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Unlocking the Potential of Cities as Drivers of Growth

A Conference Policy Brief

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Cities as Potential Drivers of Economic Growth and Prosperity Conference

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Disclaimer: The views expressed in this conference brief do not necessarily reflect those of Economic Research Southern Africa (ERSA). This brief aims to accurately translate and summarise key insights from the conference, including research presentations, panel discussions, the keynote address, and informal interviews conducted throughout the event. While every effort has been made to ensure the accuracy of the information presented, ERSA accepts no liability for any errors, omissions, or opinions contained herein. For first-hand information, YouTube video links to the conference proceedings are provided throughout.

1 Introduction

This policy brief is based on papers and discussions from the "The Role of Cities as Potential Drivers of Economic Growth and Prosperity" Conference convened by Economic Research Southern Africa (ERSA) in Muldersdrift, Gauteng, from 31 October to 1 November 2024 in collaboration with the Human Sciences Research Council (HSRC); Spatial Economic Activity Data – South Africa (SEAD-SA); and the University of the Free State (UFS),.

The conference consisted of twelve presentations by researchers working on urban economic research and three panel discussions. In addition, Professor Ivan Turok, South African National Research Foundation Research Chair in City-Region Economies, delivered a keynote address.

This brief presents a narrative based on conference presentations and discussions related to a key theme of the conference: the potential of cities to drive economic growth.

Each subsection focuses on a specific presentation or panel discussion, emphasising the importance of cities as drivers of growth while exploring strategies to leverage their unique characteristics effectively. This brief does not offer new interpretations but rather synthesises the valuable contributions of conference participants. Each subsection includes a link to a video of the corresponding presentation and/or panel discussion, enabling readers to delve deeper into specific topics directly from the source.

The brief begins with an overview of the theoretical foundations that highlight the unique role cities play in driving economic growth, drawing extensively from the keynote address by Prof. Turok. It then transitions to an analysis of presentations that examined the actual economic performance of cities, exploring both achievements and areas for improvement. The discussion further considers the key barriers hindering enhanced performance. The brief concludes with a summary of key findings and actionable recommendations for unlocking the full economic potential of cities.

2 CITIES AS PLACES OF GROWTH AND PROSPERITY

2.1 Agglomeration, connectivity and spatial form

Ivan Turok and Justin Visagie, "Cities, productivity and jobs in South Africa: Problems and potential", Discussion Document 12, May 2023, ERSA, accessed at https://econrsa.org/publications/cities-productivity-and-jobs-in-sa-problems-and-potential/

YouTube link to keynote address from Ivan Turok.

Theories of cities as catalysts of growth emphasise the importance of size, connectivity and spatial form as economic drivers. Size matters under the theory of agglomeration, which proposes that large labour pools and markets produce economies of scale and useful variety in terms of inputs and outputs, which, in turn, leads to greater productivity and growth. Productivity is also boosted through connectivity, which is fostered through density that facilitates close encounters and the exchange of high-level information and tacit knowledge, and through external connections as part of a wider system of trade in goods, services and human capital. Meanwhile, an appropriate urban form is crucial to the effective circulation of people, goods, materials and information.

The relative importance of the sheer size of cities and their character – for example, in terms of their industrial sector – is a matter of some debate in the literature. Some scholars emphasise the importance of scale, arguing that "the bigger, the better", noting that the largest cities can accommodate well-connected airports, reputable universities, significant museums, and corporate headquarters. This implies that such cities deserve special government support because of their unique contribution to economic growth. The economists who place emphasis on the scale in their analysis of "urbanisation economies" highlight the value of shared public utilities, transport infrastructure, logistics facilities, and generic business services – and how the provision of such common resources, as well as the extent of the market opportunities on offer, can incubate new firms.

Other scholars focus on the character of cities, including their industrial composition, the size of local firms and the agility of institutions, suggesting that smaller cities that specialise in advanced sectors or foster new business formation may be more dynamic and prosperous than large cities with a more diffuse character. The proponents of this view advocate for "localisation economies" that offer specialised services, knowledge spillovers among firms, and pools of highly skilled labour.

In addition, an efficient urban form that ensures density and proximity among economic actors through appropriate development of land is crucial for the realisation of agglomeration economies. Such a form promotes connectivity, matches inputs with outputs and fosters an integrated labour market with abundant choices available to firms and workers. In this regard, the fractured form of South African cities is a source of economic underperformance as well as of social inequality.

2.2 Government efforts to support urban economic growth

Panel discussion on the topic of "Cities are the best hope for turning SA around: What are the priorities?" held as part of the Cities Conference convened by ERSA. YouTube link.

About 60% of formal GDP and almost 65% of formal employment are concentrated in the eight metropolitan municipalities, although only about 40% of the population lives in these places. In addition, about 30% of those living in the cities have a job compared with only 5% and 10% of those living in rural areas and towns, respectively. Broadly, cities create opportunities to progress – in terms of education provision, a place on the housing ladder, enterprise creation, transport and employment opportunities, and guarantees of security and safety. Accordingly, policies for urban economic development must be framed in the context of a holistic commitment to social progress.

However, municipal authorities in South Africa, which are charged with establishing appropriate infrastructure and coordinating the development of land to ensure the smooth functioning of cities, contend with significant obstacles in their drive to promote inclusive economic growth. These include high levels of informality, including in relation to property rights; major governance challenges caused by inadequate capacity and the politics of welfare and patronage; and consumption- rather than production-based urban economies in cities.

In this context, insufficient economic development has deprived municipalities of the revenues they require to pay for the infrastructure and service provision that, in turn, can foster growth. In a context in which only 10% of municipal revenues is provided by the national government, the virtuous circle between increased prosperity and improved infrastructure that underpins urban economic development has broken.

A number of national initiatives have been launched to address shortfalls in bulk infrastructure and the challenge of inequitable service provision. The City Support Programme (CSP) at the National Treasury has launched a metro trading services reform project to address a decline in the provision of electricity, water, sanitation and waste-disposal services, which has led to mounting operational inefficiencies, falling revenues, and progressively less investment in the sector. The project offers municipalities performance-based financial incentives to improve their delivery of these services. In addition, the national government has launched Operation Vulindlela with the aim of modernising network industries, including electricity, water, transport and digital communications. There has also been significant collaboration among national government departments in support of an initiative to equip planners and scholars with spatial economic data so that they can better understand the nature and scale of economic activity at the local level in municipalities.

At the same time, policymakers have largely failed to produce integrated economic plans that foster the complementary place-based economic strengths of South African cities. Instead, pessimism at the national level about the role of cities in development finds expression in a focus on catering to rural needs and a drive to establish entirely new “smart” cities in Gauteng and the Eastern Cape.

In addition, the national government has burdened South African municipal authorities with onerous accountability structures, as well as sectoral policies and administrative structures that have promoted spatially fragmented economies. For example, municipal authorities are excluded from the operation of local ports. They also struggle to manage vast, dense dormitory settlements on the urban edge, which were established under disconnected housing policies and through informal back-yarding.

3 DRIVERS OF URBAN GROWTH: MIGRATION, NEW FIRMS AND EMPLOYMENT

3.1 Inter-urban migration – benefits and challenges

Takudzwa Mutize and Justin Visagie, "Does moving between cities pay off? Economic outcomes for South Africa's skilled intercity migrants", paper presented at the Cities Conference. YouTube link.

Cities are magnets for job seekers, offering a greater quantity, diversity and quality of jobs compared with smaller towns or rural areas. In this context, Mutize and Visagie deployed data from National Income Dynamics Study surveys conducted from 2008 to 2017 to interrogate the economic outcomes for those who moved across urban areas compared with the outcomes for those urban residents who did not move.

The research found that there was a higher propensity to migrate among young, single, educated individuals, but that those who moved, regardless of age or skill levels, were more likely to find work and generally earned more than those who stayed put. At the same time, it was found that the income gains from inter-urban migration were not necessarily derived from wage increases but rather from improved access to employment. The study further found that smaller urban centres also supported economic mobility and that low-skilled and high-skilled migrants derived similar benefits from moving.

3.2 The birth and death of firms

Justin Visagie, Andrew Nell and Ivan Turok, "The components of business change in South Africa: How jobs get created and lost", paper presented at the Cities Conference. YouTube link.

The conventional wisdom is that the South African economy has been standing still and lacks internal dynamism. It is believed to be dominated by large corporates and long-established industries without much restructuring or rearrangement underway. However, Visagie, Nell and Turok, deploying spatially disaggregated data on income taxes paid by individuals and firms, found that the extent of economic change at the level of firms and jobs across the country has been substantial.

In particular, it found that there has been quite a high rate of business entry and exit (through firm births and deaths and branch openings and closures), with around one-third of establishments experiencing a change each year between 2014 and 2020. In addition, a job reallocation level of about 25% a year indicates a fluid labour market. At the same time, the net impact of the changes in businesses and jobs has been limited because the gross flows tend to cancel each other out.

In terms of place, the metros created but also shed the most jobs, suggesting greater dynamism and competition in the cities. However, the metros performed poorly as incubators for new firm formation and the expansion of existing firms. Small towns appeared to be outperforming more urbanised areas in this regard due to relatively high *in situ* hiring and a relatively large number of firm births. The stand-out sectors for employment growth were wholesale and retail, which generated nearly 40,000 net jobs per annum. However, this sector cannot be considered an engine of economic growth because it is non-tradable and has relatively low productivity and low multiplier effects.

A key question raised by the research concerns why the churn in business activity has not been accompanied by more substantial economic progress and stronger employment growth. In principle, business reorganisation through entry and exit should contribute to higher productivity, economic development and employment growth as less efficient firms and establishments are replaced by newer, more productive operations offering superior products and services. In practice, the evidence shows weak, sluggish employment growth, with the level of joblessness as a function of population growth actually increased steadily from 2014 to 2020. The lack of job creation among large firms – in which employment grew by only

0.3% a year over this period – represents a matter of particular concern, considering that they are responsible for most jobs in the economy (about 61% of the total).

3.3 Employment in South African cities

Kristoff Potgieter, "Insights for South African metros from a decade of formal employment data", paper presented at the Cities Conference. YouTube link.

A comparative study of the country's municipal economies undertaken by Potgieter using spatial tax administrative data for the years 2014 to 2023 raises serious questions about the continuing ability of the largest cities to contribute meaningfully to employment growth. The research indicates that large industrial bases such as Johannesburg and Ekurhuleni performed particularly poorly (although Cape Town performed relatively well). The underperformance of South African cities may come as no surprise. Firms have struggled with limited access to electricity and inadequate port and rail capacity as state-owned monopolies have failed to deliver sufficient services. Under these circumstances, Cape Town led all other metros on formal employment creation by a substantial margin, accounting for 30.5% of national employment growth, with only Tshwane also outperforming in terms of employment creation.

Meanwhile, a gradual decline of real median wages from 2014 to 2023 across all metros left workers poorer, with declines ranging from 31% in Johannesburg to 50% in Buffalo City. This is a matter of great concern since falling real wages not only presage greater individual hardship but also signal reduced labour efficiency, which can impede economic development more broadly. The data further shows that the prospects of those aged 15-34 finding formal employment deteriorated substantially across the country relative to the employment prospects of those in older age groups.

In terms of sector-level growth, Cape Town generally outperformed Johannesburg, including in terms of employment creation – which may best be explained by their contrasting employment patterns rather than any great difference in economic growth. The decline of industrial-sector employment in Gauteng accelerated significantly under the Covid-19 pandemic and during loadshedding in 2022-23, with job losses in finance and information technology (IT) adding to the pain. In addition, growth in public employment in the province outpaced that experienced in the private sector.

By contrast, the Western Cape experienced more balanced employment growth, with the private sector playing a dominant role in job creation. In addition, the municipal government in Cape Town and the provincial government in the Western Cape were more politically stable than those in Gauteng and its metros and were better able to maintain existing infrastructure – thus limiting the deleterious impact of failing state-owned entities and shoring up investor confidence.

4 ADDRESSING THE BARRIERS TO URBAN GROWTH IN SOUTH AFRICA

Challenges faced by municipal planners seeking to promote urban economic growth in South Africa include a historic lack of detailed on-the-ground data about spatial economic development, the inefficient and inequitable spatial legacies of apartheid and patriarchy, and significant gaps in policymaking and implementation at the national and municipal levels.

4.1 Data and evidence-based policymaking

> Panel discussion on the topic of "Cities are the best hope for turning SA around: What are the priorities?" held as part of the Cities Conference. YouTube link
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> Lodewalt Venter, Clive Coetzee and Waldo Krugell, "Surveying South Africa's unconventional data landscape: A rank-size distribution and rank correlation analysis", paper presented at the Cities Conference. YouTube link.
>
> ERSA, "Enhancing data-driven decision-making in urban development", Policy Brief, February 2025.

Officials working on national policies and municipal economic development programmes have noted the absence of an evidence-base sensitive to sub-national economic features and have argued that the lack of detailed and credible spatialised data on the economy allows untested opinions to crowd out actual evidence. National officials have indicated that without accurate data, they cannot counter the strong anti-urban sentiment of influential national and regional politicians or intransigent bureaucrats. Meanwhile, city-level officials who have commissioned surveys of their local economies have noted that the results of these surveys tended to be dismissed by national officials as having little bearing on national choices.

At present, municipal data systems comprise four main types of data: organisational insight data, for example, on levels of water and electricity consumption, which is used to help make the provision of services more efficient; macro data, which may be produced by Statistics South Africa (Stats SA), such as through the census and the quarterly labour force survey (QLFS); survey data produced from municipal research; and administrative or proxy data.

Administrative data are increasingly being used by planners across the world, and developed countries are moving away from censuses because of the availability of alternative information. In South Africa, Venter, Coetzee and Krugell note, such data can derive from a wide range of sources, including vehicle registration information; privately held cellphone usage records; data sets on solar panels; traffic cameras and location technologies, such as TomTom; and remote-sensing data obtained from satellite and other electronic sources which indicate where dwellings are sited. The available administrative data now also includes that produced by Spatial Economic Activity Data – South Africa (SEAD-SA), which, in collaboration with the National Treasury, deploys tax information provided by the South African Revenue Service (SARS), as well as data sets from other government agencies and departments, including the Department of Basic Education and the Department of Home Affairs. A key aim of SEAD-SA is to create a national integrated data lake (IDL). A number of municipalities are already leveraging this and other sources of administrative data to promote evidence-based economic policymaking.

In general, sound data on municipal spatial and sectoral characteristics can foster an understanding of how local economies work and how they may be effectively managed and developed. Information on where people live, and work, local income and consumption levels, where firms are being established or dying, the kinds and levels of employment and joblessness, and transport connectivity provides municipal planners with the evidence required to target the delivery of services and identify the likely economic impacts of proposed land uses.

4.2 Spatial planning

Many low-income households in South African cities are sited in places with limited access to employment opportunities, which hinders economic participation and perpetuates socio-economic disparities. The phenomenon is the legacy of apartheid planning and of a historical disjuncture between transport and land-use planning, which has perpetuated distributional inefficiencies and placed far-flung poor households at a disadvantage.

Transport and local labour markets

> Jacomien Van Der Merwe, Kerry Papps, Tom de Jong and Megan Bruwer, "Local labour markets and commuting times", paper presented at the Cities Conference. YouTube link.
>
> Carolyn Chisadza, Matthew Clance, Nicky Nicholls and Tendai Zawaira, "Gender and public transport systems: Evidence from South Africa", paper presented at the Cities Conference. YouTube link.

As the public transport infrastructure in South Africa struggles to meet the needs of a growing urban population, including low-income workers who live far from employment hubs, it is important to understand how increasing commute times may be affecting wages and employment dynamics. In this regard, van der Merwe, Papps, de Jong and Bruwer found that employees in Cape Town took 4.5 minutes longer to reach work during rush hour in 2020 than they had in 2014. They further found that median incomes rose by 2.6% for every one minute, which added to average commuting times, although the extra travel time had little impact on overall employment levels. This suggests that, while the longer trip barely affected the demand for labour, it impacted the supply of labour, with workers being paid more for longer commutes.

The study also found substantial variation across industries and in relation to income levels and genders. For example, while a one-minute increase in average commute times was accompanied by more employment in the manufacturing sector, it led to a 4.15% drop in employment in the retail sector, as well as a 2.3% increase in median income in this sector. In other words, the retail industry provided compensation for longer commutes but was also characterised by relatively elastic demand for labour.

In terms of income levels, it was found that increased commuting times were associated with a reduction in employment levels for those earning between R3,200 and R12,800 a month but a growth in employment levels for those earning between R12,800 and R25,600 – exacerbating inequality and indicating the conundrum faced by poorly paid workers unable to compensate for longer, pricier commutes by taking a less costly form of transport or by moving closer to work or to a cheaper area.

In terms of gender, the study found that male workers were more likely to receive wage compensation for longer commutes, while female workers were less compensated and faced reduced employment opportunities, indicating a relatively strong wage bargaining power for males. This finding aligns with those of a recent study conducted by Chisadza, Clance, Nicholls and Zawaira which surveyed how concerns around safety and affordability shaped women's and men's choices and use of transport. This research indicated that women were much more constrained in their choice of modes of transport and travel times. In particular, they avoided morning and afternoon rush hours, as well as modes of transport with high relative risks of harassment. In addition, a significant number of them described shifting away from using taxis because of their unaffordability. The study further found that women were more likely than men to assert that harassment while travelling was tolerated due to a systemic failure and cultural factors, indicating a sense of powerlessness among the women who were surveyed.

Land use and access to jobs

Jacomien Van Der Merwe, Stephan Krygsman and Tom de Jong, "Measuring accessibility for jobs for land use policies within urban areas: A City of Cape Town case study", paper presented at the Cities Conference. YouTube link.

Another study by van der Merwe, this time with Krygsman and de Jong, identified the employment-access benefits that may be produced for local people earning under R6,400 a month by building a new affordable housing development on unused military land at Wingfield in Cape Town. It was found that, in general, the accessibility to job opportunities for residents living relatively close to the central business district (CBD) in areas such as Wingfield was far greater than for those living in more far-flung places such as Khayelitsha. For example, at the height of the morning rush hour in 2020, a commute of 30 minutes or less would only allow residents of Khayelitsha access to under 20% of all jobs, while those living in Wingfield would have access to more than 70% of jobs.

The data confirmed the benefits that may be derived from releasing the land in Wingfield as a strategy to increase access to economic opportunities. It was further found that the benefits for those earning under R6,400 a month would be significantly greater if a relatively high-density settlement were established there – and even greater should the development include corresponding transport improvements to offset the negative impact of the higher density on congestion.

4.3 Gaps and coherence in spatial economic policymaking

National policymaking on the economic role of cities

Glen Robbins, "Cities in South Africa's post-apartheid national economic policy frameworks", paper presented at the Cities Conference. YouTube link.

Despite growing discursive acknowledgement of the importance of the spatial dimension of growth, Robbins, in a review of South Africa's post-apartheid economic policy frameworks, found that national economic policies have generally failed to integrate an urban dimension. After the introduction of democracy in 1994, three main categories of spatial policies emerged in the policy discourse: spatial rebalancing, which sought to use state-directed investment to narrow the prosperity gap between regions and reduce unemployment in poorer areas; space-neutral public efforts shaped by urbanisation patterns and market investment trends; and place-based policies encouraging regions or localities to develop their unique capabilities.

The first of the three policies has tended to dominate, with the national government responding to spatial inequalities by skewing social spending towards marginalised communities in rural areas. For example, the Integrated Manufacturing Strategy (IMS) issued by the Department of Trade and Industry (DTI) in 2002-2003 bemoaned "the [continuing economic] dominance of metropoles". By contrast with such cynicism about the economic role of cities, the National Spatial Development Perspective (NSDP) produced in 2006 asserted the economic importance of the country's 26 urban regions and their hinterlands and the need for policies "to seek out new areas of comparative advantage and identify and develop clusters of specialisation" in these "economic spaces".

However, the NSDP's focus on the urban dimensions of the economy was not championed by government leaders, and subsequent national policies produced by the DTI argued that the priority for national economic policy was to promote regional industrialisation *outside* Johannesburg, Cape Town and eThekwini [Durban]. Meanwhile, the establishment of Special Economic Zones (SEZs), which represented perhaps the most explicit spatial intervention of the 2010s, sought to create a "regionally diversified industrial economy by establishing new industrial hubs in underdeveloped regions of the country", according to the DTI; and the bulk of these zones were sited outside the main urban centres.

Subsequently, the National Development Plan 2030 offered little on what urban development may mean for economic policy, leaving the Department of Cooperative Governance and Traditional Affairs (CoGTA) to take up this issue in its 2016 Integrated Urban Development Framework (IUDF), which called for a greater alignment between urban and economic policies.

Industrial policy as a driver of urban economic development

Panel discussion on the topic of "Cities and industrial policy in SA" held as part of the Cities Conference. YouTube link.

National industrial policy as promoted by the Department of Trade, Industry and Competition (DTIC) has generally viewed the economy through a sectoral lens rather than in terms of spatial efforts, transformation or supporting exports. In addition, there has been a lack of coordination in relation to the industrial policy pursued by South Africa at the international, national and municipal levels.

Adopting a piecemeal approach to industrial policy, the national government has, until recently, failed to address fundamental structural constraints to economic growth. For example, it has focussed on promoting small business development through a series of discrete capacity-building programmes rather than ensuring the delivery of the basic services on which the fate of such firms hangs. The fragmented approach has also meant that industrial development zones (IDZs) and SEZs, which have been established near some of the larger cities, have produced disappointingly weak development impacts. To an extent, this may be attributed to the exclusion of municipal officials from the decision-making around the establishment of these zones – with the impact of the SEZ in the Tshwane, where there was significant engagement with the local authority, being the exception that proves the rule.

Practitioner perspectives on urban economic policymaking

In a series of interviews conducted with municipal and national officials, city planners described a lack of meaningful participation in national economic policy forums and a lack of communication from national departments, including the DTI, about economic policies, plans and initiatives. They also noted inadequate articulation of the complex, differentiated economic contexts in which municipal authorities operate at the few official forums for local government representation to which they were invited. Some officials attributed this in part to elected leaders, who were fearful of riling party whips, wishing to keep their own counsel on matters of national economic policy.

Municipal officials expressed frustration that metropolitan economic programmes were viewed by national officials as parochial efforts undertaken under the umbrella of "local economic development", which is a policy associated with a relatively limited scope. City officials also noted resistance from national officials when they sought to address issues pertaining to nationally-controlled functions and infrastructure, such as in relation to ports and transport and energy provision. Some of them noted that state-owned enterprises appeared unwilling to consider governance models that accommodated local stakeholder interests in the design and implementation of major infrastructure initiatives. Meanwhile, even as municipal officials expressed optimism about the adoption of the IUDF and the continuing work of the Cities Support Programme under the National Treasury, relatively few national officials acknowledged the existence of these initiatives.

Challenges faced by municipal economic planners

Plenary and other discussions held at the Cities Conference.

Although the relatively decentralised nature of government in South Africa offers municipal officials the freedom to develop their own plans and initiatives, it has not provided a basis for deeper forms of engagement on national economic priorities. Meanwhile, national management of ports, borders and service provision in key areas (such as passenger rail) can inhibit local development efforts and lead to political contestation between the different levels of government.

Local government is expected to drive economic development but, in many cases, without a constitutional mandate or the finances and resources to do so. In addition, economic planning at the municipal level can be hamstrung by the silo-isation of economic mandates by sector – for example, in relation to housing – although economists charged with managing informality work across sectors.

Municipal governments also face their own governance challenges. Services can be delivered in top-down, uncoordinated ways which place the vested interests of those in power above the concerns of the local beneficiaries. In addition, political imperatives continue to shape policy- and decision-making at the expense of sound technocratic advice in municipalities, with elected officials promoting parochial concerns that are not necessarily aligned with their cities' larger developmental and economic interests. For example, economic planners in Tshwane and Cape Town have said that an increasing proportion of their work is undertaken in response to political instruction rather than as part of proactive technocratic planning efforts.

5 SUMMARY FINDINGS AND RECOMMENDATIONS

Leveraging the benefits of inter-urban migration

Inter-urban migration, including to towns and intermediary cities, produces clear benefits, particularly in relation to access to jobs. Accordingly, policymakers should consider encouraging investment in these places as a way of reducing the pressure on larger cities, balancing labour markets and enabling more sustainable and equitable urban growth across regions. In addition, municipal policymakers should be planning for incoming labour flows, including by providing for low-skilled migrants, although investment to support such influxes may be infeasible for overstretched municipalities.

Responding to economic stagnation

The relative absence of improved economic outcomes from the high levels of churn in urban business activity may be attributed to a lack of demand in the economy due to a “crowded platform” effect, whereby new entrants displace existing firms because there is only so much spending power available. Appropriate policy responses to this include stimulating demand through lower interest rates and increasing public spending.

Fostering evidence-based economic policymaking

In order to broaden the evidence-base for economic planning, data-holders should be encouraged to share their information, “imperfect” as it may be considered. Addressing fears that the sharing of administrative data can undermine the standing of those in power, it should be argued that transparency actually fosters greater confidence in government.

Those using administrative data should broadcast the fact so that the value of such efforts may be recognised more widely and effective data analysis and use becomes increasingly institutionalised.

The work of combining and triangulating administrative and other data sets from the proposed national integrated data lake requires technical skills and the capacity to manage complex bureaucratic processes. It is proposed that a new external body with sufficient capacity in terms of its mandate and skill sets should be established to undertake this work.

Equitable town planning

Municipalities should adopt scenario-based planning tools to test whether proposed transport, housing and other infrastructural policies and initiatives will boost growth and employment *and* foster social inclusion and economic empowerment. The aim should be to boost participation in the labour market, spur job creation and foster the attractiveness and productivity of main areas of employment while distributing the benefits so that spatial socio-economic disparities are reduced across cities.

There is a need for gender-sensitive policymaking on transport to improve women’s mobility and safety and their economic inclusion and participation in the labour market.

Coordinated approaches to economic policymaking

There needs to be a more effective division of responsibilities and better partnerships among the national, provincial and municipal levels of government in the production, alignment and implementation of economic strategies.

There is a need for municipalities to understand and promote urban economies as ecosystems and for the national government to support and strengthen local efforts in a holistic, systemic way rather than through narrow project-based sectoral interventions. Such an approach may be enacted by revisiting the topic of national industrial policy in a multi-scalar way, acknowledging that the contingencies of place-based economic growth demand different aggregations of institutions at a range of levels that will change over time.

Instead of spending large sums on grand plans, government efforts may focus on fostering economic clusters and multi-helix partnerships, capitalising on existing endowments to attract investment in ways that respond to local economic conditions. However, the process of building policy in an embedded way to realise the benefits of agglomeration requires active institutions and the provision of appropriate mandates and resources at the municipal level – which, in many cases, are lacking.

Municipal authorities need to be clear-eyed and informed about the spatial challenges they face and flexible and creative in addressing them. For example, the municipal authority in Cape Town has acknowledged that the 90,000 or so backyard structures that have been built there and which represent the fastest-growing part of the housing market can drive economic development. In response, it has tried to maximise the potential of this densification by engaging financial institutions, lawyers, civil society organisations and academic researchers to help coordinate development – in other words, by collaboratively creating an appropriate planning and regulatory approach.