THE MANDELA INITIATIVE
Dialogue and action to overcome poverty and inequality

HSRC
Human Sciences
Research Council

Theme: Urban Land Rights

Ivan Turok and Justin Visagie[1]

Urbanisation and socio-economic transformation

The most striking legacy of apartheid is the stark spatial inequalities etched into the landscape. The uneven development of cities, towns and rural areas has persisted since 1994, despite state efforts to undo the past by establishing common constitutional rights, universal social protections, a unitary system of sub-national government and sizeable fiscal transfers between leading and lagging regions. Indeed, the gulf in economic conditions between and within regions has actually widened since the 1990s. These spatial divides exert a profound influence on people's well-being and life chances. They are symptoms of deeper structural problems facing the country, but they also have independent effects in widening inequality and reinforcing poverty, especially among the black African population.

Urbanisation is a natural response to regional disparities. Moving from the countryside towards the better economic opportunities available in cities may offer people a more positive future. Yet prosperity for low-skilled migrants is by no means assured, since there are many barriers to entry into urban labour markets and housing systems. Being confined to rudimentary shelter in informal urban settlements and backyards without essential services means a hazardous existence exposed to fire, flooding, disease, violent crime and other threats to personal safety.

About this brief

This brief was commissioned by the Mandela Initiative to help inform a synthesis report on its work since the 2012 national conference, Strategies to Overcome Poverty and Inequality, organised by the University of Cape Town. The MI provides a multi-sectoral platform to investigate and develop strategies to overcome poverty and reduce inequality in South Africa. While the Nelson Mandela Foundation is a key partner, the Initiative has relied on collaborations between academics and researchers, government, business leaders, civil society, the church and unions.

The synthesis report serves as a framework for reporting on the work of the MI at a national gathering on 12 – 14 February 2018 at the University of Cape Town. The MI Think Tank has identified the objectives for the gathering as:
- to anchor the contributions of the MI within an analysis of the current South African political and economic context;
- to share the recommendations emanating from the MI-related work streams at a policy/strategic level to advance the goal of eliminating poverty and reducing inequality;
- to critically engage with the potential impact of the recommendations on eliminating structural poverty and inequality; and
- to discuss ways of promoting popular conversations and debate about what needs to be done to eliminate poverty and reduce inequality, beyond the MI.

The synthesis report aims to assist participants to prepare for the national gathering. The report drew on findings from the sectoral research projects of Think Tank members; the MI's Action Dialogues; a report on an MI Community of Practice workshop with research chairs from different universities to identify cross-cutting themes emerging from the MI's research programme; and the work programmes of others who have expressed an interest in contributing to the goals of the MI.

---

[1] Human Sciences Research Council

Government policy is ambivalent about rural-urban migration, partly because of the social dislocation in sending regions and the community pressures and social unrest in the cities. The history of South Africa's forced migrant labour system and the legacy of rural neglect also continue to affect ruling-party thinking. The most substantial policy response to rural poverty has been to redistribute public resources in the form of social grants and free health care, schools, housing and basic services towards the countryside. The metropolitan municipalities also harbour doubts about migration because of the burden of providing free public services and finding land to accommodate escalating numbers of impoverished households.

Despite the policy denial tendencies and very real obstacles to migration, recent research reveals that many of the people moving to cities succeed in getting jobs and increasing their incomes. The National Income Dynamics Study (NIDS) reveals that about 385,000 people were lifted out of poverty between 2008 and 2014 by migrating to urban areas (Visagie and Turok, forthcoming). Four-fifths of these individuals were living below the poverty line in 2008, when they were in rural areas, compared with only one-third in 2014, after they had moved to cities. This cohort of migrants improved their livelihoods more quickly than those who remained in rural areas.

This is a striking finding considering the general lack of economic progress and social upliftment in South Africa over the last decade (Keswell et al, 2013; Piraino, 2015; Leibbrandt and Green, 2015). In a context of a stalled economy, rising unemployment and entrenched social divides, the evidence from NIDS of socio-economic dynamism and upward income mobility associated with urbanisation must be regarded as significant. People appear to be making sensible economic decisions by leaving the countryside and moving to the cities.

These results have potent implications for government policy towards poverty and towards the management of cities. The government should recognise the reality and positive achievements of people's spontaneous efforts to get out of poverty by uprooting themselves and migrating to cities. It should endorse the constitutional right to freedom of movement and do more to support urbanisation by accommodating the growing urban population in decent living conditions. This would alleviate many of the social strains and environmental hazards in burgeoning informal settlements and overcrowded backyards.

By working together, planning ahead, making public land available, and investing in appropriate infrastructure, the different spheres of government could also start reshaping the fragmented form of the apartheid city. More compact and connected cities would create more efficient, inclusive and liveable places, with positive outcomes for economic prosperity and human development.

A pro-active urban policy is a highly practical and uncontroversial way of reducing poverty and inequality. It poses little threat to vested interests or entrenched power structures. Of course, it is no panacea for some of the deep-seated structural problems facing the country. It is also not a substitute

for a more concerted policy of rural development. Yet it could play a valuable part in a broader national strategy for economic development and social transformation.

There is a variety of potential reforms to the policy and regulatory environment that could help to bridge spatial divides and reduce the bottlenecks hampering more effective urban development. Key objects of attention include national housing and transport programmes, environmental regulations, land-use planning procedures and building regulations.

1. First and foremost, there is a need for greater coherence across key sectoral policies, particularly to support (i) well-located affordable housing, and (ii) upgrading of informal settlements. Too many government departments and entities act in isolation of one other, which inhibits integrated and inclusive urban development.

2. Second, the capabilities and resources of municipalities need to be strengthened, both to coordinate urban investment and to engage more effectively with the private sector and civil society. For example, the commuter rail networks in most cities are on the verge of collapse, yet municipalities are powerless to do anything. Effective public transport is vital for improving access to opportunities and to capitalise on the potential for dense, mixed-use projects and inclusionary housing schemes around stations.

3. Several regulatory frameworks need to be fine-tuned to target the greatest risks more precisely and to reduce compliance costs where the risks of harm are lower. This applies particularly to the procedures related to environmental impact assessments and water use licences, which cause excessive delays to urban development and house building.

4. Regulatory procedures for three related issues need to be aligned and integrated into a single approval system – environmental, water and planning authorisations. They currently overlap and duplicate each other unnecessarily, causing prolonged approval procedures.

5. Several regulations need to be simplified and streamlined because of the costly burden they place on enterprise, investment and development. They include building regulations and business registration.

6. The Spatial Planning and Land-Use Management Act should allow for greater flexibility so that decision-makers can be more responsive to diverse realities on the ground. SPLUMA (Spatial Planning and Land Use Management Act) environmental impact assessment procedures and water use licences also need to allow for exemptions or fast-track arrangements in urgent situations, such as informal settlement upgrading.

7. Government systems and mindsets also need to be progressively shifted from a compliance culture and a bureaucratic, punitive approach towards a smarter, more pro-active, problem-solving approach based on empowering local government and front-line staff. This would help committed officials to experiment and develop more creative approaches to affordable housing and settlement upgrading.

For more information on the Mandela Initiative: