



DEPARTMENT: RURAL DEVELOPMENT & LAND REFORM

# South African Human Settlements 2030 – Re-thinking Spatial Development Trajectory

## How do we overcome the Urban/Rural Dichotomy?

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# Outline

- **Spatial Configuration: Urban vs Rural**
- **Spatial Assumptions**
- **Post Apartheid Governance**
- **Rural & Urban: Contrast**
- **Rural Space Economy**
- **Integrating Rural & Urban spaces: Dynamics**
- **Rural vs Urban: Principles for spatial integration**
- **Rural vs Urban: Spatial Integration**
- **Concluding remarks: Win-Win**



# Spatial Configuration: Urban vs Rural

**Pre-Apartheid Space**

**Poverty in Space**

**People and Place**

**Tenure/Traditional leadership/Bantustan/Rural**

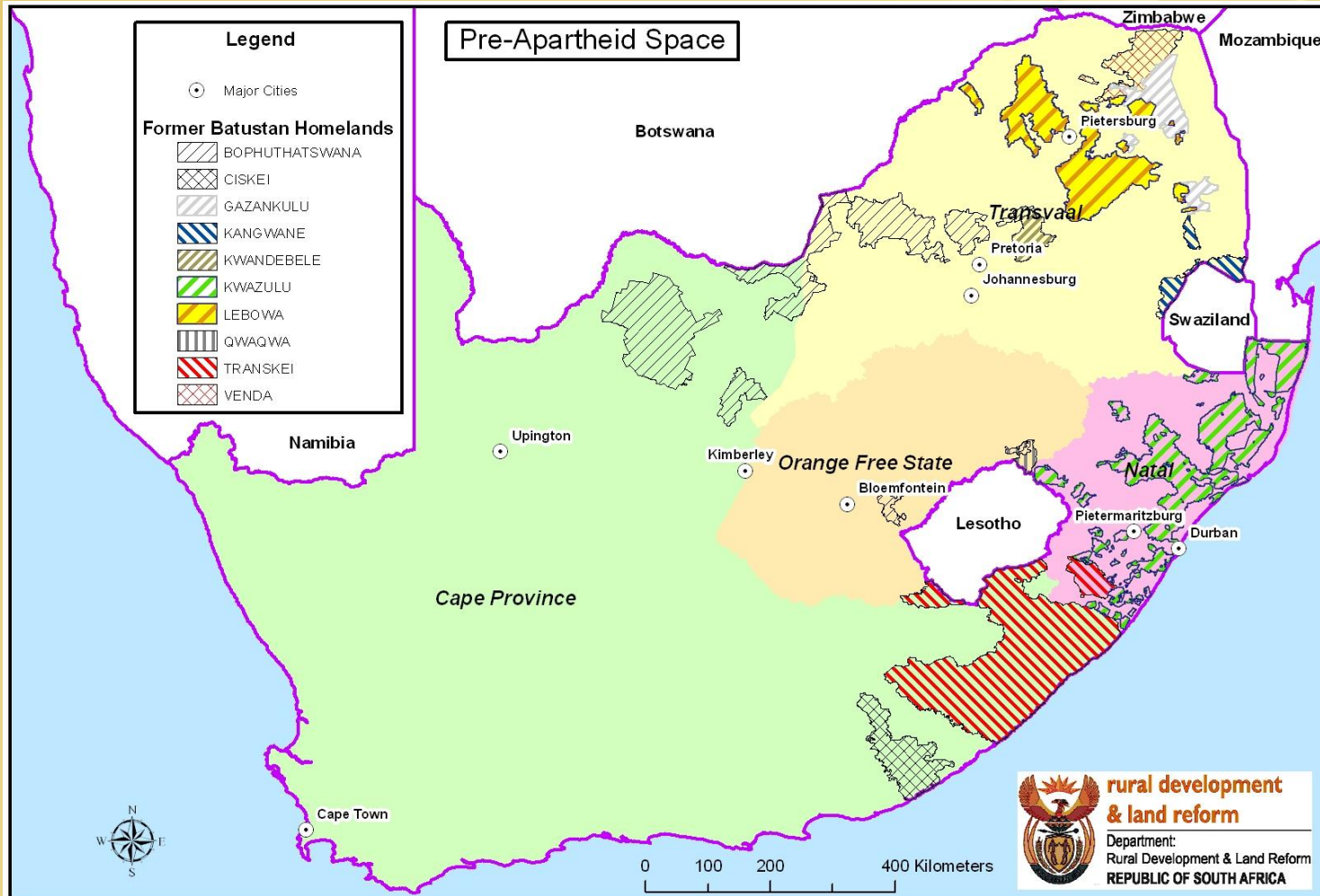
**Typology of Settlements**

**Settlement Growth Patterns (Urban)**

**Spending Patterns**



# Pre-Apartheid space



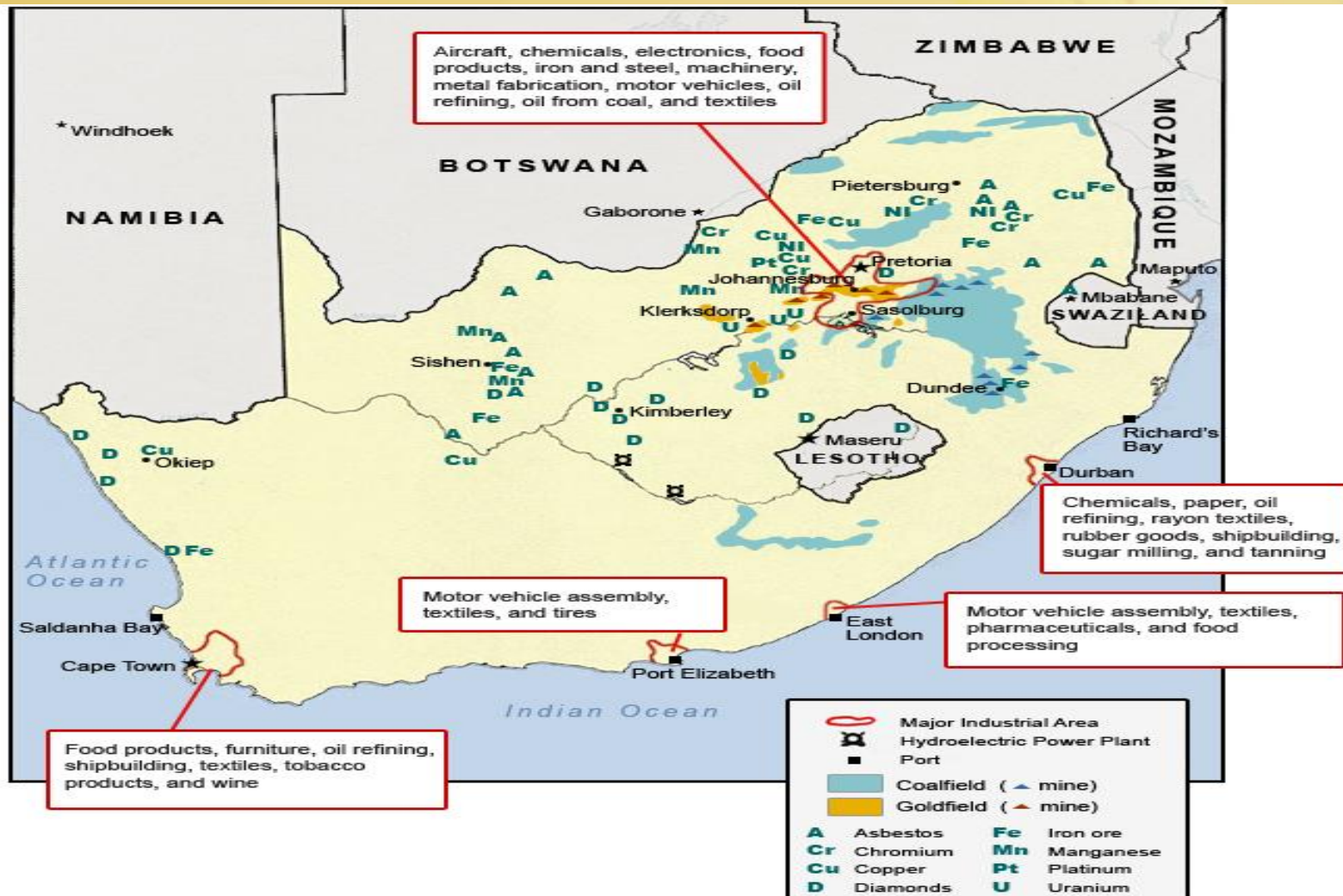
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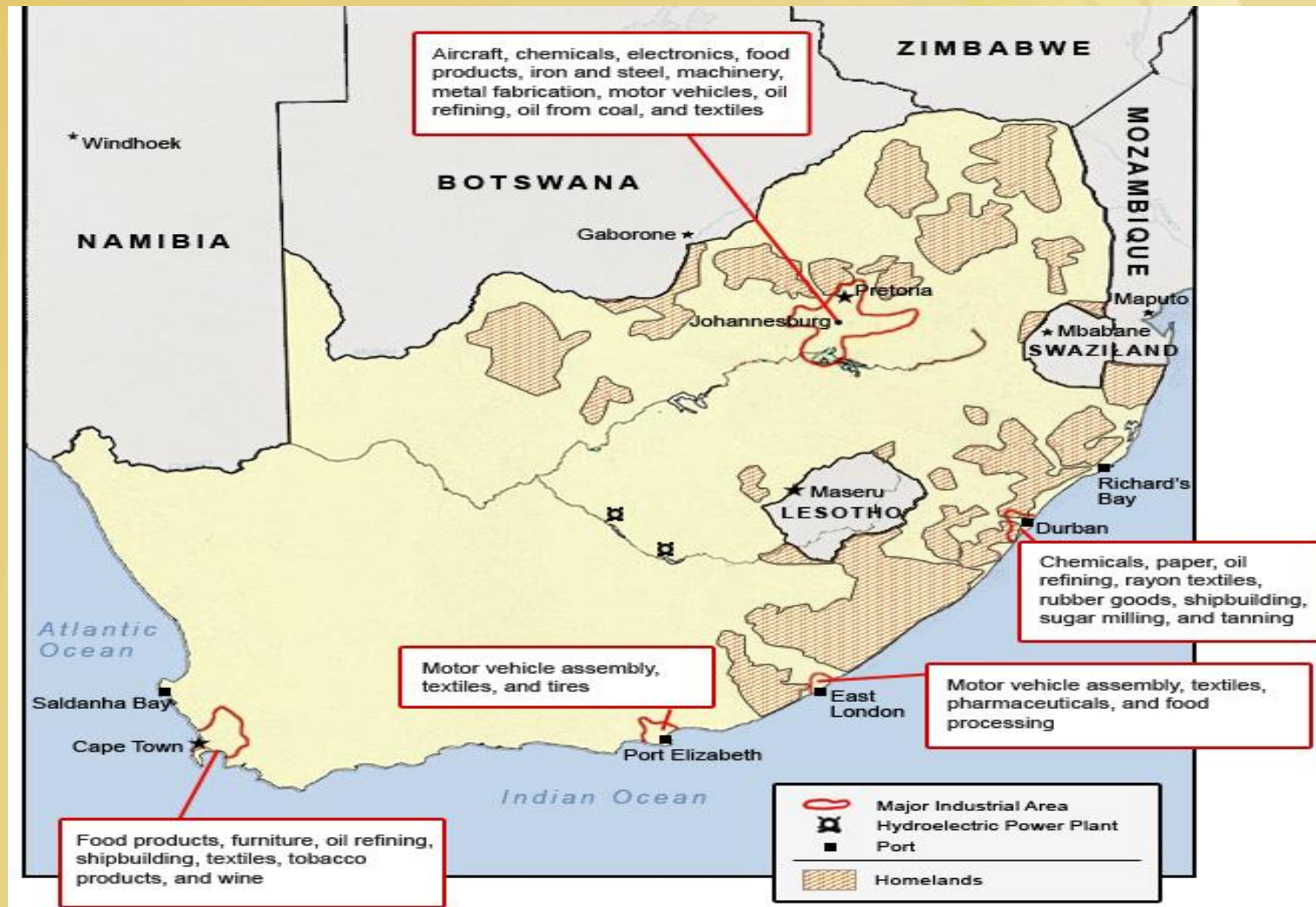


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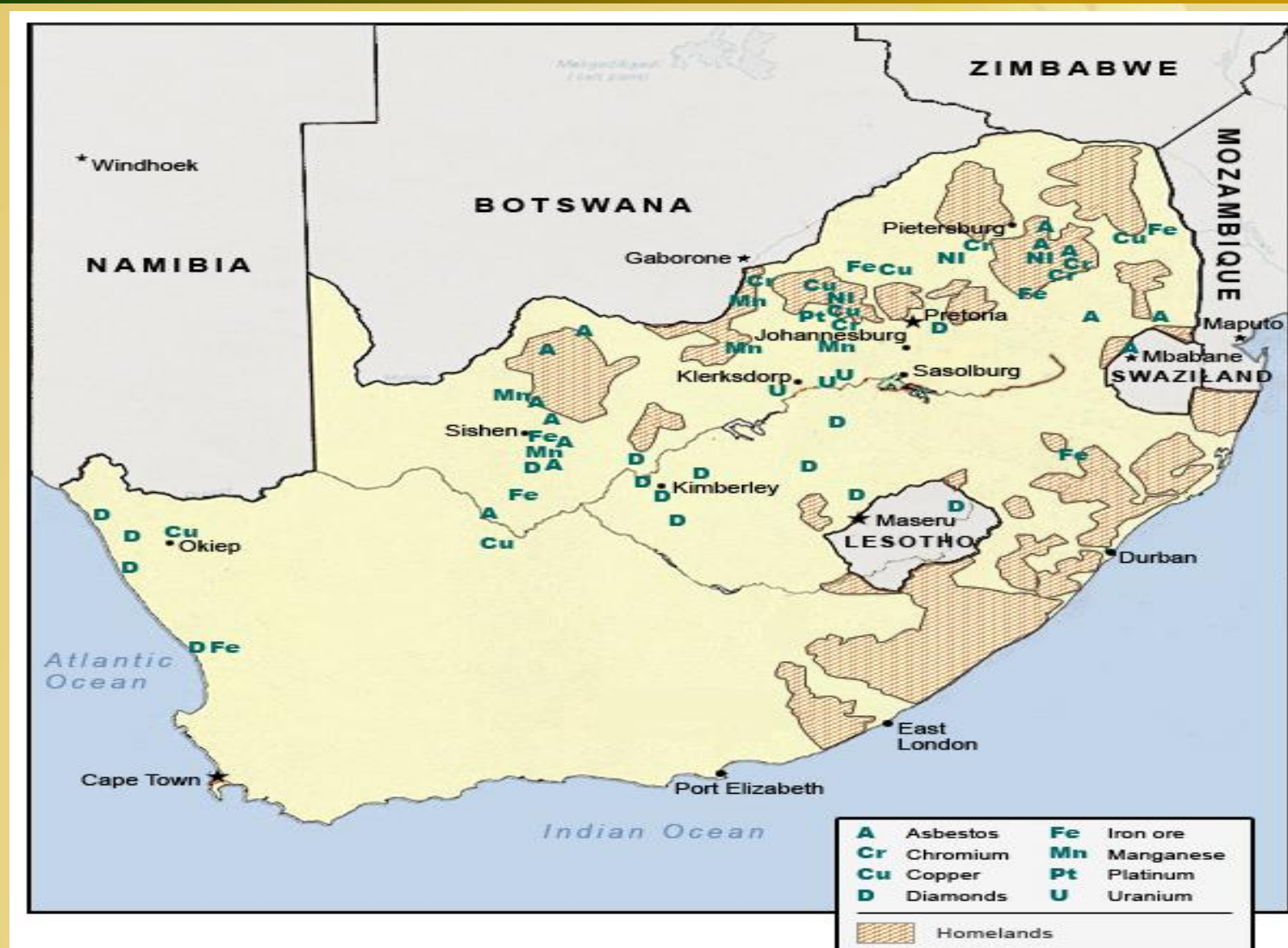
# Industry & Mining



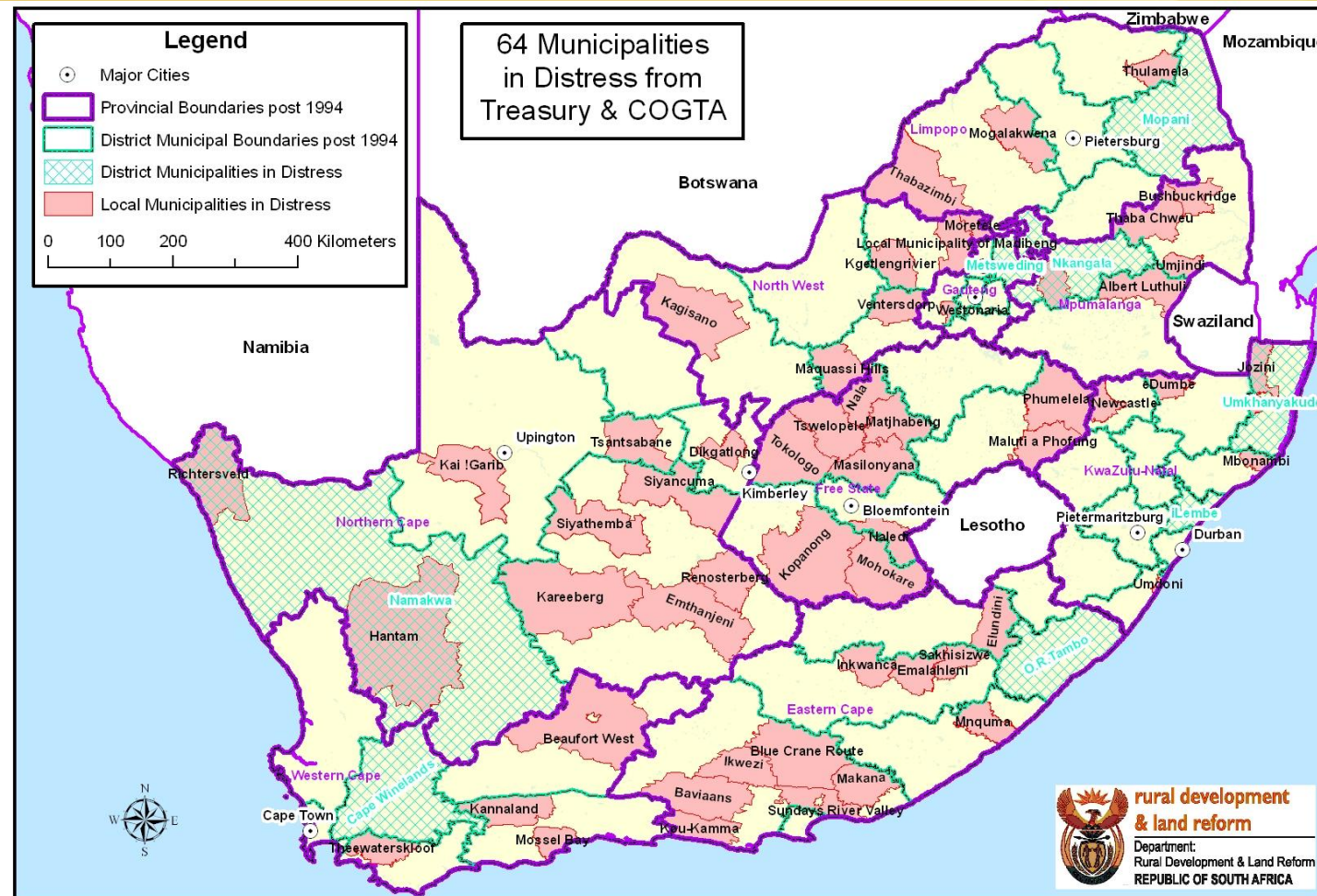
# Industry & Ports



# Minerals



# Municipalities in Distress





# Rural-Urban Linkages

- Rural–urban linkages include flows of agricultural and other commodities from rural based producers to urban markets, both for local consumers and for forwarding to regional, national and international markets; and, in the opposite direction, flows of manufactured and imported goods from urban centres to rural settlements.
- They also include flows of people moving between rural and urban settlements, either commuting on a regular basis, for occasional visits to urban-based services and administrative centres, or migrating temporarily or permanently



# Rural-Urban Linkages

- They include backward and forward linkages between agriculture and manufacturing and services, such as production inputs and the processing of agricultural raw materials.
- Overall, synergy between agricultural production and urban-based enterprises is often key to the development of more vibrant local economies and, on a wider level, to less unequal and more 'pro-poor' regional economic growth.
- Decreasing incomes from farming, especially for small-scale producers who, because of lack of land, water or capital, are unable to intensify production and switch to higher value crops, mean that growing numbers of rural residents engage in non-farm activities that are often located in urban centres.
- As households took over responsibility for farming, production levels increased and, in high-potential regions, this contributed to a decline in rural poverty and to increased demand for non-agricultural goods; at the same time, however, land scarcity gave rise to unprecedented migration to small and large urban centres.

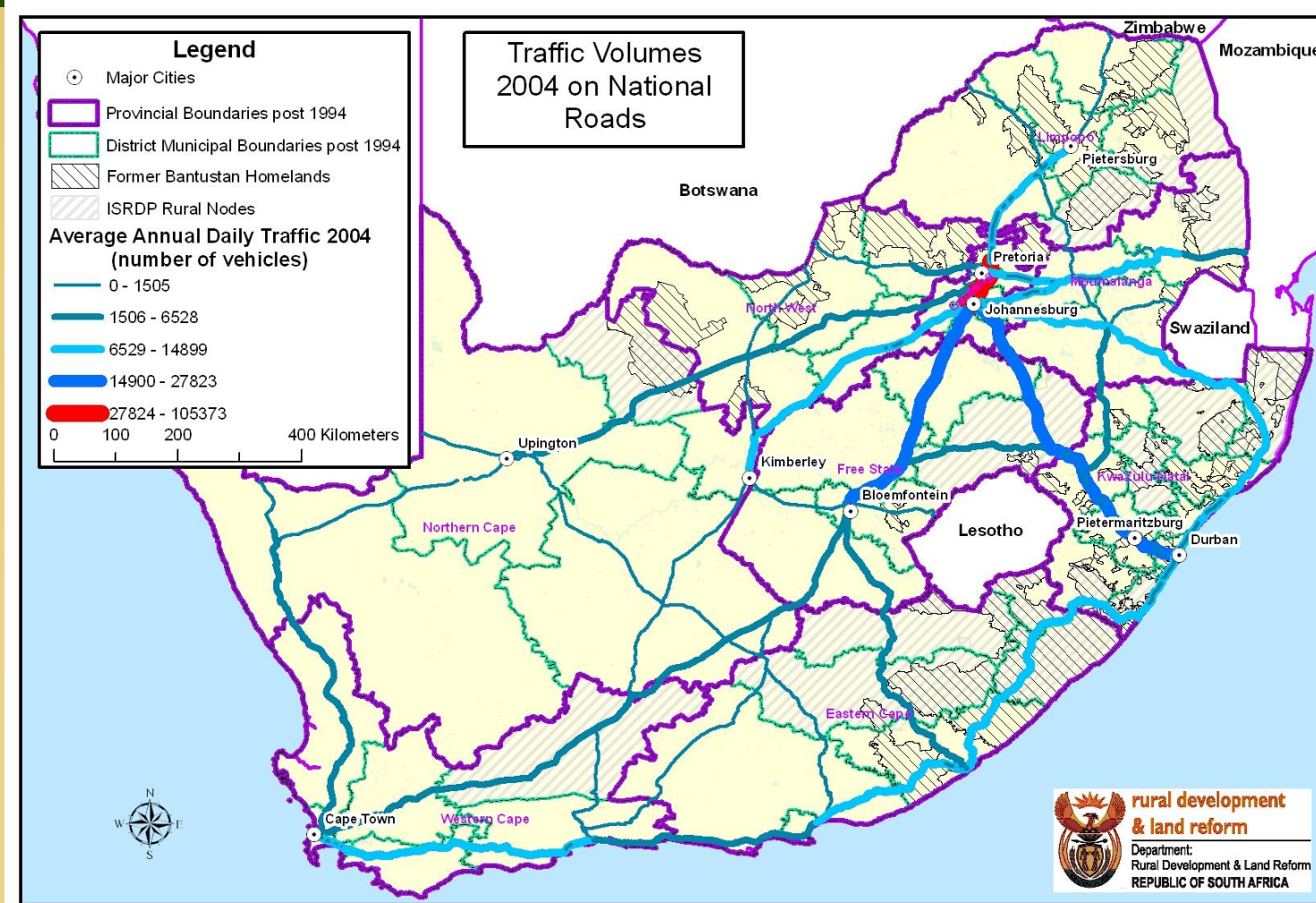


# Mobility and Migration

- Access to affordable transport expands the opportunities to find employment or to engage in income-generating activities through commuting.
- When mobility is constrained, as in the case of isolated settlements poorly served by road networks and transport facilities, migration is more likely to occur, although this may also be the case for well-served settlements in economically stagnating areas offering limited income opportunities.
- Since rural to urban migration is fastest where economic growth is highest - as migrants tend to move to places where they are likely to find employment opportunities - it is not in reality as problematic as it is made out to be.
- For example, secondary urban centres, especially in Latin America, have recently attracted new investment and industries which would have previously been directed to large cities. As a consequence, they have also increased their role as migration destinations.



# Average Daily Traffic Volume

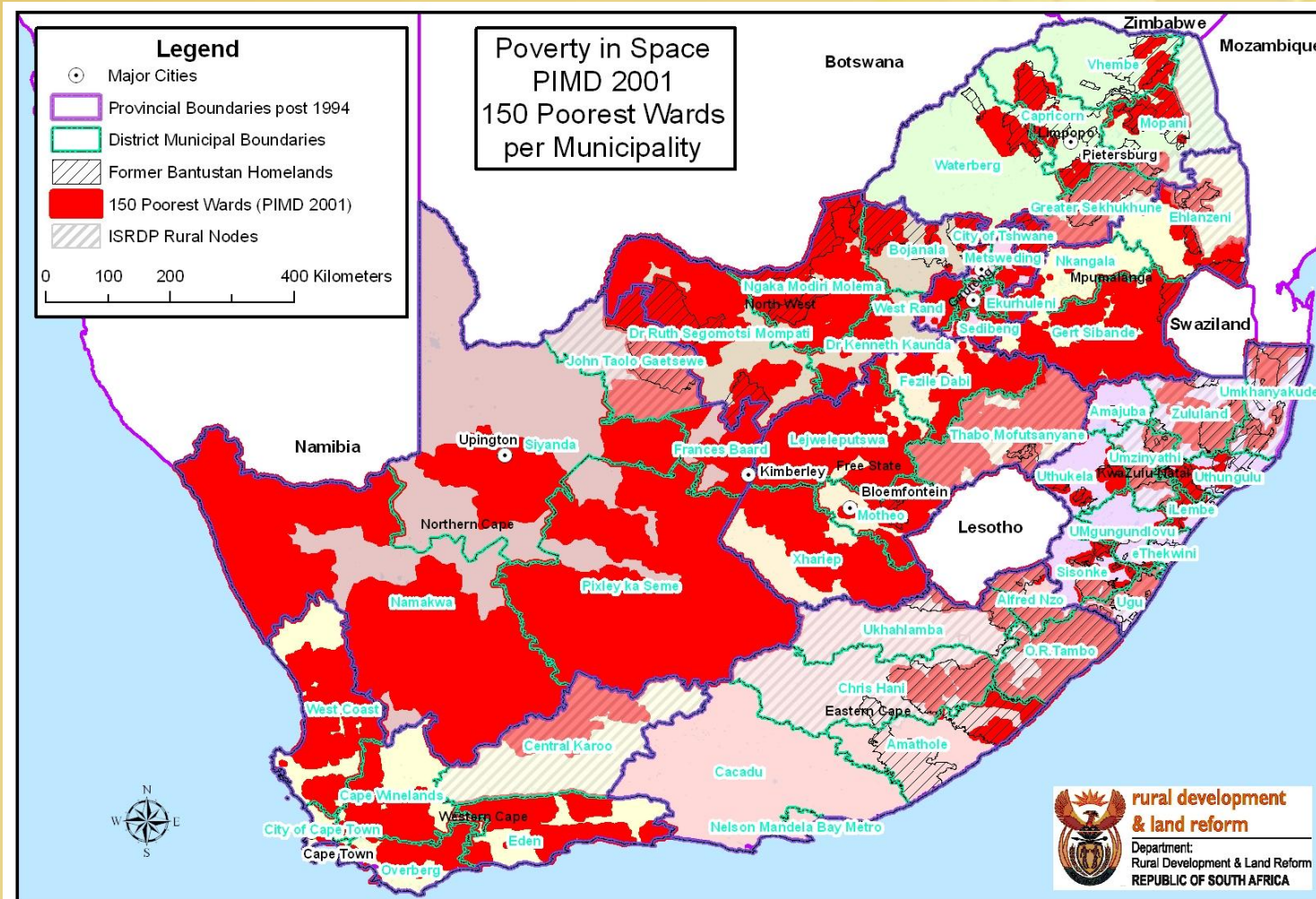


# Local government support

- **At the local level**, the nature and scope of rural–urban interactions is influenced by several factors, ranging from geographical and demographic characteristics (including the nature of agricultural land, population density and distribution patterns
- to farming systems (based on land tenure and access to natural resources) to the availability of roads and transport networks linking local settlements to a number of urban centres where markets and services are located.
- Local governments, whose role in many nations has dramatically increased, at least in theory, with decentralization, can play an important role in supporting positive rural–urban linkages.

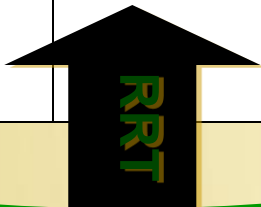


# Poverty in Space



# Urban rural linkages proposed connection model

Low order (rural areas)	Middle order (rural towns)	Peri-urban	Urban cities
Villages and hamlets	Rural but with services points	Mixed holding	Urbanized and developed
Lack basic services	Have basic services and connection to tarred roads	Within reasonable distance to an urban node	Congestion and inner city poverty on the periphery
<ul style="list-style-type: none"> <li>• Profiling for CRDP and other rural development initiatives</li> <li>• Land tenure</li> <li>• Socio economic challenges addressed</li> <li>• Natural resources social mobilization</li> </ul>	<ul style="list-style-type: none"> <li>• Revitalization</li> <li>• Rural transport</li> <li>• Crafting and supporting new towns</li> </ul>	<ul style="list-style-type: none"> <li>• Development of Agri villages and processing units</li> <li>• Diversify the economy</li> </ul>	<ul style="list-style-type: none"> <li>• Human settlement (BNG)</li> <li>• other</li> </ul>



DRAFT SOLUTIONS

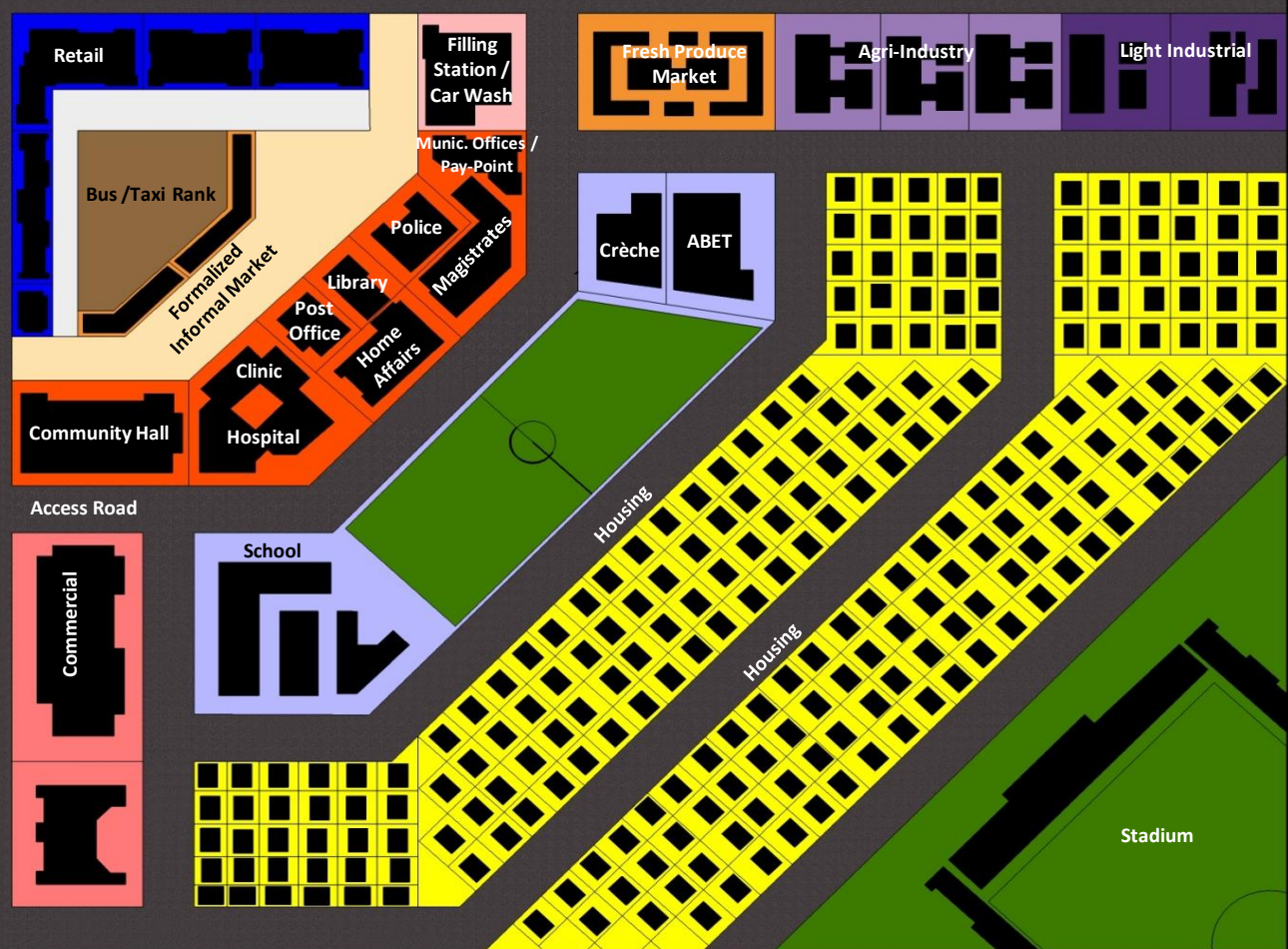
Urban migration



# Potential Nodal Development Approach

SHORT-TERM

Local Road



MEDIUM-TERM

LONG-TERM



# Rural Towns: Growth Analysis

- GIS – Selected 68 towns across South Africa
- Used SPOT 5 2006 , 2008 and 2009 satellite imagery
- Checked for RDP housing developments & informal growth
- Identified growth from satellite imagery
- Spatial data compiled from study

Results shown on map on next slide...





# Spatial Assumptions

**Assumptions underlying Spatial Perspectives & Spatial Development Policies**  
*(facilitating economic growth, job creation by promoting investment in internationally competitive industries, poor and rational choices, people and places, etc may unwittingly underrate the legacy issues in South Africa)*

**Relationship between migration and urban space** *(effects – urban sprawl, informal settlements, urban poor, incapacity of the State to meet demands, etc)*

**Urban bias in economic & planning literature** *(not unsupported by statistical evidence, urban areas projected as central to national economic transformation, World Bank since 1999 through 2003 and today in the World Development Report championing cities as “engines of growth”, directing attention to sustainable urban development, and “getting the best from the cities” all have profound effects on policy makers and policy choices.)*



# Post-Apartheid Governance



**Municipalities & Provinces in Space**  
**Correlation of Politics with Space Economy**



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## Rural & Urban: Contrast

Rural	Urban
Agriculture often the dominant, and sometimes the exclusive rural economic sector. Agriculture and other natural resource based activities provide the basis for many livelihoods.	Service and Industrial Production based economies with global stake provides propulsion for diverse range of livelihoods.
The opportunities for the exploitation of other resources are limited.	More diverse opportunities for growth and expansion through fluctuating global practices of production and exchange.
High levels of poverty. Incomes are constrained because the rural economy is not sufficiently vibrant to provide people with remunerative jobs or self-employment opportunities.	Unsustainably High level of disparity in earning capacity between high income and low income citizens. Disparity fuels segregative spatial practices. Manifests spatially as palatial enclaves and squalor filled informal settlements. 'Cities of Gold and Townships of Coal' as termed by Prof. Patrick Bond
Rural poverty is partly exacerbated by the legacy of autocracy, nepotism and corruption in service provision and decision making over development issues.	Corruption, nepotism, and autocracy is also prevalent in urban centres, however structures of these practices are not as embedded and are required to act in a system that is requiring increased accountability due to persecution from Media and other public watchdogs.



## Rural & Urban: Contrast

Rural towns are diverse, however, with concentrations of poverty and relative prosperity. Not all rural people are poor.	Cities are notably diverse, culturally but increasingly on grounds of income. The disparity and increase in the gap between rich and poor urban citizens remains the largest contributor to the lack of social and spatial integration.
Labour largely supported large farm developments leading to displacing rural people into poverty in marginal areas.	Labour to services and industries in South African cities has a history embedded with displacement, disenfranchising and migration from rural areas.
The rural manufacturing base is weak due to poorly developed infrastructure.	Urban Centres are increasingly becoming homogenic bases due to practices of globalisation. Idealistic value of service based economies coupled with increased mobility of capital and goods has seen more reliance of imports and outsourced manufacturing.
Most rural municipalities have little or no tax base and weak human capacity.	Cities house a larger population of regularised income earners, and hence extract larger tax revenue from this base. However the distribution of this income between different sects of a city's society is far from equal.
Today, the challenges of integrating rural South Africa with the urban are the consequences of the legacy of the former homeland system, i.e. one of enduring planned and deliberate poverty creation, as well as inadequacies of post 1994 policy responses	



# Rural Space Economy

- In the former homelands, 61% of households survived on less than the international poverty line of USD2/day, or about R1600 a month for the average household of four. In the commercial farming regions, the figure was 45% & In the urban areas, 38%

Less than 1 in 3 working-age adults in the former Homeland regions said they had income-earning employment in 2007, compared to just under half of those in the rest of the country. (Int'l norm, according to the ILO, is almost two thirds).

- Even if rural people have gainful employment, their incomes tend to be very low. In the former homelands and commercial farming regions in 2008, half of the employed people earned under R1000 a month, compared to a fifth in the major urban areas.
- In 2008, 58% of farm workers in the formal sector earned under R1000 a month, compared to just 10% of workers in the rest of the formal sector.
- Low incomes + low employment levels of employment = rural households heavily dependent on government grants and remittances by family members.  
In 2007 over half of households in the former homelands said they relied primarily on government grants or remittances to survive. That compares with under a quarter of households in the rest of the country.

(Makgetla 2010)



# Integrating Rural & Urban Spaces: Dynamics

- Limited impact of land reform (tenure, redistribution and restitution) in relation to liberalisation of land markets
- Structure of the SA Economy – Virtual monopolies/oligopoly & Market Access. Both the rate of growth and pattern of growth matter to poverty and inequality
- Composition of growth process matter to inequality (Aggregate GDP tells us less about inequality, personal income does more) Good and bad inequality – Inequality of opportunity, income equality without social infrastructure – additional costs.
- Substantial increase in rural infrastructure, targeted transfer schemes unbridled Migration & the carrying capacity of the Urban Space (the pull & push factor) Rate of inequality generally faster in rural than in urban in most countries except perhaps in China





# Rural vs Urban: Principles for Spatial Integration

- Spatial variation in distribution of economic activities and levels of socio-economic development have implications for development planning and policy formulation. Recognizing the great diversity of rural situations. Respond to past and future changes in rural areas. Be consistent with wider poverty reduction and decentralization policy
- Make the case for the productive sectors in rural development, as a strategy both to maximize growth and to reduce poverty
- Providing public goods for agriculture
- Turning consumption subsidies into production subsidies;
- Boosting the non-farm sector
- Promoting democratic deepening in rural areas
- Finding ways to support poor people trapped in conflict
- Applying new thinking about poverty reduction in rural areas and, Better access to developed markets.



# Rural vs Urban: Spatial Integration

- GIS – Mapping & Evaluation of Inequalities in Levels of socio-economic levels for decision making & interventions (SDFs)
- South Africa's geographical patterns of fixed economic investment have been configured and reconfigured by political and economic forces, in combination with the allocation of natural resource endowments
- Policy Trade-offs
- Capacity of municipalities
- Rural Infrastructure Development
- Planning Tools (SDF, LUMS, GIS, IDP,)
- Spatial Vision (beyond the urban & rural divide)  
Funding Models (MIG, Neighbourhood Grants, Target programmes)
- CRDP – Agrarian Transformation, Rural Development & Land Reform
- Labour-intensive opportunities
- Revitalisation of Rural Towns;
- National Industrial Policy Framework



# Win-Win

- Poverty falling faster without increase in inequality
- Changing the Spatial Structure of Economic Growth Spatial Equity
- Resolving the duality of the “apartheid city” and the “homelands” and associated governance are important in addressing legacy issues
- Recognition of differential strategies recognising settlement types
- Models of Planning to take cognisance of former homelands and their unique land use management system
- National Fiscal Transfers to the municipal sphere
- National Choice should be higher focus more on labour-absorbing economic opportunities in Rural Areas as opposed to rate of returns on economic investments

