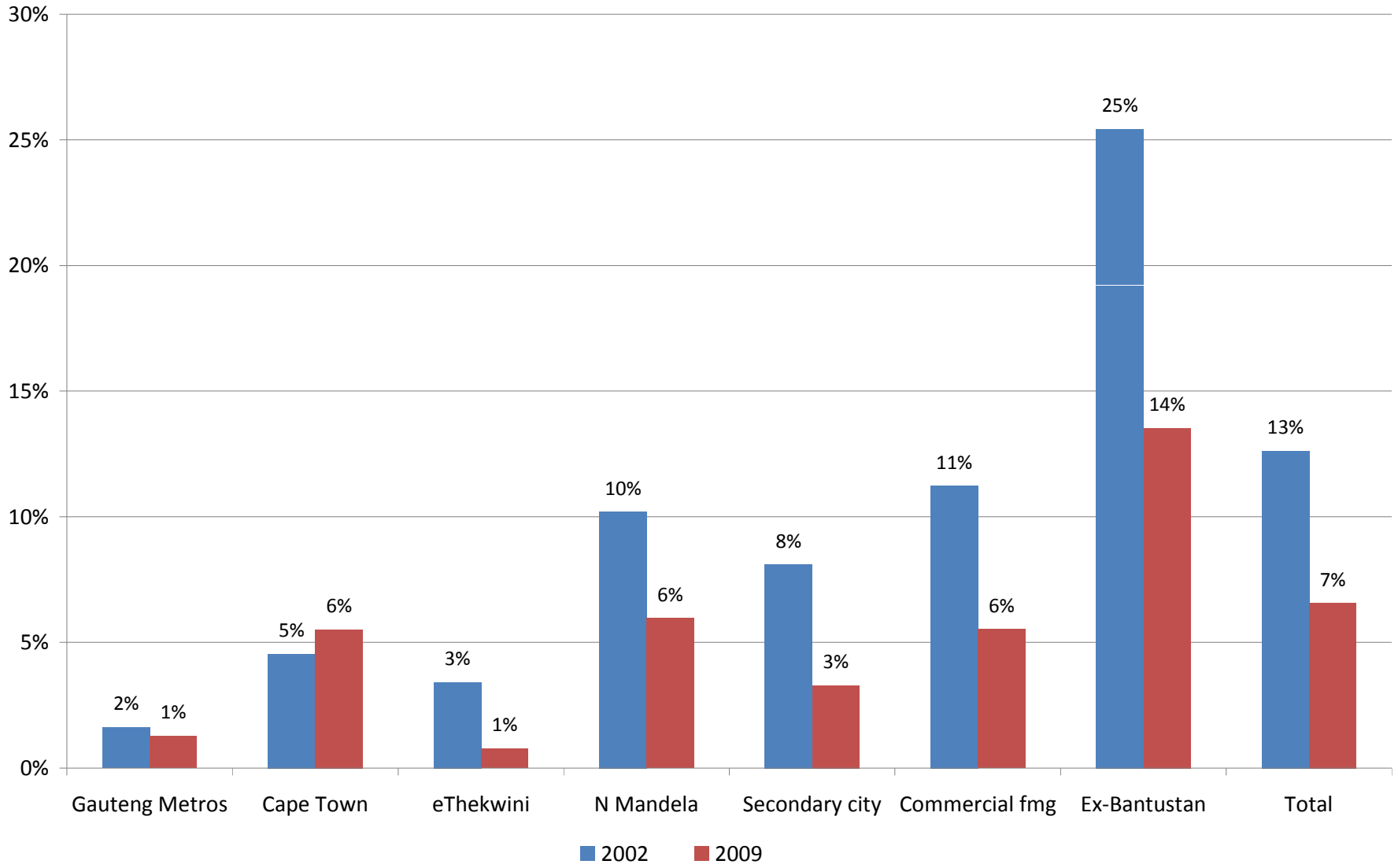
Spatial inequalities between functional regions

- Gaps in basic welfare are wide and seem to be getting smaller

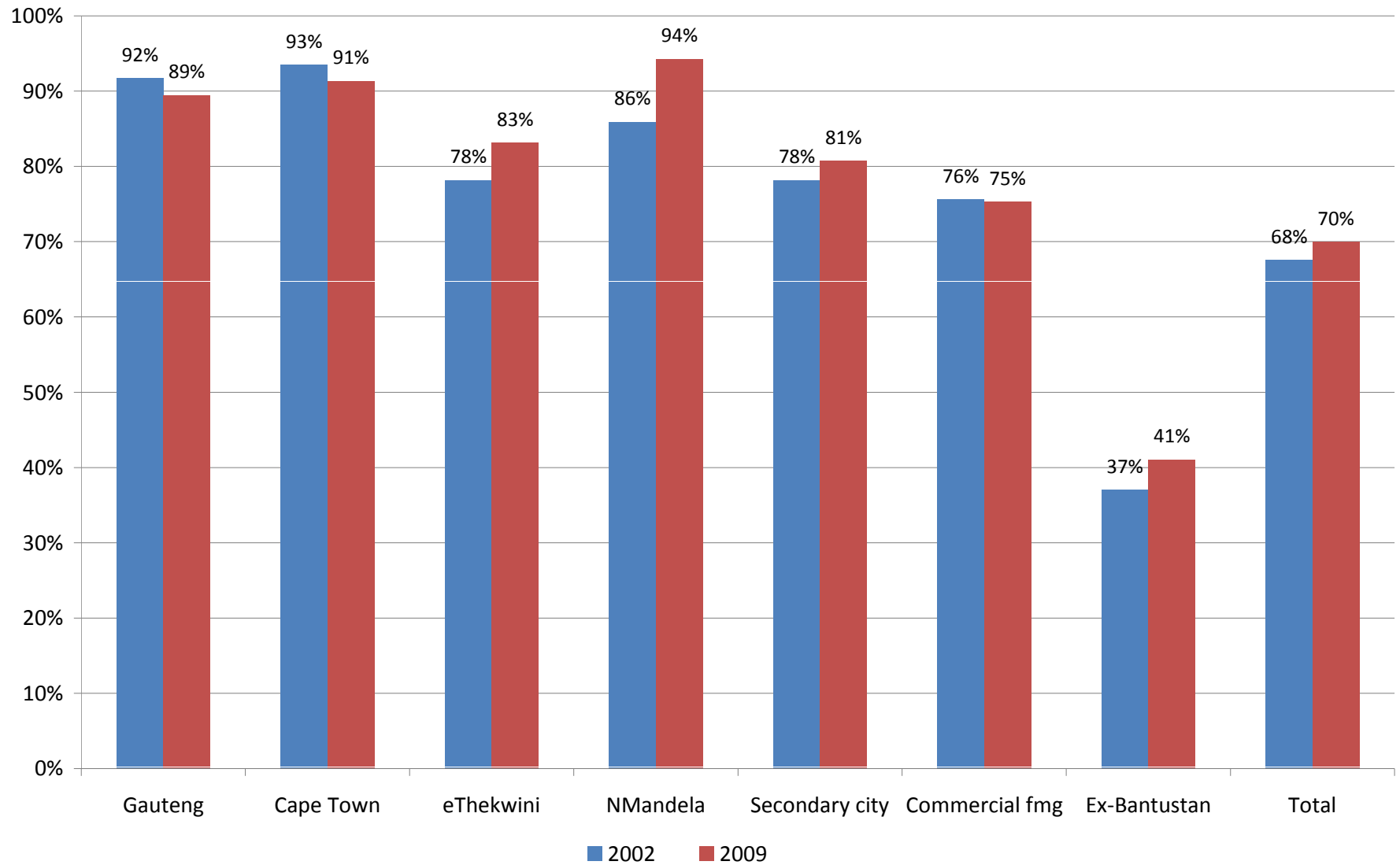
% of Households Living in Informal Dwellings



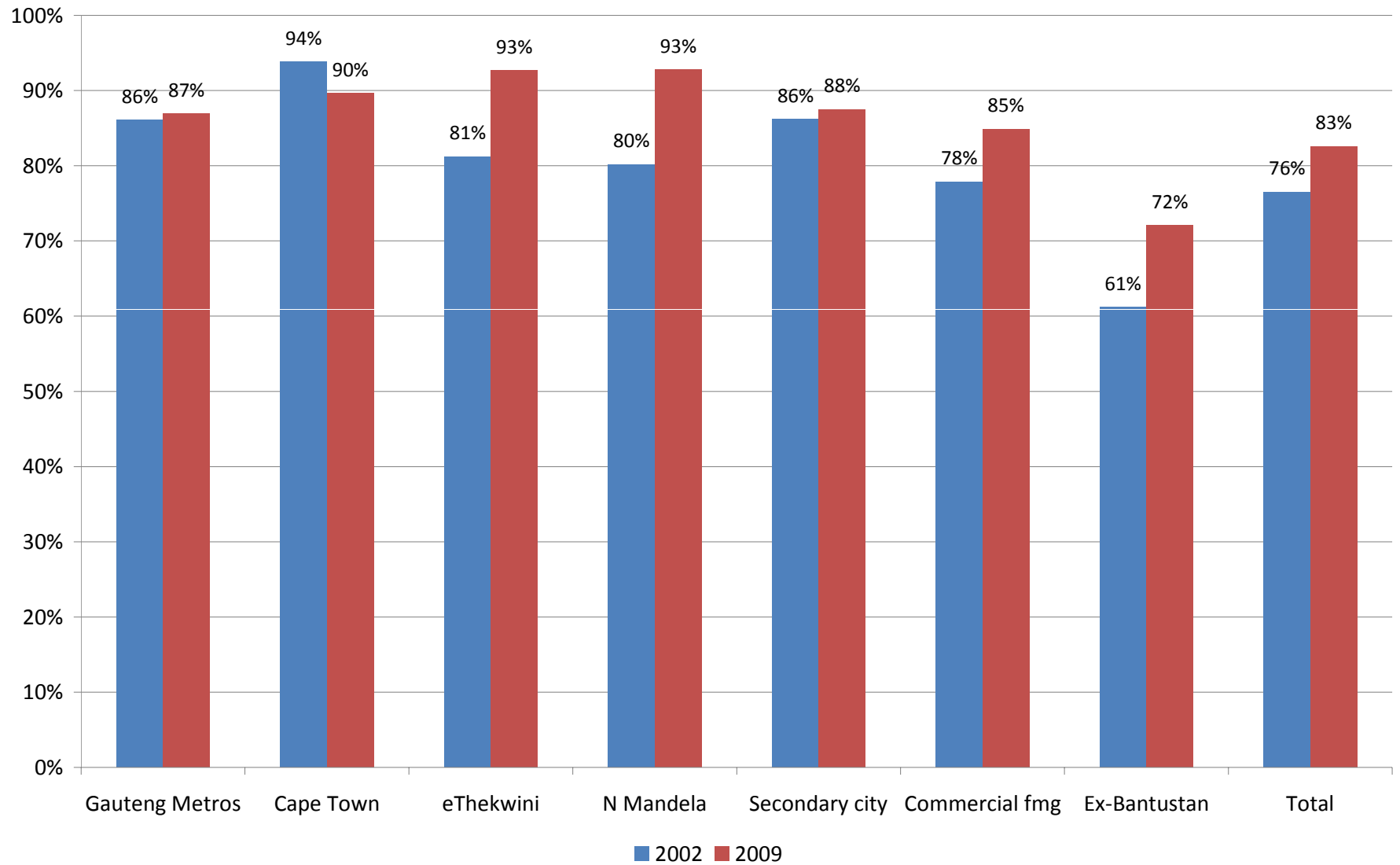
% households with no or bucket toilet



% of households with access to piped water

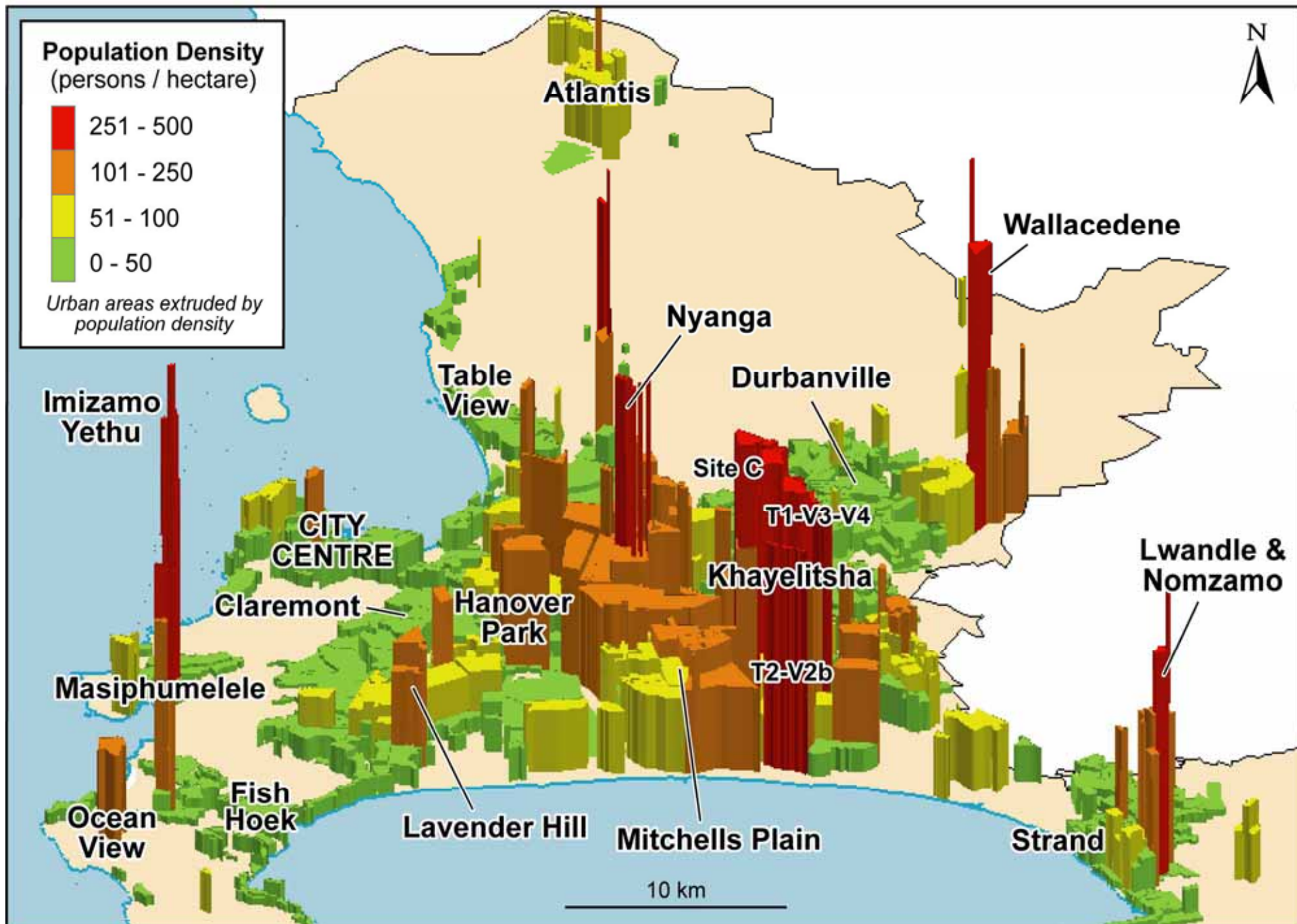


% of households with mains electricity



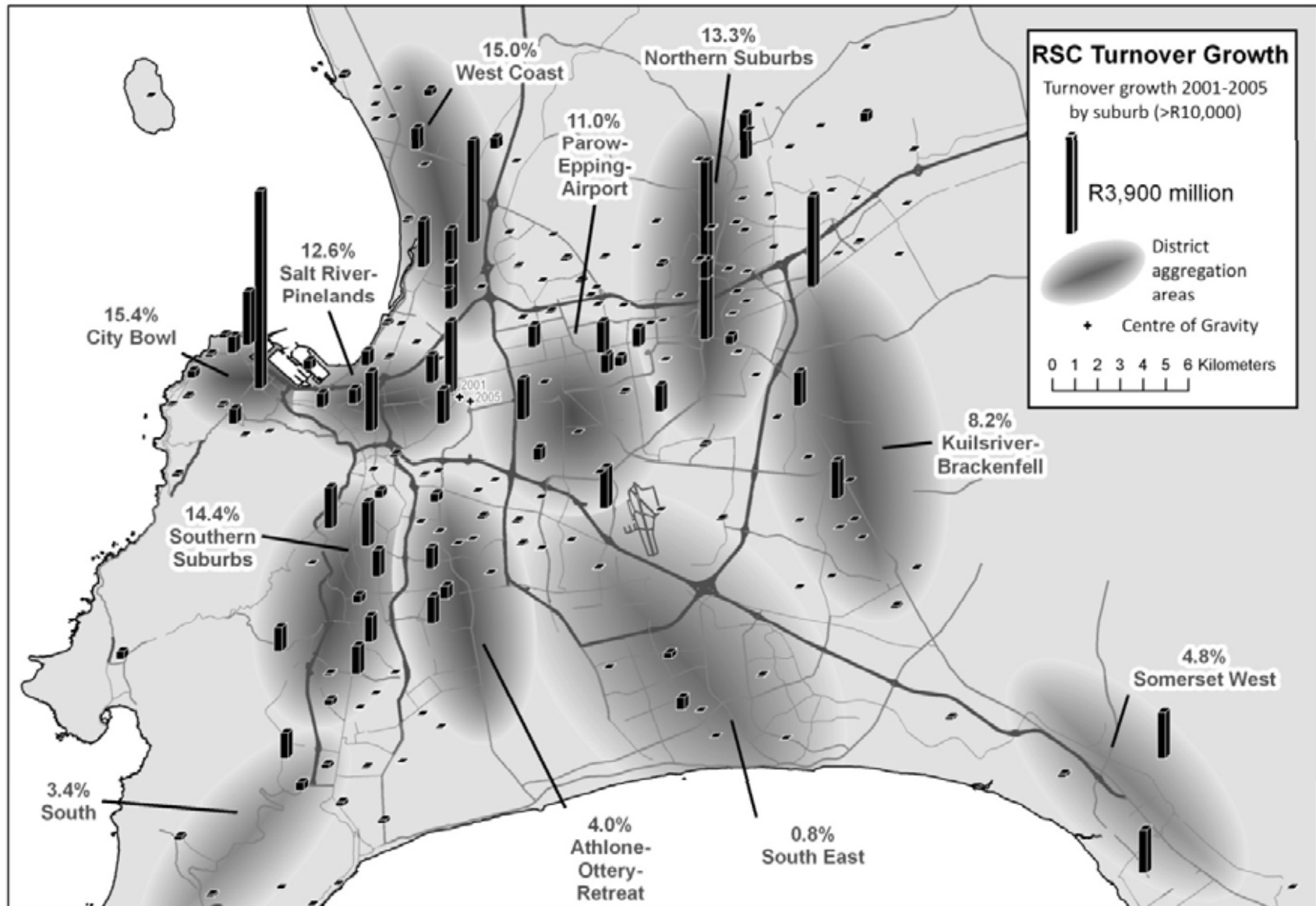
Spatial inequalities within functional regions

- Economic gaps are wide and seem to be getting bigger

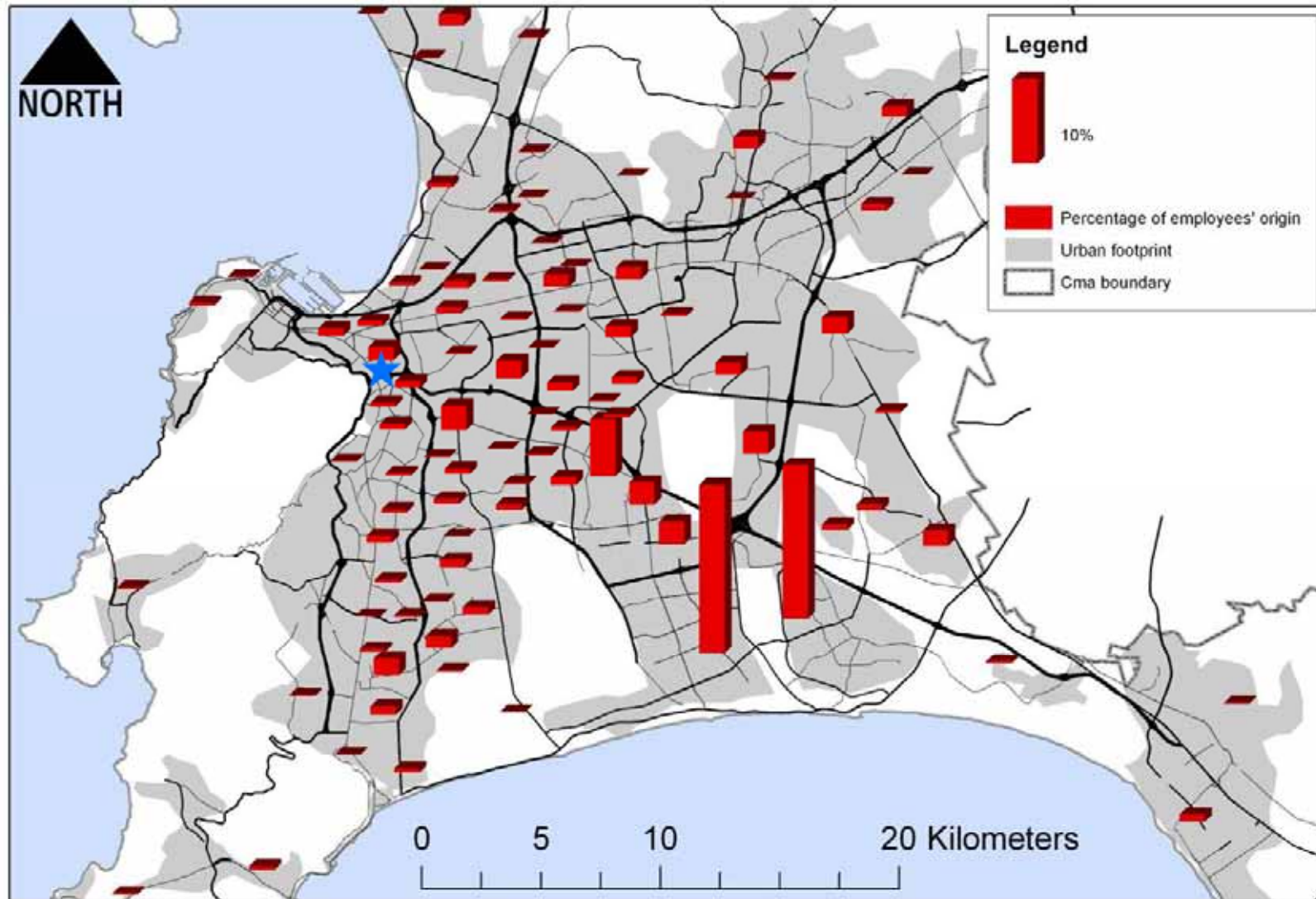


Growth of economic nodes (2001-05)

(Source: Sinclair-Smith & Turok)



Where workers live



Does this matter?

- Fairness
- Stability
- Economic **benefits**
 - Agglomeration economies
 - Matching, sharing, learning
 - Efficient service delivery
 - Capacity of municipal government
 - Investor confidence, lower risk
 - Protecting

Does this matter?

- **Economic costs**

- Large scale transfers – sustainable?
- Environmental impacts & costs (water, energy)
- Inefficiencies – e.g. transport costs, subsidies, congestion
- Environmental costs (fire risk, health)
- Place attachment, investment in assets(?)
- Overheated housing/property market from imbalanced structure(?)

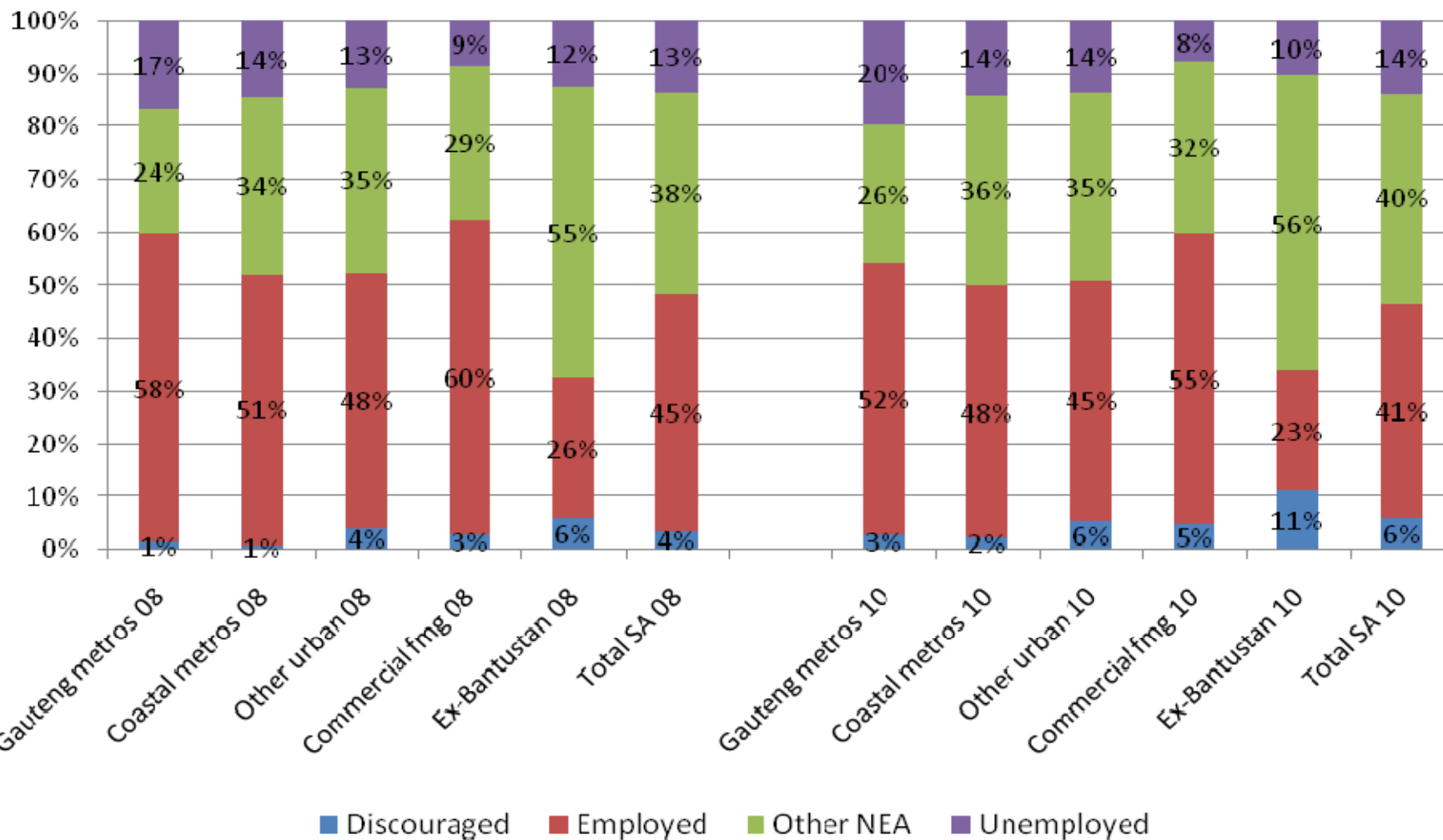
Causes?

- Apartheid spatial policy
- Natural resource endowments
- Agglomeration economies
- Inertia, speculation and fear of unknown among private investors
- Reactive, disjointed public investment
- Poor management of land

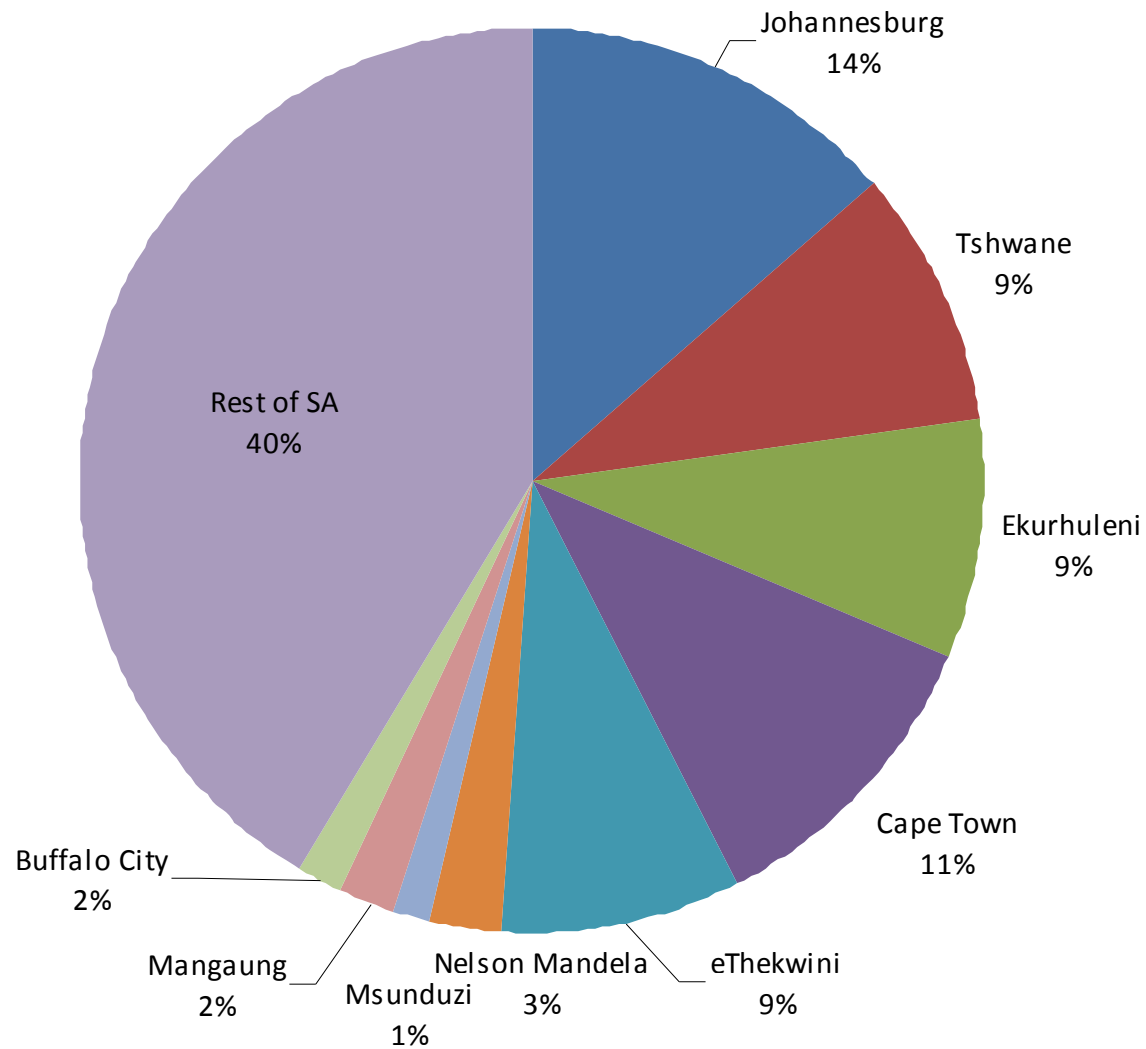
Conclusions

- Extreme spatial inequalities
- Economic gaps seem to be widening
- Adjustment mechanisms are inadequate
- Uncertain causes
 - Economic fundamentals
 - Inertia
 - Public investment
- Difficult conditions for policy-making

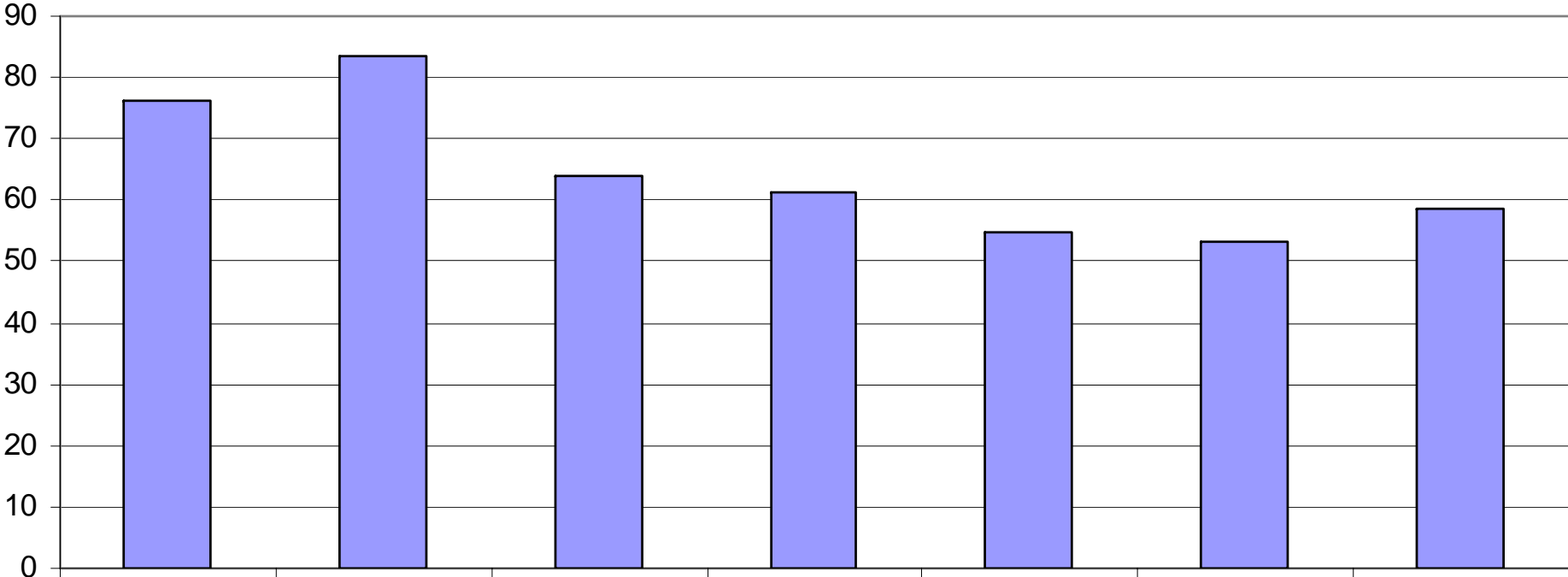
Employment status of working age population, 2008 & 2010



Share of Total GVA in South Africa, 2009



Average Travel to Work Time (mins)



Johannesburg

Tshwane

Ekurhuleni

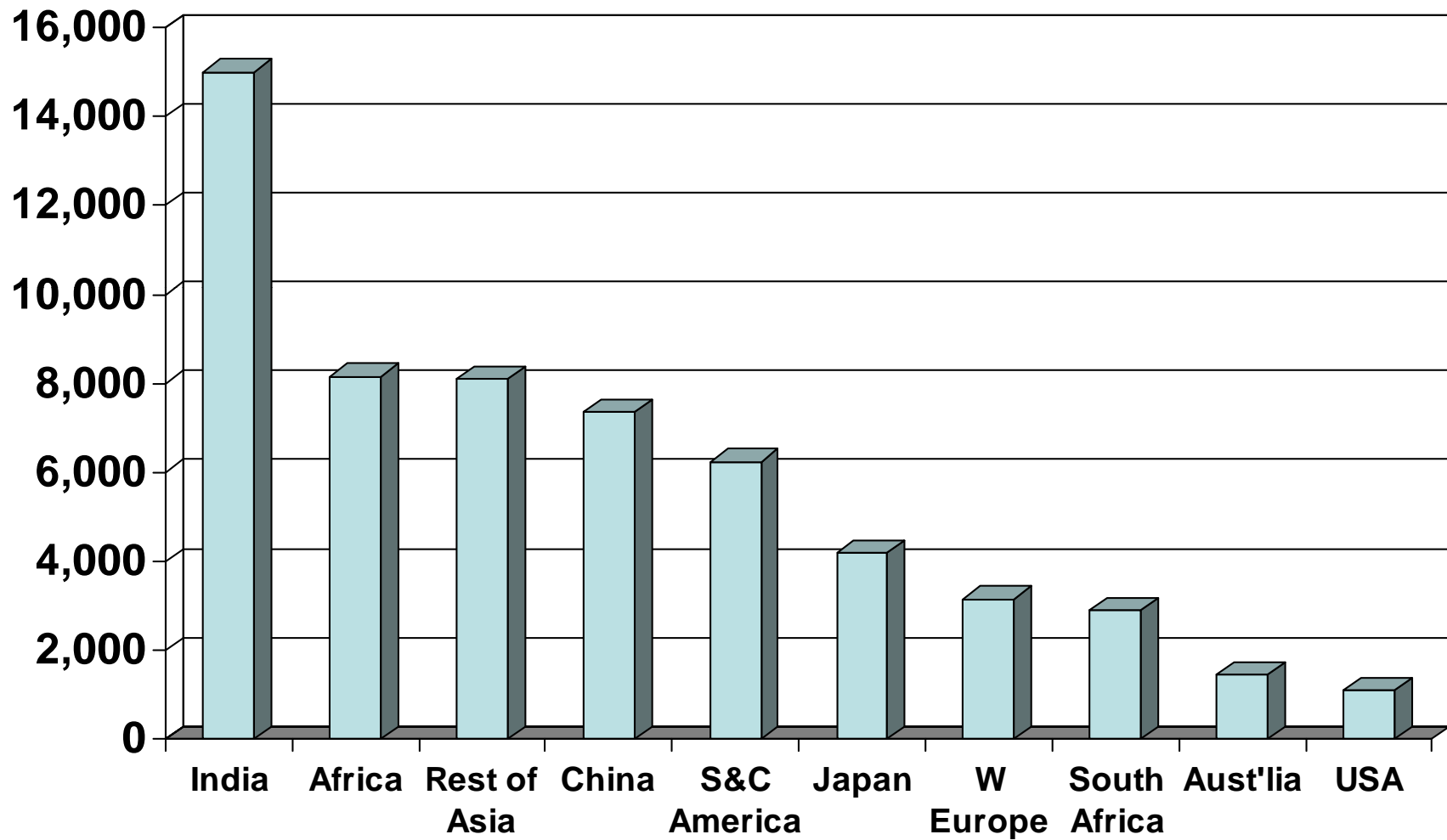
Cape Town

eThekweni

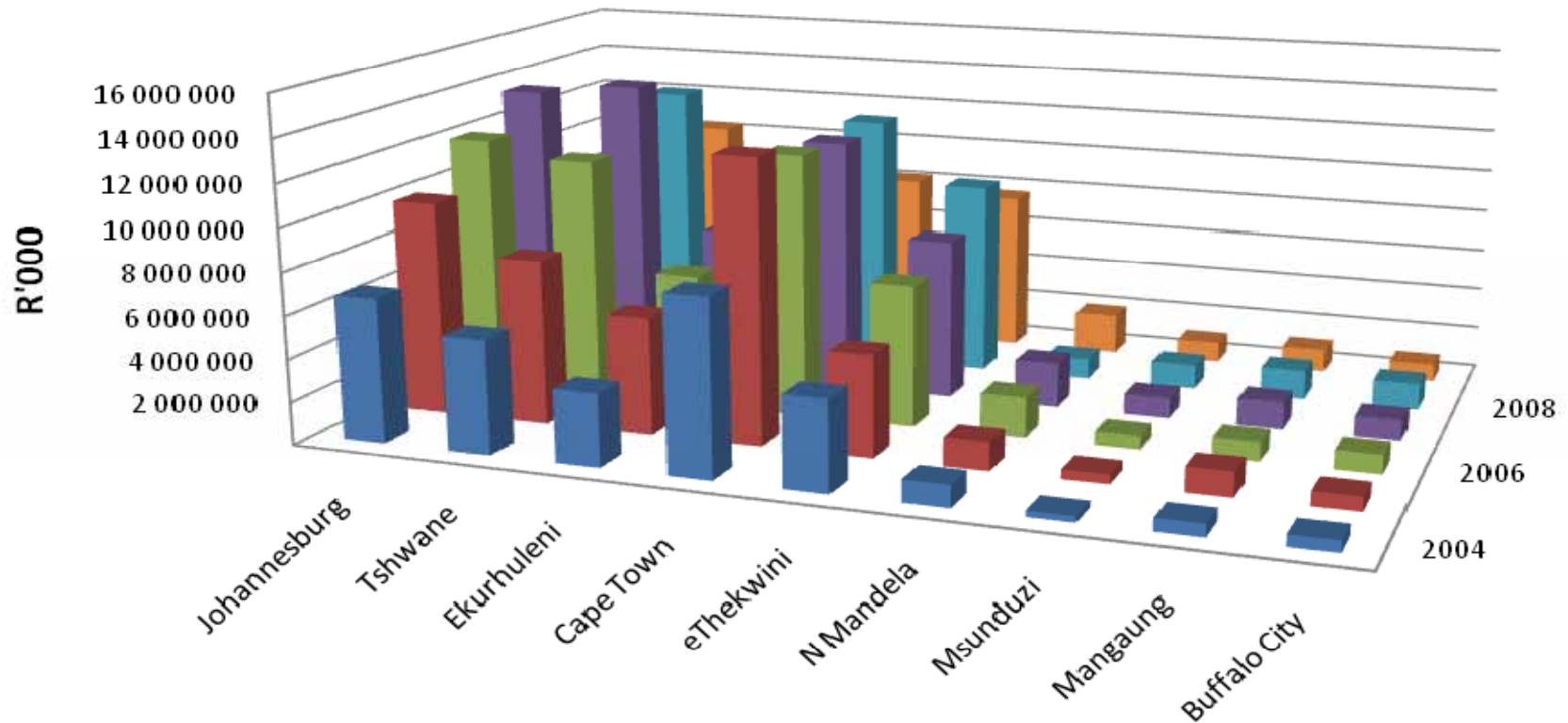
N Mandela

South Africa

Density (pop/sq km) {Demographia}

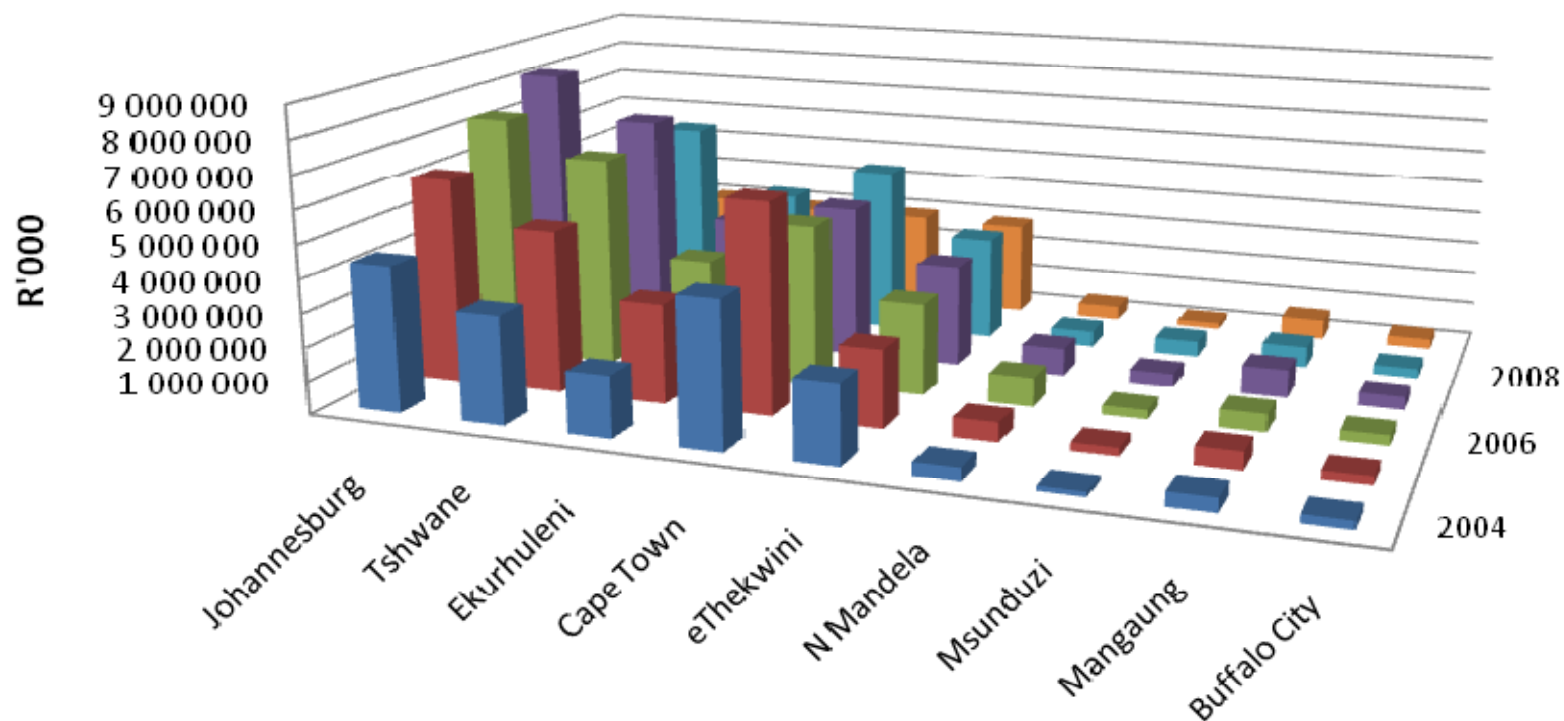


Total Value of Building Plans Approved, 2004-2009



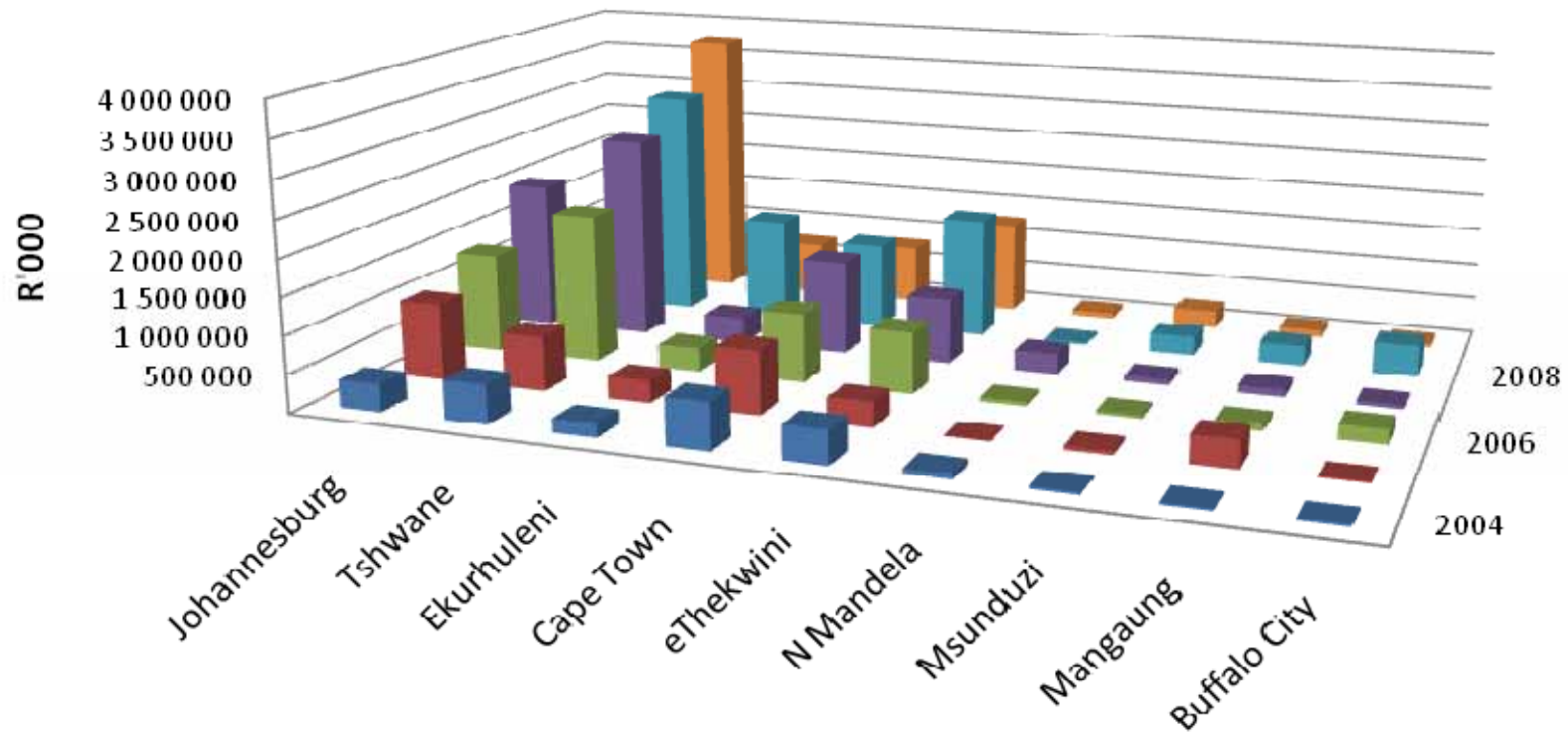
	Johannesburg	Tshwane	Ekurhuleni	Cape Town	eThekweni	N Mandela	Msunduzi	Mangaung	Buffalo City
■ 2004	6 758 570	5 329 029	3 429 960	8 212 144	4 260 252	1 033 088	278 880	598 639	538 310
■ 2005	10 028 716	7 758 125	5 488 449	13 235 526	4 780 857	1 349 848	445 930	1 175 920	672 445
■ 2006	12 052 113	11 367 655	6 238 757	12 356 919	6 668 953	1 922 103	652 224	933 785	907 862
■ 2007	13 592 084	14 133 276	7 256 847	11 986 925	7 622 545	2 117 919	971 240	1 288 363	993 808
■ 2008	5 523 384	12 990 257	9 940 925	12 139 072	9 217 389	984 005	1 159 200	1 382 738	1 259 148
■ 2009	5 682 242	10 350 354	8 569 627	8 219 064	7 674 873	1 930 069	968 805	1 079 924	818 061

Total Value of Residential Building Plans Approved, 2004-2009



	Johannesburg	Tshwane	Ekurhuleni	Cape Town	eThekweni	N Mandela	Msunduzi	Mangaung	Buffalo City
■ 2004	4 340 031	3 214 331	1 844 255	4 324 132	2 355 070	390 888	142 134	413 979	245 248
■ 2005	6 166 614	4 862 284	2 987 529	6 284 915	2 330 082	576 195	243 851	538 987	262 348
■ 2006	7 382 923	6 335 936	3 444 097	4 814 290	2 759 561	889 583	273 310	535 223	301 707
■ 2007	8 233 552	6 934 013	3 964 931	4 624 253	3 071 425	832 782	391 671	862 213	385 196
■ 2008	2 535 578	6 093 081	4 095 795	5 109 051	3 156 630	478 837	480 875	633 143	283 877
■ 2009	2 209 668	3 045 030	2 918 194	2 930 849	2 869 100	418 890	179 335	593 520	303 621

Total Value of Commercial Building Plans Approved, 2004-2009



	Johannesburg	Tshwane	Ekurhuleni	Cape Town	eThekweni	N Mandela	Msunduzi	Mangaung	Buffalo City
■ 2004	366 401	514 608	185 640	621 317	440 819	76 962	33 460	26 598	29 685
■ 2005	1 017 594	724 866	293 305	838 718	338 420	10 388	49 966	365 075	19 710
■ 2006	1 338 407	2 000 908	313 633	920 508	820 366	52 512	40 530	87 218	192 743
■ 2007	1 999 754	2 747 783	345 973	1 277 370	881 700	269 203	74 392	97 709	49 823
■ 2008	369 146	3 113 323	1 405 553	1 175 377	1 651 203	32 629	256 001	271 284	419 036
■ 2009	725 589	3 735 744	738 129	810 984	1 270 866	69 437	235 168	94 700	49 552