

Reshaping Cities, Rebuilding Nations: The Role of National Urban Policies

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Abstract The challenges of rapid urbanisation in large parts of Africa are beyond the capacity of local government to manage. The paper explores the arguments for a national urban policy to complement local strategies, reflecting the unique power of the central state and the special circumstances of cities. With appropriate support, urbanisation could become a more positive force for economic and human development. Recent experience in South Africa illustrates some of the difficulties and possibilities for agreeing a systematic approach to planning and managing urban growth and transformation. Key stakeholders in the policy process have focused on urban poverty as an immediate priority and broadened the traditional economic argument for nations targeting cities to spell out a long-term environmental and economic development agenda.

Introduction

The world's urban population has more than doubled over the last 30 years from 1.6 to 3.3 billion. Africa's urban population is projected to double over the next 20 years, representing a historic demographic transition (UN-Habitat 2008). At some 750 million, this will be more than the total number of city residents in the entire Western hemisphere today. Most of Africa's urban growth is likely to be accommodated in dense, unplanned settlements where most people will lack formal

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jobs and housing and will not pay taxes. Compared with previous urban transitions on other continents, Africa's urbanisation is being driven to a larger extent by poverty, conflict and demographic change and led to a lesser extent by industrialisation and employment growth (UN-Habitat 2004, 2008).

African governments are responding to the urban challenge in quite different ways (United Nations 2007; Pieterse 2008; UN-Habitat 2008; World Bank 2009). Some appear reluctant to address the issue explicitly, having no obvious plan of action beyond piecemeal reactions to specific urban crises as they emerge. Many believe that they cannot cope with burgeoning urbanisation and the way to limit the social dislocation and environmental effects is to reduce migration and promote rural development instead, in extreme cases resorting to influx controls. Others provide a slight variant in seeking to divert growth pressures from existing cities into new towns elsewhere. Most just ignore the shifting location of their populations and accept as inevitable the growing poverty and informality of their cities and towns, given the lack of organisational and financial capacity in local government.

A more positive response has emerged from African governments which consider that stemming urbanisation is unrealistic and in many cases undesirable (Martine et al. 2008). There is a strong rationale for trying to plan and manage the process more constructively, on the grounds that this will help cities to become more stable, healthy and resilient. There are also additional possibilities relevant to the whole nation arising from the growing concentration of activity in well-connected locations, including improved prospects for sustained economic growth, greater scope to deal with particular environmental challenges and more cost-effective delivery of public services.

The purpose of this paper is to examine the process of establishing an overt national urban policy. We consider the reasons for developing a deliberate strategy towards cities and towns, and the ways in which the complications are sometimes addressed. We explore the political, institutional and technical sensitivities surrounding urban policy in developing economies, and the benefits of a systematic national framework to reinforce essential actions at the local level. We also consider briefly the content of urban policy, including the appropriate scope of activity at the national scale and the dangers of an over-prescriptive, top-down approach.

The analysis is illustrated and developed in the light of recent experience in South Africa. This is an interesting case given the history of controls on black urbanisation that denied the poor majority of the population access to urban opportunities and amenities. The present government is seeking to unify a country with profound structural inequalities reflecting race, class, gender and spatial divisions and polarised views about the priority that should be afforded to urban and rural areas. Government attitudes to rural-urban migration and informal urban settlements are somewhat ambiguous and, partly as a result, there is no consistent national policy as yet for planning and managing the process of rapid urban growth that is clearly happening or for delivering the expressed objectives of urban integration and transformation (Pillay et al. 2006; Harrison et al. 2008). The South African case, therefore, reveals very clearly some of the tensions and dilemmas involved in formulating an explicit urban policy more generally. There are also some limits to its use bearing in mind the relatively robust capabilities of local government in the main cities compared with many other African countries (Watson 2005; UN-Habitat 2008).

The structure of the paper is as follows. The next section considers the importance of a national urban policy framework and the functions it can perform. This is followed by a brief discussion of the complexities involved and the reasons why such policies are often absent or ineffectual in practice. The subsequent analysis of South Africa examines the recent history of selective attempts to introduce an urban policy and the more detailed arguments currently being deployed to define a countrywide response to the needs and opportunities of the cities and towns and to articulate the most effective relationship between urban and rural areas.

The Case for a National Urban Policy Framework

The nature of the case for a national urban policy depends partly on the formal powers and responsibilities assigned to the local and regional tiers of government in relation to the national tier. It also depends on the organisational capacity of these tiers in practice, whatever the constitutional position. Hence, the argument for a wide-ranging and detailed national policy is generally strongest in countries where local municipal powers are limited or where their administrative and financial capabilities are deficient. In these situations, central government has to take on tasks that would be better done locally because of superior local knowledge, responsiveness and accountability. The case is likely to be more limited where local government is a relatively autonomous and powerful sphere with well-developed competences and a substantial revenue stream of its own. This latter situation is uncommon across most of Africa where urban authorities are generally assigned limited powers and resources and where inadequate public infrastructure is one of the main hindrances to economic and social development (UN-Habitat 2004, 2008; Pieterse 2008).

There are important common arguments for a national urban policy, beyond the obvious point that, as a society urbanises, an increasing proportion of all activity occurs in towns. First, central government is better placed than local municipalities to analyse the forces shaping the national territory and think strategically about the long-term possibilities and risks inherent in different development patterns—i.e. to consider the big picture. National authorities have the spatial, sectoral and fiscal oversight to weigh up the costs and benefits of rapid urbanisation or growth that is concentrating on the largest city. They can consider the evolving relationships between cities, towns and rural areas and set overarching priorities according to the national interest and financial position. Settlement policies and other spatial decisions about investment often involve complex trade-offs between economic, social and environmental considerations. They also raise sensitive issues of national identity, culture and values which are difficult to subject to rational debate and build a consensus around. National government is uniquely positioned to take the lead in articulating a shared vision for the country, setting relevant norms and standards that apply to all places and formulating a long-term spatial development framework to begin to put them into practice.

Second, national government has control over important policy levers to enable each city and town to develop its strengths and fulfil 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. National arrangements may also be useful to prevent parochial behaviour by municipalities, such as beggar-my-neighbour policies in relation to jobs and investment. Government has the standing in society to harness the efforts of other sectors around a combined endeavour to improve community well-being by making better places. It can make long-term commitments that others can rely on, including specific investment programmes, targeted priority areas and institutional reforms to promote cooperation between stakeholders. In short, a spatial framework could or should be an important policy instrument of a 'developmental state' (Woo-Cummings 1999) actively seeking to deliver sustained socio-economic progress through more functional places.

Third, a growing body of international evidence suggests that cities can make a disproportionate contribution to productivity growth and job creation, especially in the transition from primary to secondary and tertiary industries (OECD 2006; United Nations 2007; Duranton 2008; World Bank 2009).¹ Cities have the potential to function as sources of economic dynamism by virtue of the concentration of productive activity, entrepreneurs, workers and consumers in one place. Dense constellations of firms and workers in close proximity to markets and suppliers facilitate (1) *sharing* infrastructure, services and information, (2) *matching* the distinctive requirements of firms for different types of premises, labour and suppliers and (3) *learning* about new techniques, products and processes (Duranton and Puga 2004). These functions can support growth by lowering costs, raising flexibility, reducing risks, increasing innovation and improving product quality. Government's role is to ensure that the framework conditions are in place to enable this to happen without excessive physical congestion, over-heating of labour and housing markets and social and environmental pressures. Suitable conditions include physical and social infrastructure, educational and training institutions, business and residential environments, and transport and digital connections to other places. Supporting a balanced hierarchy of cities and towns with different roles and functions may be a safer approach in the long-term than concentrating all public goods in the capital city or resisting urban investment in favour of rural development, both of which have been common in Africa (UN-Habitat 2004, 2008).

Fourth, cities are important for 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. Private investment is more easily levered into places where

¹ China's dramatic reduction in poverty through sustained jobs growth over the last two decades is a simple illustration of the close connection that can exist between urbanisation and industrialisation if the conditions are right.

government has clearly signalled its support. National government is uniquely placed to secure agreement between different sectors and tiers 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. Government encouragement of collaboration across municipal boundaries is increasingly important with the growth of extensive city–regions and urban corridors across Africa, creating the potential for policy mismatch, duplication and negative spillovers (UN-Habitat 2008).² Put simply, government can play a crucial role in realising the distinctive opportunities offered by urbanisation as well as confronting its challenges.

Fifth, cities 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 and are at the forefront of emergent national and perhaps even continental consciousness and identity. Long recognised as the centres of creativity and innovation, cities are also the most likely places for political unrest to ferment. In societies that have experienced major transitions or traumatic conflicts, the poorest parts of cities are particularly vulnerable places where people settle in search of security and that merit national attention. 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 (Pieterse 2008; SACN 2008a).

Finally, cities 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 (DEAT 2008; Martine et al. 2008). 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 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.

To sum up the argument, national authorities have unmatched powers of various kinds to support the development of more productive, cohesive and durable cities and towns. A national urban policy does not contradict the principle of subsidiarity,

² Examples of these large urban regions include Cairo–Alexandria–Port Said–Suez in Egypt, Lagos–Ibadan in Nigeria, Kenitra–Casablanca in Morocco and Gauteng in South Africa. Some cut across national borders, such as the Lagos–Cotonou–Lomé–Accra corridor linking the key coastal urban areas of Nigeria, Benin, Togo and Ghana.

i.e. decentralisation of powers and functions to the lowest effective level. National engagement in urban concerns does not imply centralised control of cities nor substitution of national for local action. It also does not mean delegating full responsibility for complex challenges to local agencies. It is about deploying the powers of government in ways that build upon and reinforce the efforts of other tiers of government and other sectors of society, rather than displacing or dominating local initiatives. Of course, this is not a simple or straightforward process and there are several complications considered in the next section.

Reservations About National Urban Policy

There are three possible concerns about national urban policy that may be raised in some shape or form. First, it may not be feasible for national governments to introduce an urban policy because of the technical and organisational difficulties involved in cross-cutting arrangements. The state often lacks the capacity to coordinate and steer its different components in particular directions because of the scale and scope of their activities, especially if there is resistance to joint working. The various parts of national government serve different interests and constituencies, possess distinctive mandates and responsibilities and have contrasting professional cultures and bureaucratic practices. The sheer breadth and complexity of government makes the task of strategic planning and integration extremely difficult, even for well-established governments operating in stable environments. Dominant global ideologies such as neo-liberalism have also been unsympathetic to strong government coordination. Policy alignment may be easier in some respects at the local level in the face of concrete problems demanding immediate solutions. Local bargaining and compromises between different groups and interests might also produce more durable outcomes than nationally imposed laws, safeguards and regulations.

Second, it may not be possible to introduce an urban policy because of the political constraints on government. This may relate to sheer electoral arithmetic in countries where the majority of voters live in rural areas, as is the case in many African countries, or where fine political balances may be swayed by rural opinion. Even if an urban policy does not mean preferential treatment to cities and towns, perceptions may be sufficient to generate opposition and stifle urban initiatives. Pro-rural sentiments also chime with deep-seated sources of identity, culture and place attachment in countries with a strong heritage linked to the countryside and rural lifestyles. Urban areas may be seen as places of privilege, power and colonial domination with less need for special attention than impoverished rural areas. Social policies with no apparent spatial content, such as meeting basic needs and delivering universal health and education, may be much more popular.

Third, it may be considered undesirable for national governments to introduce a spatial policy that could limit future development options or steer investors where they do not wish to go. They should not try to preempt growth patterns and risk constraining initiatives outside the favoured areas, but should rather be flexible and respond to emerging trends and problems. This might avoid costly mistakes if strategic plans prove wrong, since no one has the foresight to anticipate long-term

spatial trajectories with any accuracy. Development dynamics can shift over time in response to a changing external environment impinging in unpredictable ways upon people and firms with diverse needs and objectives. Instead, it might be argued that the task of government is better conceived of as creating a level playing field and strengthening the capacity of all municipalities to give their areas an equal chance of attracting investment and population.

Whilst recognising the real practical and political difficulties and limits to national urban policy formation, it is important to challenge the outdated anxiety about an 'urban bias' that has made it difficult to put urban issues onto the national agenda. There may once have been legitimate concerns about spatial distortion of investment inspired by ideas about modernisation with its focus on towns (Harrison et al. 2008). However, the pendulum has since swung in the opposite direction with many African governments (and donors) favouring rural development over urban areas (Martine et al. 2008; UN-Habitat 2008). The purpose of an urban policy is not to marginalise rural areas, but rather to ensure that national strategy takes account of major societal shifts that make urban and rural areas more interdependent and pose challenges for both kinds of places. These include natural population growth, rural–urban migration and remittances and the growing role of cities and towns in national and international systems of production, distribution and consumption. National urban policy has to address what happens in cities as well as their relationship with the countryside. Urban policy should complement rather than contradict rural development efforts.

The Fits and Starts of Urban Policy in South Africa

The South African situation is untypical of the rest of Africa in some respects because of the legacy of state controls on urban growth and the exceptional degree of structural inequality within cities and regions (UN-Habitat 2008; Harrison et al. 2008). Prior to the 1990s, the black majority of the population were denied permanent residence or the ability to own land in the cities and were encouraged to live in undeveloped and overcrowded rural 'homelands'. Separate homeland administrations were put in place and token efforts were made to provide jobs and stem urbanisation by subsidising industries willing to locate there. Racial segregation within the cities and towns meant that blacks were confined to poorly serviced townships or occupied illegal settlements on the outskirts of the 'white' areas. Separate, self-financed local authorities were responsible for the different parts of each city, perpetuating a highly fragmented and unequal system of public infrastructure and community facilities. Poor people were either barred from towns altogether or were effectively trapped in marginal locations with few opportunities and forced into long and costly journeys to work (Turok and Watson 2001; Beall et al. 2002; SACN 2004; Pillay et al. 2006).

The democratic government in 1994 inherited a country with profound socio-economic problems and disfigured human settlements. The immediate priorities were to stabilise a volatile political situation, dismantle the separate structures established under apartheid, stimulate an economic recovery and address basic needs throughout the country (Harrison et al. 2008; Presidency 2008). Faced with a neo-

liberal global economic environment, nervous external investors and an indebted public sector, a cautious approach to macro-economic management was soon introduced. Lack of strategic capacity and agreement at the heart of government also hampered policy coordination across departments, resulting in fragmentation and inconsistency. For example, pressure to meet the housing backlog resulted in large-scale provision of rudimentary units on cheap land in greenfield locations. This ‘de-densification’ contradicted other efforts to reintegrate cities and placed an extra burden of new bulk infrastructure and ongoing transport subsidies onto other spheres of government (Boraine et al. 2006). Rationalising local government was particularly important to the urban reconstruction effort, but it proved complicated and protracted (van Donk et al. 2008). This was a problem for the cities, given the government’s heavy reliance on municipalities to accommodate population growth and deliver positive change to people’s everyday lives. Some suggested that the state was shifting the responsibility for social reconstruction onto local and provincial authorities (Tomlinson et al. 2003). To this day, municipal capacity remains very uneven across the country, delaying progress in meeting national standards for public services (DBSA 2008; National Treasury 2008).

The 1994 government expressed clear objectives to tackle the inequalities and inefficiencies of the inherited space economy and to develop more productive and sustainable cities. This included a more compact, higher density urban form, mixed land uses and integrated transport and spatial planning decisions. The Reconstruction and Development Programme (RDP) was intended to be an all-round policy of social and economic transformation to tackle urban and rural poverty and exclusion (Turok 1995). However, implementation stalled soon after it was approved because of the introduction of an austerity package called the Growth, Employment and Redistribution (GEAR) policy. GEAR’s principal aim was to create a more open, market-oriented economy rather than to address the structural problems of unemployment, inequality and distorted settlements. It implied lower public spending, inflation targeting, free trade and a narrower growth path of capital-intensive and knowledge-based industries. This dampened domestic demand, stifled job creation and undermined the possibility of redirecting the country’s economic trajectory towards broad-based, labour-intensive and more equitable forms of development (Marais 2001; McDonald 2008). Consequently, whatever progress there has been in urban areas after apartheid has come about mainly through expanded social grants, free basic housing and extended household services, rather than any restructuring of urban spaces or national commitments to making cities work better for all.

The economic and human costs of dysfunctional urban areas surfaced repeatedly through, for example, transport conflicts and land invasions, forcing the government to reiterate the objective of urban integration, but a systematic strategy to reconfigure settlement patterns was not put into practice (SACN 2004; Wilkinson 2008). Spatial considerations were somehow too complex to deal with through the conventional functional silos of government, and the idea of spatial restructuring was too challenging to gain much traction in the prevailing climate of a restrained state with a ‘lean’ mandate. There was also a reaction against the tradition of control-based land use planning in favour of a form of integrated planning centred around strategic budgeting and performance management without a strong urban or intra-urban

dimension (Harrison et al. 2008; van Donk et al. 2008). The government's attitude towards informal settlements seemed ambivalent to many observers, resulting in a tendency to react to pressures and problems as they emerged rather than to try and plan ahead by guiding development towards well-located areas where serviced land and infrastructure would be made available (Pillay et al. 2006).

The Urban Development Framework (UDF) approved by the national cabinet in 1997 (along with a rural counterpart) was one of the first policy statements concerned explicitly with urban issues (Department of Housing 1997). It 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 (Department of Housing 1997). 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. The need for reform of the urban land management system and improved inter-governmental relationships were also stressed. Despite these clear messages, in practice, the UDF had little impact on the work of national ministries and was largely ignored because of its institutional location, its cross-cutting spatial approach and its lack of a political champion (Pieterse 2004; Pillay et al. 2006; Harrison et al. 2008). In fact, the focus of the Housing Department's own activities on delivering large-scale low-density housing on the urban periphery directly contradicted the UDF in perpetuating spatial fragmentation and marginalising the poor.

Within a year or two, there was renewed interest in these issues closer to the heart of government. It was recognised within the Office of the Deputy President (now the Presidency) that public funds were being wasted by poorly coordinated capital investments made by different departments and agencies with no common spatial vision (Pillay et al. 2006; Harrison et al. 2008; Pieterse et al. 2008). Decisions were being made on different criteria, including popular pressure from vociferous communities, covert influence by vested economic interests and inherited departmental procedures, resulting in contradictory outcomes that often reinforced apartheid development patterns, increased spatial fragmentation and inefficiency and did not maximise the possibilities of delivering additional jobs where they were needed most. The conflict between housing and transport policy is a classic example and between urban renewal projects and strategic economic initiatives. Harrison et al. (2008) also cite differences between transport and industrial policy regarding future plans for the ports and for infrastructure linking them to the main centres. More generally, there was a real concern that prominent cities such as Johannesburg were experiencing growth pressures, ageing infrastructure and financial difficulties all at the same time (Beall et al. 2002; Tomlinson et al. 2003; SACN 2007).

After a long drawn out process to gain acceptance, a National Spatial Development Perspective (NSDP) was approved in 2003 containing spatial guidelines, principles and priorities to steer investment (Presidency 2003). At the heart of the NSDP was a rather hard and fast distinction between areas with economic potential and those whose prospects were doubtful. The former (areas of potential) were 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

recommended that state investment in economic infrastructure be focused on the former, whilst the latter should benefit instead from investment in people (education, skills, job information and subsidies to migrate). All areas would continue to be entitled to universal basic services, rights that are embedded in the Constitution, so the state would still have a very substantial presence in rural areas.

The logic of the NSDP was that economic investment should go to 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. The document also suggested that disadvantaged areas should be linked with areas of opportunity and that the contribution of urban centres in servicing rural hinterlands should be recognised. The NSDP proved controversial because it was interpreted as endorsing the status quo (with its supposed urban bias); having a pro-growth, competitiveness emphasis (reflecting market forces rather than channelling them); a narrow focus on innovation, high value and knowledge-based development and using a simplistic concept of ‘potential’ which disguised different possible forms of spatial development and the likelihood that preferences and patterns might change over time (Harrison et al. 2008). It also said nothing about environmental concerns (DEAT 2008).

The reluctance of the cabinet to approve the NSDP was mirrored in the document’s subsequent lack of influence over substantive government policies and investment decisions (Patel and Powell 2008). Separate programmes were also approved by the government that were apparently contradictory and reflected concerns about rapid urbanisation, uneven regional development and rural poverty, including the Integrated Sustainable Rural Development Programme in 2001, the Geographic Spread Programme in 2005 and the draft Regional Industrial Development Strategy in 2006 aimed at promoting economic development in peripheral and lagging regions (Harrison et al. 2008).³ The tensions were a sign both of technical disagreements among policy advisers and officials and political disagreements among people representing different economic interests and geographical constituencies. The government as a whole was clearly unconvinced about the particular importance of cities and unable to agree upon a consistent spatial policy or even an explicit policy towards migration (Pillay 2008; Presidency 2008).⁴

Meanwhile, a separate strand of policy work got underway that was jointly sponsored by the Department of Provincial and Local Government (DPLG) and the Department of Housing to rework the National Urban Development Framework

³ The Integrated Sustainable Rural Development Programme identified 13 of the poorest rural nodes where public expenditure on anti-poverty programmes was intended to be coordinated more effectively. The Geographic Spread Programme sought to link a range of initiatives intended to encourage development in different parts of the country—core and periphery, rural and urban. The draft Regional Industrial Development Strategy aimed to boost infrastructure and business development in areas lagging behind the core regions, although it also recognised the reality of rural–urban migration and the need to bolster the leading regions (Department of Trade and Industry 2006).

⁴ It is interesting in this regard that the word ‘city’ or ‘cities’ featured only once in the 134 pages of the recent Fifteen Year Presidency Review of South Africa (Presidency 2008) and that had a negative association with crime.

(NUDF). The Presidency and the South African Cities Network (SACN)⁵ were also centrally involved. The main concerns were the financial and administrative burdens on large cities from a rapidly growing poor population and expanding economy and the lack of consistent criteria and agreement among different departments and agencies when making spatial decisions. This was undermining the possibility of building sustainable human settlements with robust economies, especially in the six metropolitan areas. Overlapping responsibilities for key functions between provinces and local government were also causing confusion and delaying delivery, and municipalities were not spending enough on repairs and maintenance, threatening the quality and reliability of services and causing roads, water and sanitation facilities to deteriorate or even collapse (SACN 2004, 2006, 2007).

The NUDF was submitted to the cabinet on at least two occasions between 2005 and 2006 and referred back to the drafters for revision, ostensibly to give greater weight to migration issues and rural–urban linkages. Specific NUDF recommendations, including revisiting the constitutional allocation of powers and functions and the role of electricity in municipal revenue generation, were subsequently taken up by line departments without the NUDF being formally approved. The cabinet also supported the SACN to take a lead role in expanding the scope of the NUDF beyond its big city focus. This was done in conjunction with representatives of the Presidency, the original departments and the National Treasury. In contrast to the earlier somewhat closed process normally associated with the preparation of a cabinet memo, the latest document was work-shopped with representatives from other spheres of government, universities and the Council for Scientific and Industrial Research (CSIR) and presented at a national conference organised by the SACN in Durban in 2008.

To summarise this section, concerns about urban policy in South Africa have been caught up in bigger political and economic debates at the heart of government about its strategic direction. Unresolved tensions between the objectives of accelerated growth and broader transformation, economic efficiency and social equality, productive potential and social need and market forces and long-term planning have often resulted in policy diversity and inconsistency. The shift over time from a restrictive economic paradigm towards a bolder developmental state has created a more conducive environment for an explicit spatial policy, although its composition and complexion are unresolved at the time of writing.

The Case for a South African National Urban Development Framework

The latest draft document in the ongoing attempts to develop a NUDF was produced towards the end of 2008 by the South African Cities Network in conjunction with the Presidency and the DPLG (SACN 2008b). Titled ‘Towards a National Urban Development Framework’ (TNUDF), it differed from earlier efforts in providing a

⁵ The South African Cities Network is an influential partnership of stakeholders across government and civil society driven by the nine largest municipalities and supported by the DPLG and international body Cities Alliance. It was established in 2001 and aims to improve the management of South African cities by all spheres of government through better information and understanding.

more detailed rationale for embracing a national urban policy.⁶ It also gave more attention to the position of cities and towns in the overall urban system rather than only advocating reforms in how urban areas are managed. It began by observing that there had been insufficient progress on the fundamental challenges of unemployment, poverty and inequality and that a step change was needed. The population of the six metros was growing at nearly twice the national average, putting considerable strain on their services and poorer communities, as these cities now accounted for almost half of all informal housing in the country. It also noted that the physical form of many towns and cities was becoming increasingly fragmented and policy was failing to link town, township and peri-urban settlements sufficiently. A national perspective was required to recognise the growing interdependence between cities and their surrounding areas (city–regions). Even though their territories had been expanded significantly, municipalities needed encouragement to work together where administrative boundaries obstructed sound planning and management of functional economic and ecological systems.

The document noted that cities and towns were too important to be left to their own devices and argued that a more systematic, coordinated approach to the challenges faced was required than the usual piecemeal responses. A national urban strategy was needed for essentially four reasons, reflecting a broadening of the agenda from the original focus on spatial integration to address immediate issues of poverty reduction and longer-term environmental and economic development objectives. The unique powers of national government in realising the potential of cities were also identified explicitly in the argument:

1. to address the growing concentration of poverty in the major cities,
2. to support faster, inclusive economic growth—South Africa’s jobs machine,
3. to secure cost-effective public investment in infrastructure and services, and
4. to help cities become more resilient and responsive to disasters.

These are discussed below.

Poverty Reduction and Social Transformation Nearly three-quarters of South Africa’s population and nearly two-thirds of the country’s poor population (living under a minimum level of living) live in cities and towns, and both are rising more rapidly than elsewhere (SACN 2008b). The coincidence of concentrated poverty and economic growth creates the potential for lasting solutions by linking need with opportunity. There are more jobs available, bigger markets for small businesses and better institutions to equip people with the skills and aptitudes required to avoid unemployment and poverty. The argument chimes with a recent UN report: “cities concentrate poverty, yet they also represent the best hope of escaping it” (United Nations 2007, p.1; see also Martine et al. 2008).

Cities complain that the equitable share funding formula for distributing public resources provides insufficient support, in terms of scale and timing, to places that attract migrants and people moving temporarily to use health and educational facilities (SACN 2007, 2008a). Consequently, municipalities struggle to deal with

⁶ A complementary rural development strategy was also advocated to respond to the distinctive conditions in the countryside.

ongoing social conflicts and service breakdowns arising from the pressure on local facilities (McDonald 2008; Murray 2008). Recognising the inevitability of urbanisation and committing long-term funding to where people actually consume services would inject greater certainty into strategic planning and permit investment in infrastructure in advance of in-migration. Redistribution is generally easier at the national level than at the local level because of the relative ease with which better-off residents and businesses can move to adjacent areas.

Drivers of Faster, Inclusive Growth Cities are the most productive parts of the country and offer the greatest potential for accelerated growth and job creation (Boraine et al. 2006; DBSA 2008; National Treasury 2008). More than two-thirds of GDP is already produced in the four main city-regions. Productivity and average earnings are also higher than elsewhere. Their continued success is fundamental to the country's ability to earn its living in a more open, international economy and to sustain the tax base required to pay for improved public services and the social safety net throughout the country. Cities also have a growing role to play as economic hubs or gateways to the wider sub-continent.

South African cities are currently experiencing bottlenecks in infrastructure, congestion and skill shortages that act as brakes on growth (DBSA 2008; National Treasury 2008). Releasing such constraints is probably the simplest and most cost-effective way of raising economic performance in the short-term. Matching the demand and supply of labour through linking industrial and skills policies at the level of urban labour markets would increase efficiency and output. Productivity could also be increased and growth accelerated by tackling the under-utilisation of well-located land, and thereby increasing density and proximity. National government has the power to reform the way land is currently managed in cities to help realise the full potential of such places. It can also discourage peripheral low-income housing, which undermines productivity by adding to the costs of economic participation for poor households and to the state's burden of transport subsidies (SACN 2006). Public bureaucracy could increase productivity and encourage greater creativity by introducing more flexibility in the rules surrounding the disposal of surplus public sector land and buildings so that considerations beyond 'best price' can be taken into account.

Better Returns from Public Investment Experience shows that cities are important for cost-effective investment in major infrastructure and services (Presidency 2006; National Treasury 2008). Scarce resources go further when synergies are achieved in delivery across government and scale economies are secured because of the concentration of population. Bigger places tend to have more secure leadership and competent administration to deliver popular demands for improved services in durable ways and greater potential to attract and retain private investment. Failure to repair and maintain existing infrastructure means that these expensive assets deteriorate and the social and economic returns on past investment are wasted (Savage 2008).

South African cities generate, retain and reinvest a substantial share of the taxes they generate (SACN 2007). Local revenue streams are vital in enabling them to manage their growth and development whilst also funding city-scale transformation

and subsidies to the poor. National government could do more to help avoid unfunded mandates and ensure full life-cycle costing and financing is available to operate, maintain and replace essential infrastructure (Savage 2008; SACN 2007). Metropolitan authorities complain that they are obliged to invest in facilities such as roads, clinics, libraries and housing that are the responsibility of other spheres of government because of their failure to deliver (see, for example, their detailed evidence to Parliament's Finance Committee on 20 November 2008). They also complain that national government has high expectations of cities in terms of delivering national projects, such as the World Cup in 2010, but often does not give commensurate funding. Unless government provides sufficient compensation, cities may begin to deliberately relegate pro-poor investments or subsidies for services because of the recurring burden on local taxes or as a way of discouraging inward migration.

Conserving Resources—Sustainable and Integrated Forward Planning Cities in South Africa have large ecological footprints and produce about 70% of greenhouse gas emissions because of their reliance on fossil fuels (especially coal) for electricity generation, oil-based transport systems (especially private cars) and high volumes of fresh water, food and building materials (Boraine et al. 2006; Swilling 2006). Many cities are also poor in terms of waste and sewerage management with inadequate treatment of effluent and low levels of waste recycling. Inadequate capacity in electricity generation, sewerage and waste water networks has resulted in periodic power cuts and health scares from contamination. In some cases, a large volume of fresh water has to be piped from different water basins to meet rising demand with the biggest challenge in Gauteng. Continuing low- and high-income housing development on the urban periphery has added to their negative environmental impacts. Much of the country's prime arable agricultural land happens to be located near major growth centres in Gauteng and Mpumalanga, but is threatened by urban sprawl.

Government action is needed to meet greenhouse gas emission targets, including regulations and fiscal incentives for cities to promote lower carbon industrial production, 'greener' buildings, cleaner energy sources and more energy-efficient transport (DEAT 2008). Cities generally require better information and stronger capabilities to respond to current crises in ways that build more smartly for the future (SACN 2006, 2008c). They need transparent and knowledgeable civic leadership capable of reconciling the demands of current populations for jobs and incomes with the longer-term imperatives of sustainable development. Training civic leaders and professionals with the capacity to manage cities and towns strategically in a volatile environmental and economic context would help to build national resilience, bearing in mind their scale and significance to the country.

The Content of a National Urban Development Framework

The TNUDF document went further than previous versions in outlining themes requiring national attention. It did not prescribe a detailed package of new policies,

but suggested certain directions for policy reform, subject to further analysis and consultation. Seven functions were identified that a national framework should perform.

First, an urban policy should *signal* a consistent message of conviction to key departments, state agencies and the private sector about development priorities. The traditional piecemeal pursuit of capital projects should evolve into a more coherent, programmed approach reflecting long-term commitment to selected areas and policy themes. Key decision-makers and investors need to know how and where the government expects to focus poverty reduction and economic development efforts, including the different locational advantages of each city, their priority industries, environmental challenges and infrastructure needs. A positive tone is important to inspire confidence in the potential of cities to lead the process of national transformation, provided they are planned and managed more carefully.

Second, the powers of public bodies over the built environment should be *streamlined* in order to organise these functions more efficiently and to strengthen city leadership. Strategic planning and accountability are currently undermined by overlapping responsibilities for housing, transport and land use decisions between provinces and municipalities. Greater clarity is also needed for services such as water and sanitation in areas with two-tier local government. Flexible cross-cutting institutional arrangements for areas within and beyond municipalities are increasingly important as the national development agenda moves beyond basic service delivery to deal with more comprehensive township renewal objectives, natural resource management, forward planning of disaster risks and city–region competitiveness.

The third task is for government to extend *financial freedoms* and flexibilities to competent municipalities in order to accelerate progress in addressing infrastructure bottlenecks, backlogs and neglected repairs. A new revenue stream is needed to replace the Regional Service Council levies in order to support economic development efforts (SACN 2007). Low-interest loans may be necessary to meet the funding gap for infrastructure maintenance and operating costs in areas where many households are poor and cost recovery is not possible. Better technical assistance should be provided to places with weak capabilities in financial management, external borrowing, income generation and debt collection.

Fourth, the urban framework needs to instigate changes in the national *land management system* to promote densification and to gradually reconfigure the urban form. This includes more intense redevelopment of well-located sites, integrated transport and land use planning and encouraging mixed-use projects with affordable housing to accommodate poor communities closer to opportunities (Harrison et al. 2008). The large, undeveloped land holdings of national departments and state enterprises provide scope to release sites for urban integration. A more strategic approach to outlying informal settlements is required to avoid perpetuating polarisation, including faster procedures for land acquisition, planning, registration and transfer to accelerate delivery. Mechanisms are also needed to curb haphazard and inappropriate private development (such as gated communities) on the fringe of cities subsidised by public infrastructure.

A fifth task is to *coordinate* the policies of different parts of government with a spatial dimension and to *align* their investment programmes in order to get more

consistency around major priorities such as poverty reduction, worklessness and climate change. For example, a national anti-poverty strategy should incorporate a strong local aspect to ensure relevance and engagement with township residents, since communities matter greatly to people's morale, behaviour and life chances. Another obvious area where local coordination is important is in linking industrial policy with small business support (for supply chain development) and active labour market programmes (skills training and employment advice) to ensure better matching of labour demand and supply in particular places. Some government departments seem to lack any kind of spatial perspective, whilst others appear to neglect the urban dimension of their responsibilities, such as Land Affairs.

Capacity-building is a sixth function, reflecting the deficient skills and experience among many municipalities, which is one of the main constraints on extending essential services to poor communities and business users. Weaker municipalities need support to build their competences in strategic planning and project management and to learn good practice from elsewhere. Many need particular support to develop comprehensive infrastructure investment plans and systems for managing and maintaining their assets, including improved information systems to monitor progress and identify issues as they emerge (Savage 2008; National Treasury 2008). Mechanisms might include staff secondments, joint working on practical projects, bespoke training programmes and even shared services between neighbouring municipalities.

Finally, the framework should establish the need for improved *knowledge* and understanding of the challenges facing the country's cities and towns, including their economic and demographic linkages with other parts of southern Africa. Research capacity should be supported at local universities to analyse the changing urban system in order to improve the evidence base for better decision-making. Improved intelligence about urban development processes locally, nationally and internationally could also stimulate a more informed debate about the appropriate strategic direction and content of urban policy, recognising the complex dilemmas faced by decision-makers in trying to harness the potential of cities. Improved monitoring and evaluation at the local level could also help to raise the standards of public service.

Conclusion

The challenges of rapid urbanisation in large parts of Africa are beyond the capacity of most local municipalities to manage. Yet many governments find it difficult to introduce explicit policies to address the problems and potential of urban areas—for political, institutional and technical reasons. The paper identified six general arguments for a national urban strategy to complement and reinforce essential action at the local scale. They reflect the unique power and standing of central governments and the distinctive economic, social and environmental circumstances of cities. In essence, the case is that cities are vital for the future prosperity, stability and resilience of nations, but their growth and development will be held back without wider institutional safeguards and support. With appropriate policies, urbanisation could become a more positive force for human development and give people a better chance to live fuller and healthier lives.

The analysis is pursued by examining recent experience in South Africa. This is interesting and, in some respects, unusual because of the relatively well-developed local government system and reasonable level of inter-governmental co-operation. The country also faces a formidable legacy of state controls on urban growth and a high level of structural inequality within cities and regions. Nevertheless, as in many parts of Africa, the government's stance towards urban migration and informal settlements is ambiguous and it has been difficult to get the cabinet to agree on a systematic approach to planning and managing urban growth and transformation. Popular perceptions are that rural poverty is more extensive than urban poverty, although the reality has changed as a result of urbanisation. The South African example, therefore, reveals many of the dilemmas surrounding the adoption of an explicit urban policy more generally.

Recent proposals by key stakeholders involved in the policy process have made the case for focusing on urban poverty as an immediate consideration and broadened the traditional narrow growth argument for nations prioritising cities to spell out a long-term environmental and economic development agenda. They have also put forward more concrete ideas for policy reform, including streamlined powers for the planning and management of land and for investment in the built environment and infrastructure. Greater institutional alignment and capacity building are also important to improve urban management and decision-making. Whatever the merits of these arguments, the volatile national political situation means that the prospect of these proposals being implemented is uncertain.

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