



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD



STATE of CAPE TOWN 2014

CELEBRATING
20 YEARS
of DEMOCRACY



Making progress possible. Together.

Document navigation shortcuts

- Entries on the Contents page link to the relevant page.
- The tabs on the right-hand pages link to the first page of each section.
- The document title in the footer of each page links to the first Contents page.



About this report

The 2014 State of Cape Town report is a biennial publication produced by the Development Information and GIS Department of the City of Cape Town, and follows on similar reports produced in 2006, 2008, 2010 and 2012. It is designed to provide an overview of the city's development status at a particular point in time by giving an up-to-date snapshot of the most pertinent issues influencing the state of Cape Town. The report highlights opportunities and challenges Cape Town faces, contextualised within a broader context, and gives a real and current sense of the city and its inhabitants.

The production of the 2014 report was informed by two key contextual factors:

- The 20th anniversary of the advent of democracy in South Africa, and here the report tries to include longer-term trends on the key social, cultural and/or economic changes over the last 20 years
- Cape Town's hosting of World Design Capital 2014 events, and here the report pays tribute to 'design thinking' through the inclusion of development content in new ways, such as the voices of a small selection of Cape Town residents who participated in and benefitted from City of Cape Town initiatives listed as part of the award-winning Mayor's Portfolio of Urban Sustainability, and the use of infographics to portray Cape Town's urban development trajectory

The overall guiding concept behind the publication is to provide a 20-year retrospective view – 20 years of democracy following the first democratic elections on 27 April 1994 – as well as a forward-looking view to the (emerging) future challenges. The analysis and additional insights provided by expert analysts, as well as a selection of local voices on their recollections and experiences, deepens understanding of the complexities of Cape Town's urban development challenges and opportunities.



Contents



About this report	1
Foreword from the City Manager	7
Acknowledgements	8
Expert contributors' biographies	9

Introduction	11
---------------------------	-----------



Chapter summaries	13
<i>Expert analysis: The broad macro-economic context for Cape Town, South Africa and the Western Cape</i>	<i>49</i>



Chapter 1: Social	57
Infographics	58
1. Introduction	60
2. Demographics	60
3. Health	63
4. Education	69
5. Income poverty and food security	73
6. Crime	78
7. Cultural events celebrating Cape Town's diversity	82
Chapter 1 reference list	84
<i>Expert analysis: Progress towards reducing poverty in South Africa, 1994-2014</i>	<i>87</i>
<i>Expert analysis: Social exclusion, youth identity and community development</i>	<i>89</i>



Chapter 2: Economy	93
Infographics	94
1. Global winds of economic change	97
2. Cape Town's global competitiveness	98
3. South Africa's economic response to internal and external dynamics	99
4. Cape Town's economic growth performance	102
5. The sectoral drivers of Cape Town's economy	104
6. Cape Town's labour market	107
7. Minding the gap - managing growth in low labour-intensive, high skills-intensive sectors	111
8. Leveraging strategic infrastructural assets	113
9. Spatial characteristics of Cape Town's economy	115
10. Continuity and change: Cape Town's economic outlook	119
Chapter 2 reference list	120
<i>Expert analysis: The business vision – Cape Town as Africa's leading city</i>	<i>123</i>
<i>Expert analysis: The Cape Town informal sector – size, contribution and good-practice models</i>	<i>125</i>



Chapter 3: Natural wealth	129
Infographics	130
1. Introduction	133
2. Air quality	135

DISCLAIMER/EXCLUSION OF CLAIMS

All efforts and due care have been taken to ensure the accuracy in the assembly, analysis and compilation of data and information in this report. However, the City of Cape Town is unable to warrant the accuracy of the data and information, analysis and compilations contained in this report. Readers of this publication are deemed to have waived and renounced all rights to any claim against the City of Cape Town Council, its officers, servants or agents for any loss or damage of any nature whatsoever arising from any use or reliance upon such data, information, analysis or compilations.

This publication also includes a number of expert inputs from authors not employed by the City of Cape Town. Opinions expressed by them in their writing shall not be interpreted as those of the City of Cape Town.

Making use of different authors located at a range of different institutions also means that they have likely drawn on different data sources. Therefore, data used in the inputs by external experts may differ from the official statistics used by the City of Cape Town. City of Cape Town colleagues are

3. Energy	137
4. Biodiversity	143
5. Water quality	147
6. Water use	152
7. Solid waste management	156
8. Conclusion	158
Chapter 3 reference list	160
<i>Expert analysis: Definite change and more challenges as waste management restructures to emulate nature</i>	<i>161</i>
<i>Expert analysis: Towards a low-carbon Cape Town</i>	<i>163</i>
Chapter 4: Urban growth and form in Cape Town	169
Infographics	170
1. Introduction	173
2. The South African context: Urban development policy and strategy	175
3. Urban growth in Cape Town, and its implications for urban form	177
4. Future Cape Town	191
5. Conclusion	193
Chapter 4 reference list	194
<i>Expert analysis: The dynamics of urban development in Cape Town since 1994, and implications for the future planning of the functional city</i>	<i>197</i>
Chapter 5: From establishing local government to practising urban governance in Cape Town	201
Infographics	202
1. Introduction	205
2. Establishing local government - the national context and processes	205
3. Implementing local government - from the Cape Town Unicity, 2000, to the current City of Cape Town	208
4. Local government in transition - City of Cape Town structures and partnerships	210
5. Local government planning, policies and implementation tools	213
6. From government to urban governance	218
7. Conclusion	222
Chapter 5 reference list	223
<i>Expert analysis: Why urban governance matters in the urban century</i>	<i>225</i>
Vox Cape Town – Voices of a sample of Cape Town residents	227
1. Introduction	228
2. Results of the interviews	229
3. Conclusion	233
Conclusion	235
DI & GIS staff contributions	240

requested to use City of Cape Town-vetted data. Readers interested in the data used by external experts are requested to contact the authors directly.

In this report, "the City" refers to the City of Cape Town administration, including elected councillors, responsible for the development and local administration of the city.

"The city" refers to the geographical area that is administered by the City of Cape Town, its physical elements, as well as all the people living in and active within the area.

For readers' convenience, complete source references are indicated in footnotes in the chapter summaries. Thereafter, footnote references appear in a shortened form, accompanied by a complete reference list at the end of each chapter.

© City of Cape Town 2014



List of tables and figures

Chapter 1: Social

Table 1.1: Population of Cape Town, 1996 to 2011	61
Table 1.2: Population of Cape Town, 1996 to 2011	62
Table 1.3: Cape Town population by age, 1996 to 2011	63
Table 1.4: Cape Town infant mortality rate (IMR) trends (per 1 000 live births), 2003–2012	64
Table 1.5: Causes of death (per 100 000 people) in Cape Town, 2001–2004	68
Table 1.6: Causes of death (per 100 000 people) in Cape Town, 2010	69
Table 1.7: Learner output numbers (Grades 7, 10 and 12) for Cape Town public schools, 1995–2014	72
Table 1.8: South Africa's HDI trends, 1980 to 2012	74
Table 1.9: Households living in poverty in Cape Town, 1996, 2001 and 2011	74
Table 1.10: Indigent households in Cape Town, 2003–2013	75
Table 1.11: Food security among adults in Cape Town, 2005–2012	76
Table 1.12: Food security among children in Cape Town, 2005–2012	76
Figure 1.1: Average household size in Cape Town, 1996 to 2011	62
Figure 1.2: Cape Town infant mortality rate trends per health district, rate per 100 000 population, 2003–2012	64
Figure 1.3: Causes of child deaths in Cape Town, 2001 and 2010	65
Figure 1.4: All Cape Town TB cases per 100 000 population, 199–2013	66
Figure 1.5: Drug-resistant TB cases in Cape Town, 2010–2013	66
Figure 1.6: National versus Western Cape antenatal HIV prevalence trends, 1990–2012	67
Figure 1.7: Cape Town HIV prevalence trend, 2001–2011	67
Figure 1.8: Number of ART clients registered for treatment in Cape Town, 2004–2013	68
Figure 1.9: Crime rates – all reported crimes in Cape Town and South Africa, 2003/4–2012/13	78
Figure 1.10: Murder rate (per 100 000 people) for South Africa, the Western Cape and Cape Town, 1994/5, 2004/5 and 2012/13	78
Figure 1.11: Total sexual crime rate (per 100 000 people) for South Africa, the Western Cape and Cape Town, 1994/5, 2004/5 and 2012/13	79
Figure 1.12: Rate of driving under the influence of alcohol or drugs (per 100 000 people) for South Africa, the Western Cape and Cape Town, 1994/5, 2004/5 and 2012/13	79
Figure 1.13: Drug-related crime rates in Cape Town, and trend line for South Africa, 2003/4–2012/13	80

Chapter 2: Economy

Table 2.1: Cape Town's growth drivers, 1996–2012	106
Figure 2.1: Economic growth trends in developed economies, 2008–2013	97
Figure 2.2: Economic growth trends in emerging economies, 2008–2013	98
Figure 2.3: GDP annual growth rates for Cape Town and South Africa, 1997–2012	102
Figure 2.4: Comparison of GDP contributions: Cape Town and other South African metros, 1996 and 2012	102
Figure 2.5: GDP per capita (Rand) and GDP per-capita growth rates (%) for Cape Town and South Africa, 1996 and 2012	103
Figure 2.6: Cape Town's GVA versus South Africa's GVA, 2012	104
Figure 2.7: Location quotients for industries in Cape Town, 2012	104
Figure 2.8: Cape Town's change in sector share of GDP over time, 1996, 2004 and 2012	105
Figure 2.9: Employment levels in Cape Town, 2005–2013	107
Figure 2.10: Strict vs expanded unemployment rates for Cape Town (Quarter 1, 2010 to Quarter 1, 2014)	109
Figure 2.11: Sectoral change in employment levels over time in Cape Town, 1996–2012	109
Figure 2.12: Industry performance in Cape Town, 2013	111
Figure 2.13: Total containers handled (twenty-foot equivalent units) – South Africa and Cape Town, 2012–2013	113
Figure 2.14: Total passengers at South Africa's major airports, 2011–2013	114
Figure 2.15: Business precincts by dominant use in Cape Town, 2014	115
Figure 2.16: Economic growth and building development in Cape Town, 2000–2011 – gross internal floor space added	116
Figure 2.17: Property market performance and urban growth in Cape Town, 1998 and 2012	116
Figure 2.18: Performance of industrial property market in Cape Town, 2005–2013	117
Figure 2.19: Performance of commercial property market in Cape Town, 2005–2013	118
Figure 2.20: Residential intensification in established office nodes in Cape Town, 2010–2013	118

Chapter 3: Natural wealth

Table 3.1: Extreme weather-event impacts in the Western Cape, 2003–2008	134
Table 3.2: State of biodiversity in Cape Town, as of 2011	144

Table 3.3: Breakdown of conserved land in Cape Town, 2014	146
Table 3.4: Drinking water quality in Cape Town, 2009–2014	152
Table 3.5: City of Cape Town major dam levels (in million kℓ), 2009–2013	153
Figure 3.1: PM ₁₀ exceedances of United Kingdom guideline, 1995–2013	136
Figure 3.2: PM ₁₀ exceedances of South African standard, 1995–2013	136
Figure 3.3: PM ₁₀ averages, 1995–2013	137
Figure 3.4: Electricity consumption for Cape Town (2013)	139
Figure 3.5: Energy use by sector (2007)	140
Figure 3.6: CO ₂ emissions by sector (2007)	140
Figure 3.7: CO ₂ emissions by energy/fuel type (2007)	140
Figure 3.8: Cape Town's economic vs electricity sales growth, 1996 to 2012	142
Figure 3.9: Percentage compliance with DWA's 80 th percentile coastal recreational guideline for False Bay and Atlantic coastline beaches, 1992 to 2013	148
Figure 3.10: Total phosphorus concentration of all inland aquatic systems (annual median), 2000–2013	150
Figure 3.11: Percentage compliance with intermediate-contact recreational guideline for all inland aquatic systems, 2000 to 2013	150
Figure 3.12: Total phosphorus (annual median) measured in various river and vleis systems, 2009–2013	151
Figure 3.13: Daily water use per capita (in litres) in Cape Town, 1996–2013	154
Figure 3.14: Total waste disposed (tonnes) in Cape Town, 2006–2012	156
Figure 3.15: Waste minimisation (%) in Cape Town, 2006–2012	158
Chapter 4: Urban growth and form	
Table 4.1: World urban population (thousands), percentage urban (%), 1995–2015	173
Table 4.2: South African urban population (thousands), percentage urban (%), 1995–2015	173
Table 4.3: City Development Strategy goals regarding urban growth and form	176
Table 4.4: Sports and recreational facilities by type, 2014	183
Table 4.5: City public open spaces by type, 2014	183
Table 4.6: Health-care facilities in Cape Town, 2012	184
Table 4.7: Alignment between six CDS goals and support mechanisms, the IDP and ONECAPE2040	191
Figure 4.1: New arrivals to Cape Town from Eastern Cape, 2001–2011 (Census sub-place)	174
Figure 4.2: Access to basic services by households in Cape Town, 1996–2011	178
Figure 4.3: Access to water in Cape Town, 1996–2011	178
Figure 4.4: Access to toilet facilities by households in Cape Town, 1996–2011	179
Figure 4.5: Access to energy by households in Cape Town, 1996–2011	179
Figure 4.6: Access to refuse removal by households in Cape Town, 1996–2011	180
Figure 4.7: Cape Town household access to telephones, 2011	181
Figure 4.8: Cape Town household access to the internet, 2011	182
Figure 4.9: Access to housing by households in Cape Town, 1996–2011	185
Figure 4.10: Transport modes to travel to and from work in Cape Town, 2009–2012	187
Figure 4.11: Travel time to work in Cape Town, 2009–2012	188
Figure 4.12: Transport mode to travel to work, by population group, 2011	188
Figure 4.13: Progress with social integration in Cape Town, 1996, 2001 and 2011	190
Chapter 5: Urban governance	
Table 5.1: Executive Mayors since 2000	210
Table 5.2: City Managers since 2000	210
Table 5.3: Number of ward councillors by term of office	211
Table 5.4: Number of subcouncils in Cape Town	211
Figure 5.1: City of Cape Town former administrations and local authorities, pre-1996	209
Figure 5.2: City of Cape Town former interim Councils, 1996 to 2000	209
Figure 5.3: The 24 subcouncil areas of the City of Cape Town, 2014	211
Vox Cape Town	
Table V1: Summary of sample of Cape Town residents interviewed, May 2014	228

Abbreviations

ABET	adult basic education and training	IMR	infant mortality rate
ACSA	Airports Company South Africa	IPAP	Industrial Policy Action Plan
AFSUN	African Food Security Urban Network	IRP	Integrated Resource Plan (for Electricity)
ART	antiretroviral therapy	IRT	integrated rapid transit
ARV(s)	antiretroviral (drugs)	ITP	Integrated Transport Plan
ASGISA	Accelerated and Shared Growth Initiative for South Africa	IWEX	Integrated Waste Exchange
BioNet	biodiversity network	IWM	integrated waste management
BNG	Breaking New Ground	LBSAP	Local Biodiversity Strategy and Action Plan
BPO	business process outsourcing	LGTA	Local Government Transition Act
BRT	bus rapid transit	LPL	lower-bound poverty line
CAPS	Curriculum Assessment and Policy Statements	MDG(s)	Millennium Development Goal(s)
CBA	critical biodiversity area	MDR-TB	multidrug-resistant tuberculosis
CBD	central business district	MPI	multidimensional poverty index
CDS	City Development Strategy	MRC	Medical Research Council
CESA	critical ecological support area	NDP	National Development Plan
CFR	Cape Floristic Region	NEMA	National Environmental Management Act
CHC	community health centre	NERSA	National Energy Regulator of South Africa
CID	city improvement district	NGO	non-governmental organisation
CMP	coastal management programme	NGP	National Growth Path
CO ₂	carbon dioxide	NIPF	National Industrial Policy Framework
COGTA	Department of Cooperative Governance and Traditional Affairs	NMT	non-motorised transport
Convenco	Cape Town Convention Centre Company (Pty) Ltd	NO ₂	nitrogen dioxide
CSIR	Council for Scientific and Industrial Research	NUDF	National Urban Development Framework
CSS	Community satisfaction survey	PHASA	Public Health Association of South Africa
CTICC	Cape Town International Convention Centre	PHC	primary health care
CTSDf	Cape Town Spatial Development Framework	PM ₁₀	particulate matter smaller than ten microns in size
DEA	Department of Environmental Affairs	PMTCT	prevention of mother-to-child transmission of HIV
DI&GIS	Development Information & Geographic Information Systems (Department)	PR	proportional representation (councillor)
DoE	Department of Education	PRASA	Passenger Rail Agency of South Africa
DTI	Department of Trade and Industry	RDP	Reconstruction and Development Programme
DWA	Department of Water Affairs	REDISA	Recycling and Economic Development Initiative of South Africa
ECAP	Energy and Climate Change Action Plan	REIPPPP	Renewable-Energy Independent Power Producer Procurement Programme
EEDSM	energy-efficiency and demand-side management	SACN	South African Cities Network
EPWP	Expanded Public Works Programme	SANLI	South African National Literacy Initiative
ERP	enterprise resource planning	SANS	South African National Standard
FAS	fetal alcohol syndrome	SAPS	South African Police Service
FASD	fetal alcohol spectrum disorders	SEZ	Special Economic Zones (Bill)
FBE	free basic electricity	SO ₂	sulphur dioxide
FDI	foreign direct investment	SRA	special rating area
FET	further education and training	STI	sexually transmitted infection
GDP	gross domestic product	TB	tuberculosis
GEAR	Growth, Employment and Redistribution (Strategy)	TCT	Transport for Cape Town
GJ	gigajoule	UISP	Upgrading of Informal Settlements Programme
GNI	gross national income	UN	United Nations
GVA	gross value added	UPL	upper-bound poverty line
HDI	human development index	USDG	Urban Settlements Development Grant
ICT	information and communications technology	WCWSS	Western Cape water supply system
ICT4D	information and communications technology for development	WDC	World Design Capital
IDP	Integrated Development Plan	WDM	water demand management
IDZ	industrial development zone	WHO	World Health Organisation
IDZ	integrated development zone	WISP	Western Cape Industrial Symbiosis Programme
IHSF	Integrated Human Settlements Framework	WMA	water management area
IMEP	Integrated Metropolitan Environmental Policy	WSUD	water-sensitive urban design
IMF	International Monetary Fund	XDR-TB	extensively drug-resistant tuberculosis

Foreword



It is my privilege to present the fifth edition of the biennial *State of Cape Town* report. The key objective of this 2014 *State of Cape Town* report is to provide a snapshot of the city, with up-to-date information and analyses of the most pertinent issues influencing the city and its residents and businesses. It highlights the opportunities and challenges facing the city, and helps to inform a range of activities for the City of Cape Town and its partners and stakeholders in relation to urban development.

The year 2014 represents the 20th anniversary of the dawn of a democratic South Africa. On 27 April 1994, for the first time, South Africans of all races, genders and creed cast their votes in the country's first democratic election. This report contributes to the celebration of and discussions about the progress made to date – in particular, the work that still needs to be done to have a positive impact on the lives of the residents of Cape Town.

Of course, Cape Town is also the 2014 venue of the World Design Capital events. As a tribute to the role of design and design policy, the 2014 *State of Cape Town* report pays tribute to 'design thinking' through the inclusion of development content in new ways, such as the voices of a small selection of Cape Town residents who participated in and benefitted from City of Cape Town initiatives listed as part of the award-winning Mayor's Portfolio of Urban Sustainability, as well as the use of infographics to portray Cape Town's urban development trajectory.

This report provides an overview and analysis of the last two decades' developments – challenges as well as opportunities – in Cape Town and the City of Cape Town as an organisation. The two decades of freedom and democracy are viewed through the lenses of population and social development issues, the Cape Town economy, the city's natural wealth, urban growth and form, as well as urban governance. The chapters and expert analyses offer illuminating insights into the range of urban development challenges and opportunities in the Cape Town context.

The report also includes the voices of a small sample of residents who have participated in and benefitted from City-led initiatives. Their reflections on their personal journeys mirror the real sense of positive change and progress in Cape Town as suggested by the analytical chapters and expert inputs.

Cape Town is one of the top-performing cities in South Africa and Africa. However, like other developing countries and cities, it is contending with rising unemployment, persistent poverty, a relatively high incidence of HIV/Aids, and crime. Increasingly, efforts to address these challenges will require an integrated, aligned and strategic response in the medium to long term. The report brings out in bold relief the context within which City programmes and interventions are conceived and implemented, and on which they need to make a positive impact. It also brings into focus the systems installed by the City that has helped turn it into a top-performing metro in South Africa.

In terms of prospects for Cape Town and its residents as we move into the future, past infrastructure investments and a more transport-oriented development approach will continue to benefit Cape Town residents through improved access to housing, basic services, and access to work opportunities. Moving forward, the challenge for Capetonians and the City alike will be to transform our society into the creative, healthy, safe, caring and inclusive communities that we hope to be part of in democratic South Africa.

A handwritten signature in black ink, appearing to read 'Achmat Ebrahim'.

Achmat Ebrahim
City Manager

Acknowledgements

This *State of Cape Town 2014* report was compiled by the Development Information & GIS (DI&GIS) Department of the City of Cape Town, and is stronger for the various contributors.

The report benefitted from the generosity of the project managers associated with the award-winning Mayors' Portfolio of Urban Sustainability, who assisted the DI&GIS Department in making contact with beneficiaries of and/or participants in the portfolio of projects. The DI&GIS Department would also like to acknowledge the residents of Cape Town who were willing to be interviewed and agreed for their views and images to be included in this report. Their inputs are summarised in a separate chapter.

Carol Wright and Natasha Primo reviewed and provided editorial input to drafts of the chapters and, to a limited extent, the expert analysis pieces. Natasha Primo was responsible for overall project management.

The DI&GIS Department would like to thank the following City of Cape Town colleagues who took responsibility for the production of the main chapters in the report:

- Chapter on the Cape Town economy: Paul Court and Timothy Hadingham in Economic Development; Claus Rabe in Spatial Planning and Urban Design
- Chapter on Cape Town's natural wealth: Inputs from Amy Davison and Saul Roux from Environmental Resource Management; Othelie Muller from Solid Waste Management; Willem van der Merwe from Water and Sanitation; Candice Haskins from the Stormwater & Sustainability Branch (Transport for Cape Town), and Ian Gildenhuys from City Health. Production of the chapter was coordinated by Amy Davison and Ameen Benjamin.
- Chapters on the social issues and concerns, the urban form and growth, and urban governance in Cape Town were written by DI&GIS officials Ameen Benjamin, Sivuyile Vuyo Rilityana and Natasha Primo respectively.

Numerous City of Cape Town colleagues and others also assisted in providing up-to-date and historical data for the various chapters of the report – their inputs are all acknowledged. Other contributions to the report include those by the members of the City of Cape Town reference group, who commented on earlier drafts of the report framework.

In addition, the City of Cape Town gratefully acknowledges the following authors of the short specialist analyses:

- Professor André Roux from the Institute for Futures Research, and Professor Herman Geyer and Dr Herman Geyer Jr from the Centre for Regional and Urban Innovation and Statistical Exploration – all from Stellenbosch University
- Chris Whelan from Accelerate Cape Town
- Professor Julian May from the Social Development Institute at the University of the Western Cape
- The following individuals from the University of Cape Town: Yachika Reddy from Sustainable Energy Africa, Dr Khosi Kubeka in the School of Social Development, Professor Edgar Pieterse and Caroline Skinner from the African Centre for Cities, and Professor Harro von Blottnitz in the Engineering Faculty.

These experts' work is spread throughout the report and has been closely aligned with the main chapters.

The various contributions by colleagues in the Development Information and GIS Department are also hereby acknowledged. (See the back of the publication for information on specific contributions.)

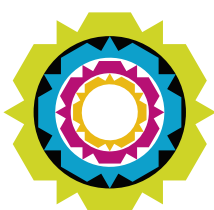
This document should be referenced as: City of Cape Town (2014), *State of Cape Town Report 2014*.

Any feedback, comments or suggestions on the report are welcomed and can be e-mailed to Devinfo@capetown.gov.za.

Produced by: Integrated Strategic Communications and Branding, City of Cape Town.

Photography: Bruce Sutherland, Integrated Strategic Communications and Branding, City of Cape Town

Design and production: The Creative Store



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

Professor André Roux*Director: Institute for Futures Research, Stellenbosch University*

Professor André Roux has directed the Institute for Futures Research (IFR) at the University of Stellenbosch since 1996. André also lectures on economics and futures thinking on numerous programmes at MBA and executive education level in South Africa and several other countries. He is a guest lecturer on post-graduate programmes at the School of Public Management, and is also the initiator and academic manager of the Master of Philosophy (Futures Studies) programme, which has been presented since 1998. André holds a PhD in Economics (Stell) and is responsible for more than 150 publications. He is a member of the management committee of the Bureau of Economic Research, the Faculty Research Committee, and the editorial committee of the South African Journal of Military Studies (*Scientiae Militaria*). He was awarded the Rector's award for excellence in teaching in 1999.

**Professor Julian May***Director: Institute for Social Development, University of the Western Cape*

Professor May obtained his doctoral degree in Development Studies University of the KwaZulu-Natal. Between 1994 and 1998, he led the Poverty and Inequality Report, the first review of poverty reduction policies in the post-apartheid era. Internationally, he has worked on an evaluation of the World Bank's social fund program in Jamaica, Nicaragua, Zambia and Malawi, and bio-diversity studies, poverty reduction strategies, monitoring and evaluation, and ICT for development in numerous African countries. He was the principal researcher for the KwaZulu-Natal Income Dynamics Survey (KIDS). He was awarded a South African research chair in applied poverty reduction assessment in 2009 and the directorship of the Department of Science and Technology/National Research Foundation centre of excellence in food security in 2014. He has edited five books, published over 70 papers and produced more than 150 working papers, research reports and other publications.

**Dr Khosi Kubeka,***Lecturer: Social Development, University of Cape Town*

Dr Khosi Kubeka is a lecturer in the department of Social Development at the University of Cape Town. She obtained her BSocSci Social Work degree from UCT and then completed an M.Phil in Social Research at Stellenbosch University. Thereafter she went on to complete an M.A and PhD in Sociology at Ohio State University. Her areas of research interest are in youth developmental well-being, community and social development, and substance abuse. She has done work with the School of Public Health at the Ohio State University in the Columbus Congregations for Healthy Youth (CoChy) project, a longitudinal study on religiosity and youth developmental wellbeing. Her teaching interests are in social research methodology, substance abuse, community work, social development and youth development.

**Chris Whelan***Chief Executive Officer, Accelerate Cape Town*

Chris Whelan is the CEO of Accelerate Cape Town, a business think tank. Chris has extensive skills and experience as a management consultant and business strategist. He has worked both locally and internationally in the areas of strategic thinking, strategy development and business transformation. Before returning to South Africa to lead Accelerate Cape Town, Chris was chief knowledge officer for EY Knowledge (Asia Pacific). He specialises in the use of systems thinking, scenario planning and foresight development in performance improvement. He is also engaged in leadership development, business relationship building and advocacy in the focus areas of connectedness, innovation, talent attraction and retention, distinctiveness, and sustainability. Chris is vice-chairman of World Design Capital 2014, and sits on the Western Cape's Trade and Promotions Agency (Wesgro) board.

**Caroline Skinner***Senior researcher, African Centre for Cities, University of Cape Town, and**Director: Urban Policies Programme, Women in Informal Employment: Globalising and Organising (WIEGO)*

Caroline is a senior researcher at UCT's African Centre for Cities and Urban Policies Programme Director of the the global action-research-policy network Women in Informal Employment: Globalizing and Organizing (WIEGO).

WIEGO is a partner in the Inclusive Cities Project, a consortium of organisations of the working poor.

For more than 15 years her work has interrogated the nature of the informal economy with a focus on informing more appropriate policy responses and she has published widely on the topic. She has been involved in policy and advocacy work at a local, provincial, national and international level. Since 2009 she has been managing the research component of a Gates Foundation funded global project – Inclusive Cities. Among other responsibilities, she has overseen the commissioning of over 100 publications.



Professor Harro von Blottnitz*Environmental engineer and Professor, University of Cape Town*

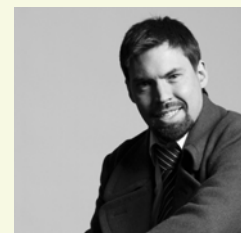
Professor Harro von Blottnitz is professor in the Faculty of Engineering and the Built Environment at the University of Cape Town. Based in the chemical engineering department, he defines his research and teaching interests by the multiple challenges of sustainable development in developing country settings. He holds a BSc in Chemical Engineering from UCT, a BSc Honours in Operations Research from UNISA, an MSc in Engineering from UCT and a Doctorate in Engineering from the RWTH Aachen in Germany. He was promoted to professor in 2013 and is registered as a professional engineer with the Engineering Council of South Africa. He chairs the voluntary advisory forum of the Chemical and Allied Industries Association and is a board member of the African Centre for Cities. He has published widely in the fields of life cycle assessment, renewable energy (biogas, biodiesel and bio-ethanol) and waste management, and has extensively supervised postgraduate students researching these topics.

**Yachika Reddy***Project manager, Sustainable Energy Africa, University of Cape Town*

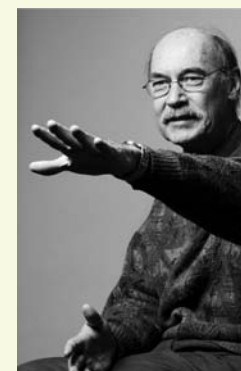
Yachika Reddy has an MSc in Energy Studies from the University of Cape Town. She is a project manager at Sustainable Energy Africa (SEA) working in the area of sustainable urban energy development. This involves supporting cities to build workable systems to facilitate the mass rollout of renewable energy and energy efficiency, promoting the integration of an eco-systems approach in urban development processes and identifying key elements of urban resilience in slum/informal urban communities and working to include these in city and national services delivery frameworks. During her eight years of employment at SEA, Yachika has worked across a spectrum of projects focused on rooting sustainable energy approaches and practices in urban development planning and management processes across South Africa.

Dr H S Geyer Jr.*Lecturer: Centre for Regional and Urban Innovation and Statistical Exploration, Department of Geography and Environmental Studies, Stellenbosch University*

Herman Geyer is a researcher at the Centre for Regional and Urban Innovation and Statistical Exploration (CRUISE) at Stellenbosch University. He holds a MSc. in Regional and Urban Planning from London School of Economics and teaches regional economics and public infrastructure at CRUISE. His research interests lie in economic geography, advanced spatial analysis and regional science.

**Professor H S Geyer***Director: Centre for Regional and Urban Innovation and Statistical Exploration, Department of Geography and Environmental Studies, Stellenbosch University*

Manie Geyer is the Statistics South Africa Chair of Urban and Regional Analysis and Director of the Centre for Regional and Urban Innovation and Statistical Exploration (CRUISE) at Stellenbosch University. His research interests lie in globalization, location theory, urban systems analysis, demography and migration, urban development policy and social polarization. He has published widely in these fields. He has been a visiting scholar at the University of Utah and the 2009-recipient of the international Environment Creation prize in regional science. Academically and as a consultant he has coordinated a number of governmental and academic research projects nationally and internationally. His latest edited volumes include: *The International Handbook of Urban Systems* (2002); *Global Regionalisation* (2006) and *The International Handbook of Urban Policy*, Volume 1 (2007); 2 (2009); and 3 (2011).

**Professor Edgar Pieterse***Director: African Centre for Cities, University of Cape Town*

Professor Edgar Pieterse is holder of the South African Research Chair in Urban Policy. He is founding director of the African Centre for Cities (ACC) and is professor in the School of Architecture, Planning and Geomatics, both at the University of Cape Town. Edgar is consulting editor for *Cityscapes* – an international biannual magazine on urbanism in the global South. His most recent co-edited books are: *Africa's Urban Revolution* (Zed, 2014); *Rogue Urbanism: Emergent African Cities* (Jacana, 2013); *African Cities Reader II: Mobility & Fixtures* (Chimurenga, 2011). At present he is chairperson of the panel of experts supporting the South African government policy process to formulate the "Integrated Urban Development Framework". He is also preoccupied with co-curating a major exhibition on Cape Town – City Desired – that will manifest from 30 October – 10 December 2014.

Introduction

This *State of Cape Town 2014* report is the fifth in a series produced biannually by the City of Cape Town. It seeks to provide information on, and evidence-based analysis of, the current urban opportunities and challenges facing Cape Town, while also highlighting issues that need to be kept track of and attended to as the city moves forward, into the future. The purpose of the report is to outline the current context of Cape Town, providing a snapshot of its profile and the issues, key challenges and opportunities facing the city and its stakeholders into the future.

This year is the 20th anniversary of the democratic transition in South Africa, which started formally with the 1994 national elections. The production of this *State of Cape Town* report is informed by this context and, as such, seeks to provide – where data allow – a 20-year lens on the social, economic and other changes in Cape Town, both looking back over the last 20 years of democracy and looking forward to the next 20 to 30 years.

Cape Town has been named World Design Capital 2014. As a tribute to design thinking, this report has therefore added a creative element through a set of theme-based infographics to visually represent some of the main facts and figures.

The report contains three “content types”: analytical chapters by the City of Cape Town; short, focused input pieces by independent authors, linked to the chapter themes, and the voices of a small sample of local residents – so-called “Vox Cape Town” – whose lives and stories help us reflect on the journey undertaken in the last 20 years and the road ahead. These residents’ voices were drawn from existing beneficiaries of and/or participants in City of Cape Town projects. To the extent possible, the local voices came from different age cohorts more or less one generation apart – 20-something-year-olds (the “born-frees”), 40-year-olds, and 60-year-olds and up.

The *State of Cape Town 2014* report provides an objective assessment of the state of development in Cape Town and among its people over the last two decades, using data from Census 1996 to Census 2011, supplemented by other relevant data sources. The report is aimed at policy-makers and decision-makers, senior managers and other stakeholders, as well as researchers and ordinary residents who seek information on Cape Town and its diverse set of development opportunities and challenges. This is not a City policy document; rather, it is one of a range of informants to policy, strategy and, importantly, implementation and improved service delivery.

This 2014 issue builds on the 2010 and 2012 editions, and covers five themes: social, the economy, natural wealth, urban growth and form (which looks at the living experience in Cape Town from an infrastructure access and quality perspective), and urban governance. Each thematic chapter contains a review of the national and local development shifts, an overview of the current context and trends over the last two decades (data permitting) and, where possible, some of the emerging opportunities and challenges into the future.

The report does not purport to be a comprehensive overview of all the possible trends, opportunities and challenges that may shape the future Cape Town, but rather touches on the issues most pertinent to increasing economic growth and development, diminishing social marginalisation, advancing social inclusion and cohesion, and building the city’s resilience. Cape Town’s inevitable growth is presented as both a challenge and an opportunity for social, institutional and economic innovation. An attempt is made to provide data for 2014; however, where 2014 data were not available, the most recent available data were used and referenced appropriately.

The different inputs by external experts are included as stand-alone input pieces, reflecting the style and voices of their authors. As such, they also follow very different structures, though they broadly include similar kinds of content. The inputs have not been edited to reflect a single editorial style or structure, however duplications across chapters have been minimised as far as possible.



..... CHAPTER SUMMARIES

INTRODUCTION

SUMMARIES

SOCIAL

ECONOMY

NATURAL WEALTH

URBAN GROWTH

URBAN GOVERNANCE

CONCLUSION



There seems to be a trend towards smaller household units across all population groups: Cape Town's household size is below that of developing countries' average household size of five members, and is moving closer to the average of two to three members noted in many developed countries.

Challenges associated with this trend include the increased demand for housing supply to accommodate the trend.

1. Social Demographics

- Although South Africa's urbanisation is advancing at a slower rate compared to the African average, urban areas were home to 63% of the population in 2013, having increased from the urban tipping point reached in the early 1990s, when 50% of the population were urban. By 2030, it is projected that 71% of the population will have urbanised.
- In 1994, the urban divide in Cape Town between rich and poor as well as between white and non-white population groups was significant. In 2014, Cape Town is an international, culturally diverse and dynamic city, offering opportunities for people from all walks of life and nationalities.
- Cape Town is the tenth most-populous city in Africa.¹ The population grew by 45,9% between 1996 and 2011 from 2 563 095 to 3 740 026 people. Currently, the population of Cape Town is estimated to be 3 860 589, constituting 64,12% of the Western Cape's population, which makes the province predominantly urban.^{2,3}
- The clearest trend that emerges is the steady growth in the number and proportion of black Africans in Cape Town between the period 1996 to 2011 (at a rate of 124,3%). The difference between the size of the black African and coloured population also decreased rapidly, from a 1996 variance of 23,3%, with the coloured population significantly larger, to 3,8% in 2011.
- The total number of households in Cape Town grew from 653 085 in 1996 to 1 068 572 in 2011, which represents an increase of 63,6%.⁴ There seems to be a trend towards smaller household units across all population groups: In 1996, the average household size

in Cape Town was 3,92 members; in 2011, it had declined to 3,50. Cape Town's household size is below that of developing countries' average household size of five members, and is moving closer to the average of two to three members noted in many developed countries. Challenges associated with this trend include the increased demand for housing supply to accommodate the trend, with the consequent increase in housing prices; the increased competition for scarce urban land for new housing developments, and the breakdown of the extended family, which is often considered as a powerful social support network.

- A ten-year trend analysis of migration into Cape Town between 2001 and 2011, drawing from Census data, highlights that the majority of new arrivals into Cape Town in the period under review were from outside the Western Cape, among the black African population group (57,9%) followed by the white population group (22,4%). New arrivals predominantly fell in the age category of 25 to 64 years, and their destinations in Cape Town were influenced by their places of origin. For example, the majority of new arrivals from the Eastern Cape tended to settle in destinations traditionally considered as black African townships.
- According to the United Nations (UN) classification, Cape Town's population is mature or of intermediate age. The proportion of children (0 to 14 years) in Cape Town decreased from 28,48% in 1996 to 24,80% in 2011. The economically active population (15 to 64 years) increased from 66,47% to 69,70%, while the elderly population (65 years and above) grew slightly from 5,05% to 5,50%.
- Of the economically active, 49,70% had been absorbed in the economy in 2011. This represents an increase

1. UNHABITAT. 2014. The State of African Cities 2014: Re-imagining sustainable urban transitions. UNHABITAT: Nairobi.

2. City of Cape Town, DI&GIS Department, using Stats SA, 2013, Mid-year Population Estimates 2013. Statistics South Africa: Pretoria.

3. This excludes the other urban areas within the province.

4. Stats SA defines a household as "a group of persons who live together and provide themselves jointly with food or other essentials for living, or a single person who lives alone".



compared to 2001, when the labour absorption rate was 47,41%, but a decrease compared to 1996, when the labour absorption rate stood at 53,94%. This reflects that Cape Town's economy is not growing fast enough to support the growing economically active population. The chapter on Cape Town's economy will discuss the longer-term trend in detail.

- The high ratio of potential workers in relation to dependants presents the so-called "window of opportunity" for accelerated economic development,⁵ which could have possible positive effects on Cape Town's economy. If the population continues to age, however, there will be negative impacts not only on the economy, government and pension expenditure, but also on health care, social services, housing and the family.⁶
- Key developments in South Africa's health sector during the 20 years since 1994 include the shift from a curative, hospital-based approach to a primary health-care approach, with an emphasis on prevention of disease and decentralised provision of health-care services.

Health

- The infant mortality rate (IMR)⁷ is a key indicator of health and development in a society. In Cape Town, there is a clear decreasing trend in IMR over the ten-year period between 2003 and 2012 from 25,2 to 16,4 (per 1 000 live births). The significant reduction of IMRs, especially in areas with low socio-economic status, is attributed to the improvement of basic service delivery in these areas. Studies conducted in Cape Town, however, demonstrate that areas with low socio-

economic status display higher IMRs compared to places with high socio-economic status.⁸

- Another key indicator of health and development is the mortality rate among under-five-year-olds. The ten-year trend in the causes of child mortality as recorded in 2001 and 2010 in Cape Town displays two distinct patterns, namely an increase in deaths due to diarrhoea and pneumonia, which is inconsistent with the national trend reflected in the 20-year review of the country. Possible reasons for this trend include colder winters as a result of climate change, growing informal settlements, migration of those needing medical care into Cape Town, and challenges in health services. There has been a significant improvement in HIV/Aids as a major cause of child mortality: While it accounted for 21% of deaths in 2001, it only accounted for 4% of deaths in 2010. This is attributed to the intensive programme for the prevention of mother-to-child transmission of HIV (PMTCT). TB as a cause of child mortality also improved, with a 1% reduction recorded during the ten-year period.
- There was a general increase in TB cases and incidence in Cape Town between 1997 and 2013. From 2010 to 2013, however, a downward trend began to emerge. Particular challenges occur in areas with high case loads and high dual infection rates, such as Khayelitsha and parts of Klipfontein, the Eastern district and Mitchells Plain. In Khayelitsha, the TB incidence is a relatively high 1 165 cases per 100 000 people. New challenges have also arisen in the TB programme with the emergence of drug-resistant TB (MDR and XDR-TB), which complex service delivery, clinical and ethical issues.



An increase in deaths among under-five-year-olds due to diarrhoea and pneumonia is inconsistent with the national trend reflected in the 20-year review of the country.

Possible reasons for this trend include colder winters as a result of climate change, growing informal settlements, migration of those needing medical care into Cape Town, and challenges in health services.

5. Haldenwang, B.B. 2011. Projections of the South African population, 1985-2040 (With-Aids and No-Aids projections). Bellville: IFR, Stellenbosch University.

6. Roux, A. (ed). 2013. Business Futures 2013. Institute for Futures Research: Bellville.

7. Infant mortality rate (IMR) is defined as the probability of dying within the first year. It refers to the number of babies younger than 12 months who die

in a year per 1 000 live births during the same year. See Nannan and Hall, 2014, available online at <http://www.childrencount.ci.org.za/indicator.php?id=5&indicator=23>.

8. Chetty, K.S. 2003. 'Urbanization and health: evidence from Cape Town', in *The Apartheid City and Beyond: Urbanization and Social Change in South Africa*. D.M. Smith (ed). Routledge.



In 2005, the Western Cape passed the early phase of the HIV epidemic, which had been characterised by an exponential growth in prevalence.

Thereafter, prevalence rates began to stabilise, with a slight decrease in 2012 compared to 2011.

- Of the eight metropolitan areas in the country, Cape Town has the lowest HIV prevalence (5,2%). The black African population group displays the highest HIV prevalence compared to all other population groups, followed by the coloured population. Since 2008, women between the ages of 30 and 34 years have been most affected. In 2005, the Western Cape passed the early phase of the HIV epidemic, which had been characterised by an exponential growth in prevalence. Thereafter, prevalence rates began to stabilise, with a slight decrease in 2012 compared to 2011. The 2013 HIV prevalence rate for the province was even lower, at 17,1%,⁹ which was lower than the 2010 rate of 17,3%. A downward trend is therefore beginning to emerge. The Khayelitsha health subdistrict remains the district with the highest HIV prevalence rates in Cape Town and the province.¹⁰
- Cardiovascular and metabolic diseases have remained the major cause of death in Cape Town over the ten-year period, with 341 deaths per 100 000 in the 2001-to-2004 aggregate and 279 deaths per 100 000 in 2010. This is consistent across most health subdistricts. There is however a general downward trend in this cause of death.
- The ranking of the major causes of death suggests that the majority of deaths in Cape Town are caused by lifestyle diseases. These are associated with a combination of factors, such as unhealthy and stressful living

conditions, which are a factor of urban life, particularly affecting the most vulnerable of society.

Education

- The percentage of Cape Town's adult population who completed schooling (Grade 12) increased significantly from 19,6% in 1996 to 25,4% in 2001 and 30,2% in 2011. There was also an increase in the percentage of adults with higher education, from 10,9% in 1996 to 16,2% in 2011, although concerns have been raised about the quality of the education received.
- The first decade (12 years) of democracy witnessed an increasing drop-out rate. Only in 2007, drop-out rates¹¹ began to decrease, continuing into the second half of democracy. The 2014 figures seem to be closer to those witnessed at the beginning of democracy, which may point to a possible recovery period in terms of output numbers.
- From the latter part of the first decade of democracy, the number of Grade 10 learners was higher than the number who started out in Grade 7. For example, the 2003 Grade 10 group consisted of 14,50% more learners than those who started Grade 7 in 2000. This suggests an increase in either grade repeaters or migrants (and immigrants), or both. By 2012, however, this had decreased to 1,81%, indicating either fewer grade repeaters or migrants (and immigrants), or both.

9. Personal communication with Dr Vivien Essel, Western Cape Department of Health. The 2013 national survey results had not been released at the time of writing.

10. Ibid.

11. Drop-out rates should be treated with caution, however, as they may have multiple meanings. A drop-out figure does not necessarily mean that a learner has completely dropped out of school. It could mean that a learner

left the school, only to continue schooling in another province or country, which may not be reflected in the statistics. Additionally, learners who drop out for a period of time may not always indicate the reason for doing so, especially in the case of teenage pregnancies, where the learner and parents may not disclose this information to the school. (Personal communication with Abdurahman Noordien, Western Cape Department of Education)



- Of great concern is the decrease in the number of adults with tertiary education.

Income poverty and food security

- The Gini coefficient for Cape Town consistently improved in the ten years from 2001 to 2010: In 2010, it stood at 0,60; in 2007, it was at 0,59, and in 2010, it was 0,57.¹² The Gini coefficient in 2011/12, however, had increased to 0,67, although this was still the lowest in South Africa.¹³
- The number of indigent households¹⁴ in Cape Town increased from 250 000 in 2003 to 288 703 in 2013. For the City, households who qualify for an RDP (now BNG)¹⁵ house form the proxy baseline for determining indigence: Any household earning R3 500 or less per month qualified for an RDP (or BNG) house in 2011. Since the Census data had a cut-off point at R3 200 per month only (and not R3 500), the City used this figure as the poverty line in 2011.
- South African society continues to be characterised by large-scale inequalities along various dimensions, such as population group and geographic location. Economic inequalities have a further negative impact on the creation of social cohesion.
- Food insecurity rather pertains to the inability to access nutritious and culturally acceptable food, than to the absolute amount of food available.¹⁶ The percentage of food-secure households, both in terms of adults and

children, was greater in 2012 than in 2005. In 2005, less than half (47% adults and 38% children) of the black African population group were food-secure; by 2012, slightly more than half (60% adults and 58% children) were food-secure.

- Food security is closely related to poverty. A study by the African Food Security Urban Network (AFSUN) found that food insecurity in the poor areas of Cape Town is both severe and chronic.

Crime

- Cape Town's crime statistics highlight a major challenge for the city and its residents.
- Cape Town had the highest overall crime rate in 2012/13, namely 8 514 per 100 000 people, which is more than double compared to the national crime rate for the same reporting period of 2003/4 to 2012/13.
- Crime continues to be largely concentrated in the poorer areas of the city.¹⁷
- There was an increase in the rate of drug-related crime in Cape Town over the period 2003/4 to 2012/13, from 306 to 1 495, which represents an increase of 479% in actual reported crimes over the nine-year period, and an average of 24% per annum. These figures for Cape Town are concerning when compared to the national figures over the same period. The higher incidence of drug-related crime is in part explained by an increase in law enforcement actions taken and rather



Food insecurity rather pertains to the inability to access nutritious and culturally acceptable food, than to the absolute amount of food available.

The percentage of food-secure households, both in terms of adults and children, was greater in 2012 than in 2005.

12. Western Cape Government. 2011. Regional Development Profile: City of Cape Town. Western Cape Government: Cape Town.

13. UNHABITAT. 2012. State of the World's Cities: 2012/13. UNHABITAT: Nairobi.

14. These are ratepayers who own a single home and qualify for a 100% rates rebate when they register as indigent. To qualify, a household either has to be headed by a minor and be registered in the name of a deceased parent/parents, or must have a total monthly income of R3 301–R5 000

(2013 figures). This income bracket may change annually.

15. Low-cost housing (Breaking New Ground).

16. Frayne, B. et al. 2010. 'The State of Urban Food Insecurity in Southern Africa'. Urban Food Security Series No. 2. Queen's University and AFSUN: Kingston and Cape Town.

17. City of Cape Town. 2014. Comparison with other Metros 2012/2013. Factsheet compiled by Fraser, A. & Gie, J., DI&GIS Department.

cases opened by the police as a result. What should also be kept in mind is that Cape Town's drug challenge has gained more exposure over the past decade through various types of crime research, citizen accounts, public forums and social interactions.

- Fetal alcohol spectrum disorders (FASD) are becoming an increasingly urban problem, especially as a result of increased rural-to-urban migration.
- The importance of FASD within the urban (and specifically Cape Town's) context is being increasingly recognised.

Cultural events celebrating Cape Town's diversity

- Cultural events in Cape Town are one way of fostering social cohesion through the celebration of the diverse South African cultural heritage.
- There have been several annual social events in Cape Town that illustrate how the City supports the fostering of unity and social cohesion.
- In Cape Town alone, the City hosts and funds over 40 iconic and other events. All of these help to create social cohesion through celebrating cultural diversity and connecting people from diverse social and cultural backgrounds.



The poor may be most affected by lifestyle diseases, as they work longer hours, for example shift work, and therefore have less time for recreation or physical exercise, or are unable to afford it. They are also forced to purchase unhealthy foods, as the price of (especially healthy and organic) food is set to increase even further.

Future social

- The future Cape Town will be characterised by a growing population, coupled with a continuous inflow of people from neighbouring provinces and countries. Cape Town's population is expected to grow to 4,20 million by 2022, and to 4,6 million people by 2032.¹⁸ The future Cape Town will witness decreasing fertility rates, increased mortality rates, and increased life expectancy at birth among all population groups. There will be a changing age structure, with increasing proportions of older persons and declining proportions of children, as well as rising median ages, which all point to an ageing population.
- Cape Town's IMR will continue to decrease into the future as vaccinations become more readily available and City health services improve, coupled with increase awareness among mothers. There will be increased life expectancy at birth among all population groups. The numbers of children dying from HIV/Aids will decrease further (with a target of zero) as the PMTCT programmes gain further momentum.
- As more foreign nationals from Africa migrate to the city, previous diseases that were no longer considered pandemics, such as yellow fever, may resurface. Diseases that are climatic in origin may also increase as an impact of climate change, particularly among the most vulnerable.

- There will however be increased adult mortality rates due to HIV/Aids, particularly among the black African and coloured populations.¹⁹ MDR and XDR-TB will continue to pose a challenge for reducing TB rates, and will be exacerbated by growing informal settlements.
- There will be an increased burden of chronic diseases due to the ageing population, changing lifestyles, unhealthy diets (further exacerbated by urban food insecurity), obesity and alcohol abuse.²⁰ The poor may be most affected by lifestyle diseases, as they work longer hours, for example shift work, and therefore have less time for recreation or physical exercise, or are unable to afford it. They are also forced to purchase unhealthy foods, as the price of (especially healthy and organic) food is set to increase even further.
- Future scenarios will see local food production and distribution systems becoming increasingly critical as climate change affects weather patterns, and the rising cost of fuel further drives up food prices. Low-income and poor households will be most affected by food price hikes. The City has further commissioned a comprehensive study of the food systems and food security in Cape Town. The purpose of this study is to understand the nature of Cape Town's food systems in order to inform City interventions and policy decisions.
- While multidimensional poverty is a reality in many developing countries, poor households in South Africa are impacted more by income poverty (a result of high levels of unemployment) than lack of access to basic services (like health, housing, water and sanitation), – which constitutes a large component of multimimensional deprivation and poverty. The "Prosperity Index", prepared in 2012 by UNHABITAT, measures well-being, including both the tangible and intangible aspects of success. In this respect, the 2012 results indicate that Cape Town has the highest prosperity index in Africa, and is therefore the most equal city on the continent.²¹
- In future South Africa and Cape Town, drug-related crimes are expected to continue to increase as more people, especially youth, experiment with recreational drugs, and the average age of drug users is set to become ever lower. Numbers and proportions of contact and contact-related crimes are expected to decrease, as well as the incidence of murder, attempted murder, sexual offences, violent assault, violent robbery and common robbery. Corruption, bribery and fraud in the public sector will be reduced through more stringent legislation and intense corruption monitoring. Organised crime and cybercrime – a new form of major crime – will continue to increase, bolstered by globalisation and the communications revolution.²²

18. Western Cape Government & City of Cape Town. 2014. Western Cape Population Projections 2011–2040.

19. Haldenwang, B. 2013. South African demographic trends to 2035. Presentation to City of Cape Town on 31 October 2013. Institute for Futures Research, University of Stellenbosch.

20. Ibid.

21. UNHABITAT. 2012. State of the World's Cities: 2012/13. UNHABITAT: Nairobi.

22. This draws on the analysis of South African crime trends discussed in Roux (ed.), 2013.



2. Economy

Global competitiveness

- The success of cities, especially those in developing countries such as South Africa, hinges on the economy's ability to distribute the benefits of economic growth to all citizens. A city can only become a place of opportunity and inclusivity if the economy creates jobs and raises wage income, and if the returns on value-added production are re-invested in physical and social infrastructure.
- Cape Town – along with Johannesburg – could be described as a primary urban centre in terms of its population size, economic strength and influence in the broader region. However, in the global context, it can only be regarded as a mid-sized city.
- The projected economic growth rate of mid-sized cities, at 8,7% for the period 2010-2016, is expected to outstrip that of megacities, which are expected to grow at 6,3% over the same period. McKinsey Global Institute²³ further predicts that mid-sized (200 000-10 million inhabitants) emerging-market cities will contribute 40% of global economic growth between now and 2025. This reflects the shifting centre of economic gravity away from developed markets towards emerging economies – a pattern that has strongly characterised the last 20 years.
- While foreign direct investment (FDI) outflows from developed countries fell by \$274 billion in 2012, FDI outflows from developing countries rose by \$4 billion to a record share of 31% of total FDI flows.
- Sub-Saharan Africa is expected to be among the fastest-growing developing regions, with an average

growth rate of 6,1% forecast for 2014.

- Currently, Cape Town is ranked 73rd on the *Economist* Intelligence Unit's ranking of city competitiveness – the second most-competitive city in Africa, and ranked just below Johannesburg, which is in 67th place.²⁴ Cape Town's highest rankings in the sub-indices of the competitiveness index are in the areas of institutional effectiveness and human capital. The institutional effectiveness category looks at South Africa as a whole, and takes into account elements such as electoral processes, fiscal autonomy and rule of law.

National policy response

- National developments in macro-economic policy fundamentally affect Cape Town, and shape the city's response to global economic trends.
- Strong economic growth in the period 1997-2008 did not, as had been expected, solve the unemployment or inequality challenges in South Africa. The National Planning Commission's Diagnostic Overview (2011) found that while the poverty rate dropped from 53% in 1995 to 48% in 2008, inequality, as measured by the Gini coefficient, remained largely unchanged and the unemployment rate hit its highest level (31%) in 2001. It is not that economic growth did not create employment in the 1997-2008 period, but rather that it created insufficient employment.

Cape Town's economic growth

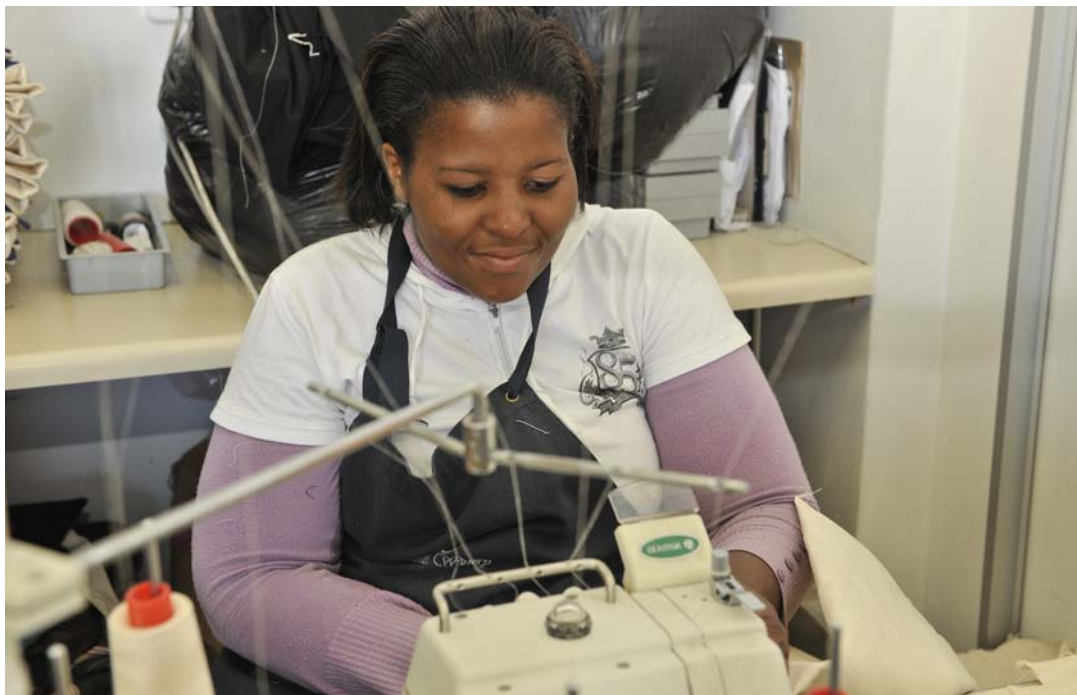
- Cape Town's growth performance tracks that of the country, especially in the last five years. However, Cape Town has on average grown faster than South Africa as

● ● ●

Cape Town is 73rd on the *Economist* Intelligence Unit's ranking of city competitiveness – the second most-competitive city in Africa, and ranked just below Johannesburg, which is in 67th place. Cape Town's highest rankings in the sub-indices of the competitiveness index are in the areas of institutional effectiveness and human capital.

23. 2012. Urban world: Cities and the rise of the consuming class. p 5.

24. *Economist* Intelligence Unit. 2012. Hot spots: Benchmarking global city competitiveness. p 26.



● ● ●

The industries in which Cape Town has the most pronounced comparative advantage as compared to the country as a whole are fishing, clothing and textiles, wood product manufacturing, electronics, furniture, hospitality, finance and business services.

a whole (3,7% compared to 3,2%) during the period. Cape Town's period of fastest economic growth was 2001-2006, two years before the economic recession hit. During this period, the average annual growth rate of Cape Town's economy was 4,7% compared to a national average annual growth rate of 4,4%. The greatest divergence from the national growth rate, however, came in the period 2006-2012, when Cape Town recorded an average annual growth rate of 3,3%, while South Africa recorded a growth rate of 2,8%. This points to the greater resilience of Cape Town's economy during the recession period.

- The cumulative growth of Cape Town's economy between 1996 and 2012 was 78%, while South Africa's was 65%. Naturally, this has resulted in Cape Town contributing an increasing share of South Africa's gross domestic product.
- Cape Town's positive growth in GDP per capita indicates that economic growth over the period 1996 to 2012 was not only an outcome of population growth, but also of increased productivity as a result of scale and specialisation. That being said, Cape Town's GDP per capita average annual growth rate between 1996 and 2012 of 1,3% was lower than South Africa's metro average, which was 1,56%.

Sectoral drivers

- The sectoral distribution of economic activity differs from the national economy, predominantly in terms of the smaller relative size of the primary sector (agriculture and mining) and the greater relative size of the tertiary sector (particularly finance and insurance). The finance and business services sector is by far the city's largest economic sector, contributing 36,1% to Cape Town's gross value added (GVA), whereas it contributed only 23,9% nationally in 2012.

- The industries in which Cape Town has the most pronounced comparative advantage as compared to the country as a whole are fishing, clothing and textiles, wood product manufacturing, electronics, furniture, hospitality, finance and business services. These industries currently contribute relatively more to the city's economic output than they do at a national level to South Africa's economic output.
- Cape Town's economy has moved steadily away from the productive sectors – agriculture and manufacturing – towards specialised services sectors – finance and business services, and transport and logistics. In general, the primary and secondary sectors decreased their combined share of GDP from 26,0% in 1996 to 22,3% in 2012, while the tertiary sector increased its share from 73,1% in 1996 to 77,7% in 2012.
- In terms of GVA growth, manufacturing in Cape Town has grown at an average annual rate of 2,2% over the period 1996-2012, and at only 1,7% since 2006. This is significantly slower than the growth of the city's economy as a whole (3,7%), and also slower than the 2,6% average growth rate of the country's manufacturing sector in the 1996-2012 period. In contrast, the finance and business services sector in the city grew at 5,0% per annum, albeit also marginally slower than the national average of 5,2%. Although off a smaller base, transport and communications, at 5,5%, grew faster than finance and business services in the city, and faster than transport and communications nationally (5,1%).
- Cape Town's five largest contributors to economic growth in the period 1996-2012 were all industries located in the tertiary sector. Finance and insurance (excluding real-estate and other business activities) contributed a significant 31,9% of economic growth, despite only constituting 19,9% of the economy in



2012. This reveals both Cape Town's strengths and vulnerabilities. When consumer confidence is high and these industries are growing, Cape Town's economy flourishes. However, when consumer confidence dips as a result of deteriorating domestic or international conditions, these industries slow down and weaken Cape Town's economy in the process.

Cape Town's labour market

- Employment in Cape Town has grown steadily since 2005, when it was around 1,2 million, and peaked at 1,5 million in the fourth quarter of 2011. The average annual growth rate of employment during the 2005-2013 period was 2,4%, while the corresponding GDP growth rate was 3,7%. This is indicative of a certain capital intensity of growth as well as growth in labour productivity, necessitating fewer labour inputs to produce output units.
- On average in the period 2005-2013, employment growth was not sufficient to accommodate the growth in the number of new labour market entrants, which could be the reason for the relatively slow growth in GDP per capita.
- As labour force growth exceeded employment growth, the strict unemployment rate in Cape Town increased from 19,2% to 24,9%²⁵ between 2005 and 2013. The increase in the unemployment rate in this period must be seen against the backdrop of adverse global economic conditions, particularly in 2009, which caused millions of job losses around the world and a million job losses in South Africa.
- Encouragingly strong employment creation in 2013 absorbed more people than what the labour force in-

creased by, thereby driving the decrease in the unemployment rate in this period. In order to ensure greater opportunities for people to actively participate in the local economy, Cape Town needs to exploit the employment creation potential of key strategic industries.

- Employment growth has been strongly driven by the tertiary sector, in particular finance and business services, retail and wholesale trade, and community services. Manufacturing has experienced huge job losses in both the 1996-2004 and 2004-2012 periods, declining at an average annual rate of 0,8%. This finding reflects not so much the diminishing importance of the manufacturing sector, as other sectors grow faster, but rather the de-industrialisation of Cape Town.
- The informal economy is a significant employer in Cape Town, and according to the City's calculations based on Census 2011 and the 2013 Quarterly Labour Force Survey, informal-economy employment constitutes between 9% and 11% of the total number of employed people in the city.²⁶
- In Cape Town, the informal sector constitutes a smaller portion of total employment in the city, with only 8,7% of total employment being located in the informal sector in the fourth quarter of 2013. This was 9,8% lower than in the previous quarter. Although more formal jobs may be available in Cape Town than in other regions of the country, the city's high unemployment rate (compared to other emerging cities) means that the informal economy should be playing an important role as an employer in the local economy.
- This implies that informal-economy employment can be used as a tool to broaden economic inclusion and combat poverty.



The informal economy is a significant employer in Cape Town, and according to the City's calculations based on Census 2011 and the 2013 Quarterly Labour Force Survey, informal-economy employment constitutes between 9% and 11% of the total number of employed.

25. Annual average of the unemployment rate for the four quarters.

26. City of Cape Town. 2014. EPIC – Economic Performance Indicators for Cape

Town, 4th Quarter 2013.



● ● ●

Since 1994, key economic assets such as the Cape Town International Convention Centre (CTICC), the film studio and an extensive broadband network have been developed in collaboration with strategic partners. These economic assets have underpinned growth in some of the city's key sectors, and enhanced its ability to attract investment.

- The challenge for Cape Town lies in the fact that although its labour market is more inclusive than South Africa's, the city still has a high unemployment rate (especially among the youth) by developing-country standards, as well as a high proportion of people with relatively low skills in its labour force.
- Cape Town needs growth in sectors with high absorption of low-skilled labour. The fastest-growing sectors in Cape Town's economy, however, are more capital-intensive than labour-intensive and, for the most part, require workers who are highly skilled.
- According to FDI Intelligence,²⁷ the Cape Town industry with the largest number of projects receiving FDI from 2003 to 2013 was business services, with 34 projects, while the communications industry recorded the highest value of FDI (R8 billion) in that period. This attests to the attractiveness of these industries, and accounts for their above-average growth rates.
- There is a need to revitalise the manufacturing sector in Cape Town through strategic investments in infrastructure and through direct incentivisation. With regard to the latter, and in line with the Economic Growth Strategy, the City of Cape Town formulated an Investment Incentives Policy in 2013.

Leveraging infrastructure assets

- Since 1994, key economic assets such as the Cape Town International Convention Centre (CTICC), the Cape Town Film Studios and an extensive broadband network have been developed in collaboration with strategic partners. These economic assets have underpinned growth in some of the city's key sectors, and

enhanced its ability to attract investment.

- As a large, relatively new and purpose-built port, Ngqura may overtake the Port of Cape Town with regard to container handling in the near future due to capacity constraints in the latter. This may in turn lead to a shifting of manufacturing industries to the Port Elizabeth area. The City needs to engage with Transnet to ensure that capacity constraints in the Port of Cape Town do not become prohibitive to growth in the manufacturing sector within the city and its region.
- A number of oil and gas companies have their administrative offices in Cape Town, and a second integrated development zone (IDZ) focused on the development of green technology is being established in Atlantis.
- Cape Town International Airport, voted the best airport in Africa in 2013,²⁸ is South Africa's second-busiest airport, and recorded 2,25 million total passenger movements in the fourth quarter of 2013, compared to 4,89 million passenger movements at OR Tambo (Johannesburg) and 1,14 million at King Shaka International (Durban) during the same period. The disparity between OR Tambo and Cape Town international airports is a result of Airports Company South Africa's (ACSA) strategy of using OR Tambo as the international hub airport for South Africa.
- International arrivals to OR Tambo constituted 49% of its total passenger arrivals. In contrast, the relative lack of international connections at Cape Town International affects the city's ability to be truly globally fluent. In particular, Cape Town's two labour-intensive comparative advantages, tourism and business process outsourcing, require excellent international connec-

27. Financial Times. 2014. Foreign Direct Investment [FDI] Intelligence. London. Available at www.fdimarkets.com.

28. Airports Company International. 2013. Available at

<http://www.aci.aero/Airport-Service-Quality/ASQ-Awards/2013-Winners/Best-Airport-By-Region/Africa>.



tivity. Other sectors that are important in the economy of Cape Town's rural hinterland, such as agriculture, also require well-functioning air links, particularly with regard to time-sensitive export products.

Submetro economic dynamics

- Submetro economic dynamics are another important consideration when reflecting on how the city's economy has grown, changed and developed since 1994.
- There are 59 business precincts in the City's area of jurisdiction, 23 of which are exclusively commercial, 18 are exclusively industrial, and 18 exhibit a combination of industrial and commercial activities. Approximately 90% of non-residential building development has occurred in these business precincts since 2005.
- In the 1900s, industry in Cape Town clustered around the central business district (CBD) and, thereafter, in Woodstock and Salt River. With the increasing scale of manufacturing plants in the mid-century, the search for larger, cheaper even led to the opening up of specialised industrial areas in Maitland and Paarden Eiland, followed by Epping, and later also the eastern edge of the city in Brackenfell and Blackheath Industria. Due to the largely industrial nature of this development, rail access was an important determinant of location. The Atlantis area was also developed in the 1970s, which was a social engineering intervention that provided residential and industrial opportunities for the coloured population. The 1980s were dominated by rapid growth in Montague Gardens, followed by development of smaller industrial hives, such as Blackheath and Elsies River Industria.
- The 1990s saw continued yet slow growth in demand

for larger manufacturing sites in specialised peripheral estates, such as Brackenfell and Blackheath, which were characterised by cheaper land and good road access.

- Growth in warehousing and storage facilities took place near the international airport, and built on rapid light-industrial growth in nearby industrial areas with a high level of road access, such as Montague Gardens and Killarney Gardens. Meanwhile, the northern part of the metropolitan region attracted high-tech, specialised and niche industries requiring specialised premises.
- Between 2000 and 2011, Cape Town's industrial GVA grew by R9,3 billion,²⁹ of which R5,6 billion was manufacturing-related and R3,672 billion pertained to transport and storage. This growth in industrial activity corresponded with the completion of an additional 3,6 million m² of gross internal floor space. This increase in internal floor space is roughly equivalent to the addition of an industrial area three times the size of Montague Gardens.
- During the same period, economic sectors that are largely office-based, including finance, insurance, real-estate and business services; personal services, and general government grew by a total of R36,9 billion. This growth corresponded with the completion of 1,82 million m² of new office and banking space since 2000. This increase is roughly equivalent to the addition of three Bellville CBDs to the city's urban fabric. As highlighted earlier, this attests to the growing importance of the tertiary sector in Cape Town's economy.
- Two thirds of the more than 2 million m² of industrial space added in Cape Town since 2005 are concen-



Economic sectors that are largely office-based, including finance, insurance, real-estate and business services; personal services, and general government grew, attesting to the growing importance of the tertiary sector in Cape Town's economy.

29. Constant 2005 prices.

trated in nine of the 36 industrial and mixed-use nodes. More than one third (36%) of overall industrial development occurred in only three nodes: Blackheath (16%), Brackenfell (13%) and Airport Industria (7%). It may be said that these fast-growing nodes are challenged by their own success, in that further growth along the eastern periphery of the metropolitan region and around the airport is increasingly constrained by mounting infrastructure challenges. There is limited private-sector investment in industrial areas perceived as inaccessible (Atlantis) or dangerous (Philippi).

- On the back of technological improvements in logistics, consolidation and vertical integration of distribution networks, the modal shift from rail to road, as well as transport cost factors, the restructuring of the regional freight logistics system since 1994 has led to the proliferation of warehousing and transport-related development, coupled with the displacement of productive industrial activities. This is also reflected in the rapid GVA growth for the transport, storage and communications sector (5,5%) between 1996 and 2012. In Cape Town, warehousing has driven employment density as low as 80 m² per employee, whereas mechanisation in light manufacturing has lowered densities from 32 m² to 47 m² between 2001 and 2010. There is concern that well-located industrial areas, which are seen as the drivers of blue-collar employment creation, are in fact growing whilst shedding jobs.
- Since 2005, two thirds (65%) of new office developments³⁰ have been concentrated in only four of the 41 office nodes across the city: Century City (25,5%), Tygervalley (21,8%), Salt River (10,7%) and the CBD (6,8%).

Future economy

- It is recognised that a knowledge transition is necessary in order to provide the high-quality education and skills as well as the innovation capacity required by firms to compete in the global and national economy.
- An economic-access transition is also required to enable the development of an innovation-driven economy with high levels of productivity and entrepreneurial activity. Progress in both these areas remains a challenge, although the City's Economic Growth Strategy provides a solid basis for growth to take place.
- There has been a recent shift towards a developmental approach, which sees the informal economy as a non-transient and important source of employment within the city. This approach may radically change the way local government interacts with and perceives the informal economy in the near future.
- In order to harness the full employment-creation potential of Cape Town's growth sectors, Cape Town needs to broaden its skills base, investing in skills and

targeting fast-growing and labour-intensive tertiary industries.

- Challenges relating to the Port of Cape Town and Cape Town International Airport will require ongoing engagement and discussion with the respective national departments and agencies.
- It is too soon to assess whether a combination of cheap and extensive vacant land, coupled with area-based City initiatives aimed at stimulating investor interest in these areas, will translate into a more spatially balanced pattern of industrial development.
- A dampened level of consumer confidence, as forecast by the Bureau of Economic Research³¹ is likely to have a negative effect on Cape Town's economy, which is heavily invested in tertiary-sector industries, in the short to medium term. However, achieving a suitably higher future growth trajectory for Cape Town will depend on the city's ability to increasingly realise the opportunities associated with the industries where it has some comparative advantages – namely tourism, finance and business services, agro-processing, creative industries, and oil and gas – and effectively attract new investment to these industries.
- The City also needs to be mindful of the gap between a large and increasing low-skilled pool of excess labour and the demands of skills-intensive, fast-growing services industries. Two labour-intensive yet fast-growing industries within Cape Town are business process outsourcing and tourism. Both are externally focused, and can thus potentially benefit from improving global conditions and a weak rand. The City of Cape Town needs to implement supportive strategies that help to create an enabling environment for the growth of these as well as other comparative-advantage industries in the city.
- The analysis of submetro economic dynamics in Cape Town reveals a growing spatial divergence between dispersive public-sector investment and agglomerative private-sector investment. In other words, whereas private-sector investment and concomitant employment growth are becoming increasingly concentrated in a handful of existing nodes, the public sector's attempts to duplicate the conditions for similar investment have had limited success and have been at the expense of maintaining and managing existing assets. This phenomenon suggests that the future of large cities such as Cape Town is bound up with the fortunes of existing business precincts. The challenge for the City is to identify and leverage private-sector investment off existing location potential, whilst ensuring that new employment opportunities are accessible to job seekers through universal services (quality education, basic services) and affordable public transport that connects thriving business nodes with the rest of the city.



A suitably higher future growth trajectory for Cape Town will depend on the city's ability to increasingly realise the opportunities associated with the industries where it has some comparative advantages – namely tourism, finance and business services, agro-processing, creative industries, and oil and gas – and effectively attract new investment to these industries.

30. Measured by internal floor area.

31. 2014, 2013Q4 GDP Growth.



3. Natural wealth

- Successful cities provide stimulating environments for their inhabitants, without imposing unsustainable demands on natural resources and ecosystems. Such cities meet multiple goals, including living and working environments that promote health and well-being, and support a prosperous economic base. These cities also work to ensure a sustainable relationship between the demands of consumers and businesses, and the resources and ecosystems on which they depend.
- Cape Town currently has several significant environmental challenges, including climate change, waste and pollution, resource depletion and biodiversity loss. Urban environmental problems should be understood as a threat to present and future human well-being, resulting from human-induced damage to the physical environment that originates or is experienced in urban areas.
- Cape Town's natural assets and biological diversity are part of what makes the city a unique and desirable place in which to live, work and play.³² However, wetlands, watercourses, beaches, high-potential agricultural areas, cultural landscapes and scenic views are all being degraded by rapid and uncontrolled urbanisation.³³
- Climate change effects pose further challenges through the risk of rising sea levels and associated impacts on low-lying urban and coastal environments. Climate change further contributes to changing rainfall patterns and temperature extremes, negatively af-

fecting water resources and biodiversity, as well as food security.³⁴ The frequency and intensity of extreme weather events are driven by climate change, and cause significant storm damage in both the province and the city, resulting in significant infrastructural damage and economic losses.^{35,36}

- Historical challenges facing Cape Town's natural environment include the following:
 - Rapid urbanisation, with a growing number of households who need access to basic municipal services amid growing resource constraints
 - Encroachment on natural environments, and biodiversity loss
 - Development pressure and the threat this poses to unique cultural landscapes and productive land (for urban agriculture)
 - Increased environmental pollution through, among others, carbon emissions from the increasing number of vehicles on the city's road network, and water pollutants from industrial waste, wastewater, human settlements and stormwater discharge
 - Water insecurity arising from changing rain patterns and, in some cases, droughts
 - Energy insecurity arising from global energy price shocks and the potential for electricity shortages
 - The looming prospect of food insecurity as climate change affects agricultural output, coupled with the inevitable rise in food (and other commodity) prices as the cost of transport increases together with the oil price.

● ● ●

Cape Town's natural assets and biological diversity are part of what makes the city a unique and desirable place in which to live, work and play. However, wetlands, watercourses, beaches, high-potential agricultural areas, cultural landscapes and scenic views are all being degraded by rapid and uncontrolled urbanisation.

32. City of Cape Town. 2012. Spatial Development Framework.

33. City of Cape Town. 2011. State of Cape Town Report 2010. DI&GIS Department.

34. Oxfam. 2014. Hot and hungry – how to stop climate change derailing the fight against hunger. Oxfam media briefing, 25 March.

35. Midgely, G.F., Chapman, R.A., Hewitson, B., Johnston, P., De Wit, M., Ziervogel, G., Mukheibir, P., Van Niekerk, L., Tadross, M., Van Wilgen, B.W., Kgope, B., Morant, P.D., Theron, A., Scholes, R.J. & Forsyth, G.G. 2005. A

Status Quo, Vulnerability and Adaptation Assessment of the Physical and Socio-Economic Effects of Climate Change in the Western Cape, CSIR Report No. ENV-S-C 2005-073. CSIR Environmentek: Stellenbosch.

36. For a more detailed account of extreme weather impacts in the Western Cape province, see Disaster Mitigation for Sustainable Livelihoods Programme (DIMP), 2010, RADAR Western Cape 2010: Risk and Development Annual Review, PeriPeri Publications: Cape Town.



In 2005, the City adopted the Air Quality Management Plan for the City of Cape Town, and in 2010, adopted the City of Cape Town Air Quality Management Bylaw.

Among other provisions, this bylaw regulates emissions of atmospheric pollutants within Cape Town, and puts in place licensing and penalty systems.

Air quality

- Key pollutants termed "criteria pollutants" are often chosen as indicators of general air pollution. Criteria pollutants relate to certain activities (such as fuel emissions and wood burning) that produce other pollutants, which makes the presence of one an excellent indicator of the presence of the other. The South African National Environmental Management: Air Quality Act 39 of 2004 stipulates that three main criteria pollutants need to be measured and reported. These are particulate matter smaller than ten microns in size (PM₁₀), sulphur dioxide (SO₂) and nitrogen dioxide (NO₂). This report will focus on PM₁₀ due to its significant impact on human health.
- In Cape Town, the most common sources of PM₁₀ pollution are diesel vehicle emissions, wood and fuel burning, and dust from construction activities, unpaved roads and verges. Due to their microscopic size (one tenth of the diameter of a human hair), PM₁₀ particles are inhaled easily. PM₁₀ can cause lung irritation and aggravate existing lung disorders and diseases, such as asthma and tuberculosis (TB). It is also linked to cardiovascular problems.
- The City monitors and reports against both United Kingdom and South African national standards for PM₁₀, as these provide a useful basis for both international comparison and comparison with levels of previous years. The World Health Organisation (WHO) guideline for PM₁₀ is also presented in this report to enable comparison. The WHO guideline is based on the level of pollution at which it has been determined that the health effects of PM₁₀ become negligible or immeasurable.
- In 2005, the City adopted the Air Quality Management Plan for the City of Cape Town. In 2009, the South African National Ambient Air Quality Standards were released by the Department of Environmental Affairs

as a schedule to the Air Quality Act. These standards provide specific levels with which local authorities must comply. In some cases, most notably PM₁₀, interim standards (2009-2014) were provided in order to give local authorities sufficient time to put in place monitoring and control measures before the introduction of stricter standards in 2015. In 2010, the City adopted the City of Cape Town Air Quality Management Bylaw. Among other provisions, this bylaw regulates emissions of atmospheric pollutants within Cape Town, and puts in place licensing and penalty systems.

- It is difficult to determine general air quality trends for the city, as air pollution is often seasonal and localised, and can fluctuate significantly at each site. Generally, most sites in Cape Town meet the South African national standard for PM₁₀ levels, with only Khayelitsha exceeding it in some years. However, almost all sites exceeded the WHO guideline in almost all years since 1995, showing that there is significant room for improvement. The WHO guideline should be seen as a value to strive for, as most large cities around the world struggle to achieve it.
- In terms of the number of days on which the daily PM₁₀ South African standard is exceeded, Cape Town generally performs well. Since 2011, no station failed to comply with the limit of no more than four exceedances of the 120µg/m³ daily standard. This is down from a high of nine exceedances in 2010.
- The relatively high level of TB infection in poorer areas is a significant public health concern. Although PM₁₀ does not cause TB, it can aggravate the condition in infected individuals. In the summer months, PM₁₀ pollution in Khayelitsha primarily consists of dust, which is exacerbated by the presence of unpaved roads and verges as well as unvegetated open spaces. In the winter months, vehicle emissions and smoke from cooking and heating fires are the primary source of PM₁₀.



The Khayelitsha Air Pollution Strategy (2007) was established to address specific challenges in this area. Urban renewal interventions and infrastructure upgrades appear to be having a positive impact, which may become more evident over time.

- The minimum emissions standards for listed activities, as stipulated in the section 21 notice (Notice 893 dated 22 November 2013) promulgated in terms of the Air Quality Act, have significant implications for existing and new listed activities. Existing activities need to comply with the minimum emissions standards for existing plant by 31 March 2015, and must meet the new plant standards by 31 March 2020. New listed activities need to comply with the new plant standards with immediate effect. These emissions standards will result in an improvement in ambient air quality for Cape Town; however, getting industry to meet these limits will be fairly challenging. Some major players such as Eskom have already applied to the national air quality officer for postponement.
- Successful implementation of the minimum emissions standards will result in an improvement in ambient air quality in Cape Town, but will require good compliance and enforcement measures to ensure that industry complies.

Energy

- In response to the global challenge of climate change, cities around the world are starting to realise the importance of reducing their carbon dioxide (CO₂) emissions. Local governments have an important role to play in supporting this commitment through local policies and action plans. In order to gauge the effects of any mitigation actions, it is important to understand the carbon emissions profile and carbon footprint of the city – how big it is and which sectors contribute to it. This informs strategic planning and appropriate responses.

- Cape Town's total annual energy use, calculated in 2007, was around 128 million GJ (gigajoule), which constitutes approximately 5% of South Africa's total energy demand. Cape Town's energy-use profile, which has prominent residential and commercial sectors, differs significantly from South Africa's total-use profile, where industry and mining account for a greater share of total energy use.
- In the 2007 baseline year, Cape Town's per-capita emissions were 7,8 tonnes CO₂. This indicator is not updated annually, as data are onerous to obtain. The City is currently updating its datasets using the 2012/13 base years.
- Cape Town's CO₂ footprint, although lower than the national average, is high compared to those of developing cities with similar economies, and is even higher compared to many developed cities, primarily due to the fact that almost all electricity used in the city is derived from national coal-generated power.
- Cape Town's electricity use accounts for 64% of its carbon footprint. The city's residential and commercial sectors are jointly responsible for the largest share of its carbon emissions, accounting for 83% of electricity use and 54% of carbon emissions. Although the transport sector consumes 50% of Cape Town's energy, it is responsible for only 27% of the associated carbon emissions.
- As with the rest of South Africa, all sectors of Cape Town's society have been very energy-inefficient in their practices due to a history of cheap and abundant electricity. The above challenges have created an urgent need to improve energy efficiency, diversify energy supply, and work with National and the Western Cape Government on projects to improve Cape Town's energy security.
- In 2011, the City of Cape Town published the Moving Mountains report, which demonstrated the City's com-

● ● ●

Cape Town's CO₂ footprint, although lower than the national average, is high compared to those of developing cities with similar economies, and is even higher compared to many developed cities, primarily due to the fact that almost all electricity used in the city is derived from national coal-generated power.



Proposed City mechanisms to address the revenue impacts stemming from reduced electricity consumption include increased national grants, decoupling electricity sales from municipal revenue, and modifying electricity department business models.

mitment to meeting these challenges through its comprehensive Energy and Climate Change Action Plan. In 2014, Cape Town beat 163 other cities to win the Global Earth Hour Capital award for its energy and climate efforts.

- The national energy policy environment has been very active and has generated a number of frameworks and legislation over the last 20 years (or close). The earliest of these, the White Paper on Energy Policy of 1998, was intended to provide the framework for the Integrated National Electrification Programme and Free Basic Electricity Policy, and connected millions of poor households in cities and rural areas alike. Since then, the following strategies, policies, acts and plans have seen the light: the Energy-Efficiency Strategy (2005, updated 2013); the National Climate Change Response Strategy (2012); the National Carbon Policy Paper (2013); the Policy for Energy-Efficiency and Demand-Side Management; the National Energy Act 34 of 2008; the Electricity Regulation Act 4 of 2006; the National Environmental Management: Air Quality Act 39 of 2004; the Integrated Energy Plan (2013); the Integrated Resource Plan for Electricity 2010-2030; the National Energy Regulator Act 40 of 2004; the National Building Regulations Amendment Act (Part XA); the Renewable-Energy Independent Power Producer Programme, and the document Energy Usage in Buildings, which details the energy-efficiency building regulation and associated standards (SANS 204 and SANS 10400).
- Cape Town's electricity use increased steadily between 2001 and 2007 along with the city's population and economy, and reached a high of approximately 12 250 GWh in 2007 (3 430 kWh per capita). Since 2007, there has been a marked decrease in electricity consumption, with total consumption having declined year on year since 2010. In 2010, total annual electricity consumption was 10 556 GWh. Electricity use since then has reduced to 10 488 GWh in 2011, 10 431 GWh in 2012 and 10 200 GWh in 2013. Over the period April 2013 to April 2014, consumption remained consistently 20% (2 446 GWh) below the business-as-usual baseline (projected at a 3,3% annual increase in 2006), and is now even below 2007 consumption. Although these figures do not include Eskom distribution areas due to the unavailability of Eskom data, they do provide a sound indication of electricity use trends in Cape Town.
- Policy debates relating to national energy policy are wide-ranging. These include the desirability of nuclear power; the price of carbon emissions and revenue recycling of the proposed national carbon tax; the establishment of an independent systems and market operator; means to rationalise the electricity distribution sector; the supply expansion planned in the Integrated Resource Plan for Electricity, and associated overprojection of demand and reliance on fossil fuel power generation; the quantum of renewable energy to be included in the grid; means of facilitating distributed energy generation, and the funding and mechanisms of energy-efficiency and demand-side management. There have also been a number of energy policy instruments, including white papers, legislation, national strategies and plans – from the White Paper on Energy Policy (1998) to the more recent publication of the National Carbon Policy Paper (2013).
- There is widespread debate on the role and mandate of local governments in energy generation, energy planning, energy efficiency and energy demand management. Specific to Cape Town, the energy debates have included the following:
 - The determination of an appropriate feed-in tariff to facilitate the export of excess generation from small-scale renewable-energy systems to the distribution network



- The determination of free basic electricity (FBE) amounts. In this case, the City has determined that, due to increased efficiency and behaviour change, consumption of 400 units per month is too high to work as a consistent indicator of FBE need.
- Addressing the revenue impacts stemming from reduced electricity consumption. Proposed mechanisms to address revenue impacts include increased national grants, decoupling electricity sales from municipal revenue, and modifying electricity department business models.
- The potential for local governments to play an increasing role in electricity supply through entering into power purchase agreements with independent power producers, or becoming power generators themselves
- Local government's mandate in electricity tariff-setting. The debate is about whether the National Energy Regulator or local government has the final authority in tariff-setting.
- Debate on smart-grids, the roll-out of smart meters and the operation of ripple control systems
- The enforcement of national energy-efficiency building standards
- The City has taken pioneering steps in confronting Cape Town's energy-related challenges. In 2010, Council adopted a comprehensive Energy and Climate Change Action Plan, which is a programme that links energy and climate to Cape Town's development strategy. Forty programme areas comprising over 120 projects are coordinated through the plan. The City's commitments include a 10% reduction in greenhouse gas emissions off a business-as-usual baseline by 2014; a 10% reduction in municipal electricity consumption by 2012; a 10% reduction in city-wide electricity consumption by 2012, and a 10% supply of renewable and cleaner electricity by 2020. The munic-

ipal and city-wide consumption reduction targets have been achieved and exceeded. A range of programmes and projects implemented in terms of the Energy and Climate Change Action Plan have contributed to this success.

Biodiversity

- Cape Town has enormously rich biological diversity, and is known for its incredible natural beauty. The city is located within one of the world's six plant kingdoms – the Cape Floristic Region (CFR). The CFR, a recognised UNESCO world heritage site, is the smallest yet most biologically diverse of all the plant kingdoms. The CFR has one of the highest proportions of endemic species in the world, with over 70% of its approximately 9 600 plant species found nowhere else, and has been officially identified as a "global biodiversity hot spot". This designation recognises the region as one of the planet's 25 most threatened ecosystems, and places an international responsibility on all spheres of government to ensure its adequate conservation.
- Over two thirds of the natural vegetation types are classified as "endangered" or "critically endangered", and over 300 of Cape Town's plant species are threatened with global extinction.
- Cape Town has six endemic vegetation types, which means that they can be conserved only within the boundaries of the city. Some of these vegetation types are critically endangered and remnants will need to be conserved both within and outside the urban edge. Cape Town is a unique example of a city where biodiversity must be conserved as part of the urban fabric, and be fully integrated with present and future spatial planning.
- Managing threatened biodiversity in an urban context is a complex task. Although the City manages a number of nature reserves, these do not necessarily cover

● ● ●

The Cape Floristic Region has one of the highest proportions of endemic species in the world, with over 70% of its approximately 9 600 plant species found nowhere else, and has been officially identified as a "global biodiversity hot spot".



The biodiversity network (BioNet) is a fine-scale, systematic biodiversity plan that identifies sites that need to be prioritised for conservation, and protected from development and inappropriate management.

The BioNet is a key informant in the City's medium-term to long-term spatial planning.

a representative proportion of the various components of Cape Town's biodiversity.

- Since 1994, significant progress has been made in terms of the biodiversity policy and legal environment. The promulgation of the National Environmental Management Act (NEMA) 107 of 1998, as well as the subsequent Protected Areas Act and Biodiversity Act in 2003 and 2004 respectively, has set the stage for an increased focus on biodiversity management as a formal requirement within the City of Cape Town.
- In 2003, the City's own biodiversity strategy was approved by Council as an implementation strategy of the larger Integrated Metropolitan Environmental Policy (IMEP). This strategy laid out the City's conservation goals and targets, which are aligned with the national targets and are used to determine the minimum set of areas in the biodiversity network. This strategy was updated in 2009 with the addition of the Local Biodiversity Strategy and Action Plan 2009-2019. In 2008, the Framework for a Strategy and Action Plan for the Management of Invasive Alien Species in the City of Cape Town was also completed and adopted.
- The biodiversity network (BioNet) is a fine-scale, systematic biodiversity plan that identifies sites that need to be prioritised for conservation, and protected from development and inappropriate management. The fine-scale biodiversity planning analysis was first done in 2002, and is regularly updated to include the latest local and national biodiversity information. The BioNet is a key informant in the City's medium-term to long-term spatial planning, such as the Cape Town Spatial Development Framework, district plans and environmental management frameworks. The BioNet forms part of the city's life-support system, as natural ecosystems provide many goods and services, as well as space for healthy recreation and both spiritual and social upliftment.
- Levels of biodiversity loss as well as conservation vary considerably from one vegetation type to the next. Over 60% of the original extent of Cape Town's natural vegetation has been lost, mostly in the lowlands. Lowland vegetation types are also least likely to be well protected, and face significant pressure from urban development. Mountainous vegetation types are most likely to be well protected, and cover significant portions of Table Mountain National Park.
- Of the 24 vegetation types or subtypes present in the city, ten are classified as critically endangered. For eight of these ten, it is impossible to meet the national conservation targets, as less than the target extent of each remains. Five vegetation types are classified as endangered, five as vulnerable, while the remaining types are classified as least threatened. Of the 21 South African critically endangered vegetation types, 52% are found in Cape Town. Cape Town also has a high incidence of threatened species – 18% of South Africa's threatened species are found in the city, which comprises only 0,1% of the country's total area, and 13 plant species are already extinct.
- Urban and agricultural expansion has been responsible for much of the biodiversity loss over the past century, with urban growth being the main contributing factor since 1994. Although the total area of biodiversity loss has increased, the total area under formal protection has also expanded over the past century, with significant increases since the mid-1990s.
- Without these natural resources, and the ecosystem services and benefits that they provide, Cape Town will be increasingly exposed to significant risks, and will become more vulnerable to climate change and other natural hazards. Additionally, as the natural environment is one of the key factors that make Cape Town an attractive place to visit, live and work, and thus attracts many tourists, residents and businesses, loss of – or significant



damage to – this natural environment will have a very negative impact on the City's competitive advantage.

Water quality

- Water quality issues mostly pertain to challenges and achievements in maintaining the quality of coastal water, inland water bodies and drinking water.

Coastal water quality

- Urban development brings with it certain environmental consequences, including increased stormwater runoff and the need to provide water, wastewater and refuse services to new areas. Environmental water pollution is unfortunately a common impact with which cities must deal. Cape Town's landscapes, rivers, wetlands and beaches are natural assets that, if managed correctly, can provide huge economic benefits. It is thus critically important that development does not cause degradation of these green assets.
- Point-source discharges to the coast can potentially be addressed by implementing best practices at the source. However, stormwater runoff that may discharge into the sea cannot be easily managed from a water quality perspective, as stormwater often transports contaminants picked up throughout the contributing catchment area from many diffuse sources.
- Coastal municipalities must respond to the National Environmental Management: Integrated Coastal Management Act 24 of 2008 by preparing municipal coastal management programmes, including estuary management plans, which should tie in with provincial and national coastal management plans. Such municipalities must also respond to a new set of recreational guidelines for coastal water quality devel-

oped by the Department of Environment Affairs (DEA) in 2012, which have now replaced those of the Department of Water Affairs (DWA) dating back to 1996.

- The City of Cape Town has taken measures with a view to protecting coastal water quality, including the adoption of the City's IMEP in 2001, which included coastal management as one of its key focus areas; the incorporation of the concept of water-sensitive urban design (WSUD) into the Cape Town Spatial Development Framework (2012);³⁷ the inclusion of, and reference to, the Corporate Inland and Coastal Water Quality Improvement Strategy and Implementation Plan in the City's Integrated Development Plan (IDP) 2012-2017, as well as the inclusion of the Council-approved policy on the management of urban stormwater impacts (2009) in the 2013/14 IDP review; the promulgation of bylaws on stormwater management (2005) and the Wastewater and Industrial Effluent Bylaw (2013), and, in 2014, the compilation of a first draft municipal coastal management programme (CMP) as required by the Integrated Coastal Management Act. The CMP will undergo public participation before it is finalised.
- With regard to the percentage compliance of beach water samples with DWA's stringent 80th percentile measurement, the long-term trend for the sites along the False Bay and Atlantic coastlines seems to be a fluctuating one, without there being any single reason for these variations. Samples along the False Bay coastline declined significantly in 2007, but have since then gradually improved, probably due to concerted efforts to address persistently problematic sites by integrated teams in terms of the Corporate Inland and Coastal Water Quality Improvement Strategy and Implementation Plan. The percentage compliance of sites along



Stormwater runoff that may discharge into the sea cannot be easily managed from a water quality perspective, as stormwater often transports contaminants picked up throughout the contributing catchment area from many diffuse sources.

37. WSUD minimises disruption of the natural water cycle by reducing run-off, attenuating flooding and treating run-off before discharge into the receiving waters, whilst also increasing the amenity value of water systems and reducing the cost of water infrastructure.



● ● ●

Water quality compliance has constantly exceeded the City's own internal annual target, which was 96% in 2009, and has been increased to a very high 98% since July 2012. Compliance is measured against prescribed chemical and microbiological components.

the Atlantic coastline has been relatively stable over the past several years.

- The new DEA coastal water quality guidelines are more stringent than the previous, long-standing DWA guidelines. Therefore, beaches that may have satisfied the old guidelines in terms of the required statistical data analysis, now fail to meet the target guideline level under the new set of guidelines.³⁸

Inland water quality

- The primary sources of pollution of the city's freshwater systems are unsatisfactorily treated wastewater effluent (although not throughout the city), overflows from blocked or leaking sewer systems and malfunctioning pump stations, and contaminated stormwater. Moreover, the illegal and inappropriate disposal of human waste in the form of toilet buckets from informal settlements and backyard dwellers directly into rivers and drains, as well as generally polluted run-off from informal settlements, adds to the organic loading of the city's aquatic ecosystems. Illegal dumping and careless disposal of household waste and builder's rubble in open-space areas and into rivers, wetlands and the stormwater system are additional problems.³⁹
- The water quality of Cape Town's freshwater ecosystems can be summarised by evaluating the data from a public health and an ecosystem health perspective, each requiring different indicators derived from DWA recommendations and guidelines. Polluted freshwater systems may put public health in danger and pose significant risks to aquatic life and freshwater ecosystems.
- The city's freshwater ecosystems fluctuated between improvement and deterioration during the period 1998 to 2013. Although overall, phosphorus enrichment levels show a slight improvement, nutrient en-

richment remains a concern, particularly within catchments that are intensively developed, receive wastewater effluent discharges and have many informal settlements. Bacterial contamination levels declined between 2000 and 2008, but steadily recovered thereafter. The drop in percentage compliance in 2013 is thought to have been due to a number of storm events, which resulted in the wash-off of contaminants, and cases of overflowing sewers due to rainwater ingress.

- The City is prioritising the upgrade and expansion of wastewater treatment works in terms of both capacity and technology. The provision of effective sewerage infrastructure in informal areas, along with the repair and replacement of ageing sewer systems, is another key priority. As these measures are costly and take long to accomplish, measurable improvements in the state of receiving waters may take many years to achieve.

Drinking water quality

- The City complies with strict water quality checks, as prescribed by DWA. Water quality is closely monitored, with many water samples being analysed on a monthly basis according to the stringent South African National Standard (SANS) 241 requirements. Water quality compliance has constantly exceeded the City's own internal annual target, which was 96% in 2009, and has been increased to a very high 98% since July 2012. Compliance is measured against prescribed chemical and microbiological components.
- The City of Cape Town has been awarded Blue Drop certification every year since the launch of this programme in 2009. At the latest awards ceremony in 2012, the City obtained 98,14% – the highest score in the Western Cape, and the sixth best nationwide. It was also one of only ten municipalities in the Western

³⁸ The new guidelines are at this stage merely target guidelines and not standards, and have not yet been gazetted or officially legislated.

³⁹ City of Cape Town. 2012. State of the Environment Report 2012. Environmental Resource Management Department: Cape Town.



Cape to achieve Blue Drop status. In addition, the City received a Platinum Blue Drop award for its consistent excellent performance over the four years from 2009 to 2012, and remains in the top-performing group of water service authorities in South Africa.

Water use

- South Africa is a water-scarce country, and Cape Town is no exception. Although supply-side programmes have expanded the City's capacity to supply drinking water to a growing population, the City also recognises that water resources are limited. As such, programmes to address water demand management form a key component of the City's approach to dealing with water resource scarcity in the future.
- The City of Cape Town's water allocation from the Western Cape water supply system (WCWSS), with the additional yield of the Berg River scheme, is 398 million kℓ per annum. Including the Berg River scheme, the City obtains 73% of its allocated water from DWA-owned sources, with the balance of 27% coming from the City's own sources.⁴⁰
- As the City obtains most of its raw water for treatment to potable standards from mountainous catchments outside the municipal area, most of the City's treated wastewater effluent is not returned to the raw water resource. A percentage of the effluent produced at the Westfleur treatment works in Atlantis is used to artificially recharge the aquifer from which water is abstracted for potable supply as part of the Atlantis water supply scheme.⁴¹
- The Water Services Act 108 of 1997 and the National Water Act 36 of 1998 provide the national legislative framework. In addition, the City promulgated three water-related bylaws: the Water Services Bylaw (2003), which empowers Council to limit, discontinue or restrict the use of water for the purposes of water conservation; the Wastewater and Industrial Effluent Bylaw (2006), which protects the sewer system by governing private and industrial sewer disposal and usage, and a new Water Bylaw (2010), which has incorporated water conservation and demand management into its provisions. In 2001, the City also adopted a Water Demand Management (WDM) Policy. This policy sets out a framework for the establishment of water demand management mechanisms in the City, including a goal to reduce water demand by specific target dates.
- Overall, annual water usage increased from approximately 250 000 megalitres (Mℓ) in 1996 to approximately 284 000 Mℓ in 2013, with highs of around 305 000 Mℓ in 1999 and 2009. However, over the same time period, per-capita water use steadily declined from a high of approximately 312 ℓ per capita per day in 1999 to just over 200 ℓ per capita per day in 2013. These achievements are in line with the City's Environmental Agenda 2009-2014 target to reduce overall water use to 290 000 Mℓ per year and cut per-capita use to 180 ℓ per day.
- Efforts are also under way to investigate opportunities for the sustainable harvesting of new water sources – such as underground reservoirs (a non-renewable resource) and desalination plants – alongside upgrading water reticulation systems to minimise leaks and water losses. The City has also recently embarked on a programme of reusing treated wastewater effluent for various applications, including the watering of sports fields and golf-courses and certain industrial uses. In 2013, just over 12 000 Mℓ of water (about 4%) was reused.
- Due to continued urbanisation and migration, service delivery in especially informal settlements remains a constantly moving target. Thus, efforts to provide in-



The impacts of climate change are not yet fully understood, but have significant potential to affect already scarce water resources in the Cape Town area. Water scarcity will continue to present a problem for Cape Town into the future.

⁴⁰ Ibid.

⁴¹ Ibid.



The impacts of climate change are not yet fully understood, but have significant potential to affect already scarce water resources in the Cape Town area. Water scarcity will continue to present a problem for Cape Town into the future.

creasing and improved access to basic services in informal settlements are continuing unabated, as is the phasing-in of on-site services provision to backyarders. Certain localised service delivery challenges exist where informal settlements are for example not situated on City property, are located beneath power lines, on landfill sites, in a road or railway buffer or on flood plains. However, challenges like these are persistently addressed while aiming for service delivery provision that is consistent with City of Cape Town internal standards, which are higher than the national norm.

- The impacts of climate change are not yet fully understood, but have significant potential to affect already scarce water resources in the Cape Town area. Water scarcity will continue to present a problem for Cape Town into the future.

Solid waste management

- Over the past two decades, solid waste management has increasingly become a priority on the global environmental agenda. Recent estimates suggest that, globally, as much as ten million tonnes of industrial and municipal waste are generated per day. More sustainable and integrated waste management practices are vital in order to mitigate further environmental degradation and harm to human health. Waste materials are also increasingly being regarded as potentially valuable resources, which should not simply be thrown away.
- The 1999 draft National Waste Management Strategy,

followed by the White Paper on Integrated Pollution and Waste Management for Southern Africa (2000), kick-started the waste management policy framework for the democratic South Africa. In 2008, the National Environmental Management: Waste Act 59 of 2008 was developed to reform and consolidate previously fragmented legislation regulating waste management. This act for the first time provided a coherent and integrated framework for the management of waste. The current National Waste Management Strategy, which gives effect to the Waste Act, was developed and approved by Cabinet in 2011 and needs to be updated every five years. In 2006, the City of Cape Town's Integrated Waste Management Policy was adopted, and in 2009, the City became the first municipality in South Africa to introduce a bylaw regulating and enforcing integrated waste management within Cape Town.

- Disposal of Cape Town's domestic as well as the majority of its commercial and industrial waste at the City's three waste disposal sites reached a high of approximately 2,5 million tonnes, or some 730 kg of waste per person, in 2007, followed by a sharp drop in waste disposal from 2007 to 2012. During this same period, the percentage of waste minimised (i.e. diverted before landfill) by the City's own waste minimisation programmes alone (i.e. excluding the tonnages minimised directly by the private sector) increased from 4% to between 12% and 14% of total waste entering the municipal system.⁴² Although it is

42. Waste data are available from 2006 only, when consolidated reporting began. In addition, due to challenges with the City's weighbridges, which are currently being addressed, data for 2013 are only currently available as an estimate, and are therefore not included in this report. It should also be

noted that waste disposal data from 2006 and 2007 may include some double-counting, which may partially account for the dramatic decrease in 2008. Procedures were subsequently put in place to ensure that double-counting does not occur.



difficult to identify the reasons for these significant changes, possible causes may be the impact of the 2008 financial crisis on consumption patterns, the separation and recycling of builder's rubble and garden waste, a two-bag household recycling pilot programme, as well as the increase in waste drop-off sites.

- Around 12% of the municipal waste stream is diverted from landfill through the City of Cape Town's waste minimisation programmes. Furthermore, the City of Cape Town's study to assess alternative service delivery options – conducted in terms of section 78.3 of the Municipal Systems Act 32 of 2000 and completed in February 2011 – found that approximately 18% of the total waste stream, expressed in tonnes, is diverted through private-sector waste-minimisation programmes every year. Continuous improvements in these private-sector waste minimisation and recycling programmes may also account for a reduction in waste disposed of at landfills.
- The City has committed to working with the private sector to reduce waste sent to landfill, through initiatives such as the Integrated Waste Exchange (IWEX). Operating on the principle that "one person's garbage is another person's gold", IWEX is a free online system that enables waste generators and users to exchange waste materials. In 2013, the City of Cape Town collaborated with the Western Cape Government's pilot programme, the Western Cape Industrial Symbiosis Programme (WISP), which is delivered by the sector development agency GreenCape. WISP is aimed at building networks of business by identifying mutually profitable links or synergies for one enterprise's underutilised and undervalued resources – whether ma-

terials, energy, water, logistics, assets or expert knowledge – to be used by another. WISP is provided as a free facilitation service, using an industrial symbiosis approach to enhance business profitability and sustainability.

- While recycling has increased significantly in recent years, landfills are still Cape Town's primary method of waste disposal. Cape Town's available landfill volume is fast approaching capacity. Although waste minimisation efforts do lengthen the remaining site life, this is estimated at only four to seven years if Vissershok North and the regional landfill site do not become operational as planned. The construction of new landfill sites is a complex and expensive process, but remains an essential service that the City is mandated to deliver. On the one hand, locating new landfill sites too far out of the city would result in increased transport costs for the municipality; on the other, there is insufficient land to locate them closer to waste generation areas. Sites must be engineered and properly operated to prevent any ground or other pollution from occurring.
- The City recently completed a supplementary environmental impact assessment for environmental authority and a waste licence to construct and operate a proposed new regional landfill site to serve Cape Town. If approved, this site will assist the City in carrying out its constitutional mandate to provide essential services to its residents in terms of adequate and legal disposal of solid waste. Essentially, it will form part of an integrated approach in order to achieve minimisation targets, as well as to reduce the amount of waste requiring final landfill disposal.

While recycling has increased significantly in recent years, landfills are still Cape Town's primary method of waste disposal, and the available landfill volume is fast approaching capacity.

Although waste minimisation efforts do lengthen the remaining site life, this is estimated at only four to seven years if Vissershok North and the regional landfill site do not become operational as planned.



New arrivals into Cape Town from different destinations have located in different areas of Cape Town: New arrivals from the Eastern Cape, who make up 35% of all new arrivals, have largely settled in Khayelitsha and surrounding areas.

4. Urban growth and form

Demographic patterns

- Urban growth trends indicate that across the world over the past two decades, a significant proportion of the urban population growth has occurred in developing countries. Across the world “almost 400 cities contain a million people or more, and about seventy percent of them are found in the developing world; by 2017 the developing world is likely to have become more urban in character than rural”.⁴³
- In many emerging-economy countries, the fast pace of urban migration outstrips local governments’ capacity to respond to urbanisation, and has resulted in urban environments that reflect poor urban development management.
- In line with trends in other developing countries, South Africa’s population has seen increased levels of urbanisation in the last two decades. The South African urban population grew from 54,5% of the country’s population in 1995 (22,5 million out of a total population of 41,4 million) to 62,0% in 2011 (31,2 million out of a total population of 50,4 million), and is projected to increase to 63,8% (32,7 million) in 2015.
- In line with South Africa’s urban population growth trends, the population of Cape Town has also grown over the past decades: from 2 563 095 in 1996 to 3 740 026 in 2011. The city’s population grew by 46 % in the 15-year period between 1996 and 2011.
- Census 2011 data for Cape Town indicate that over 39% of the population growth in Cape Town between 2001 and 2011 comprised new arrivals into Cape Town from outside the Western Cape. The analysis also

indicates that new arrivals into Cape Town from different destinations have located in different areas of Cape Town: New arrivals from the Eastern Cape, for example, who make up 35% of all new arrivals, have largely settled in Khayelitsha and surrounding areas.⁴⁴

Urban development policy and strategy

- At the national level, development policies and strategies pertaining to urban growth and form include the discussion document “Urban Development Strategy – Remaking South Africa’s Cities and Towns” (1996) released by the then Government of National Unity for comment; the 1997 Urban Development Framework released by the National Housing Department; the 2001 national policy promoting basic services for all; the 2009 working draft of the National Urban Development Framework, called “Harnessing a Common Vision for Growth and Development of South Africa’s Towns, Cities and City-Regions” and released by the Department of Cooperative Governance and Traditional Affairs (COGTA) and the Presidency, together with the South African Cities Network (SACN), and the 2013 draft urban development framework document titled “Towards an Integrated Urban Development Framework” released by National Government for discussion.
- City of Cape Town strategies give expression to the urban development goals for Cape Town. The City has in place a number of responses to Cape Town’s urban growth challenges and the specific challenges around the unfolding urban form – or sprawl. The City has approved a number of medium-term to long-term strategies and plans in order to guide urban development

⁴³ Cohen, B. 2006. Urbanization in developing countries: Current trends, future projections, and key challenges for sustainability. Technology in Society. p 28.

⁴⁴ City of Cape Town. 2014 (forthcoming). Census 2011 – Cape Town Migration – New Arrivals.



in the municipal area. Besides the sector-specific ones, the key plans are the City of Cape Town's City Development Strategy 2040 (approved in 2012), the IDP 2012-2017, the Cape Town Spatial Development Framework (CTSDF, approved in 2012), and a 15-year growth management strategy, which is currently being developed and would assist in breaking the CTSDF down into shorter-term implementation plans.

- In 2013, the Western Cape Government in partnership with the City developed the Integrated Human Settlements Framework with a view to facilitating expedited delivery of housing in the city in the short, medium and longer term by the two spheres of government as well as the private sector, and coordinating and aligning the various City and Western Cape Government's initiatives, plans, programmes and budgets in support of housing delivery.

Urban growth in Cape Town, and its implications for urban form

- Urban population growth has implications for the municipality's capacity to provide new infrastructure and services, including the maintenance of existing stock such as roads, water and wastewater facilities, as well as other public infrastructure, facilities and services to cater for the growing population.
- The City must proactively manage its long-term future urban growth, while at the same time facilitating and ensuring well-coordinated, effective and equitable provision of essential services to its growing number of residents, including access to telecommunications as well as to social facilities and amenities, informality and public housing, and transport.

Access to services

- Access to, and coverage of, basic services such as water, electricity, waste removal and sanitation has improved over the last two decades, as reflected in Census data. Census data for Cape Town for 1996, 2001 and 2011 suggest that between 1996 and 2011 – with the exception of sanitation – households' access to basic services in Cape Town consistently increased. Between 1996 and 2011, access to water increased from 97,8% to 99,3%, access to electricity increased from 86,8% to 94,0%, access to refuse removal increased from 93,3% to 96,7%, and access to sanitation increased from 94,8% to 97,3%.
- Since the first World Summit on the Information Society in 2003, a range of stakeholders – national and local governments, civil society actors and the private sector – have all agreed on the correlation between access to information and communications technologies (ICTs) and economic and human development. Information and communications technology for development (ICT4D) has become an established development area, and research continues to investigate the linkages between ICTs and poverty reduction.⁴⁵ Globally, more countries are responding positively to calls for universal access to ICTs. In Cape Town, access to telephony (land-lines and/or cellphones) increased from 61,24% in 1996 to 86,08% in 2007, and to 91,30% in 2011. Census 2011 results show that 83% of black Africans in Cape Town use cellphones as their sole means of communication. It cannot be assumed that increased mobile phone access is synonymous with access to mobile internet. Census 2011 showed that more than 50% of all Cape Town households still do not have access to the internet; among black African households in particular,

Urban population growth has implications for the municipality's capacity to provide new infrastructure and services, including the maintenance of existing stock such as roads, water and wastewater facilities, as well as other public infrastructure, facilities and services to cater for the growing population.

⁴⁵ May, Julian. 2010. Digital and other poverties: Exploring the connection in four East African countries. Available at <http://www.chronicpoverty.org/publications/details/digital-and-other-poverties/ss>.



Easily accessible social amenities within neighbourhoods have been linked to higher residential satisfaction and quality of life. Research shows that the ability to experience meaning in a public space can be limited by issues of access, mobility and the quality of social resources.

- those without internet access are estimated at 63,2%.
- Easily accessible social amenities within neighbourhoods have been linked to higher residential satisfaction and quality of life. Research shows that the ability to experience meaning in a public space can be limited by issues of access, mobility and the quality of social resources.⁴⁶ It is therefore important for amenities, services and recreational facilities to be accessible and socially inclusive. There are up to 446 sports and recreational amenities across Cape Town, including 165 community centres, 207 sports facilities, 38 recreational hubs and 36 swimming pools. In addition, the City of Cape Town maintains about 5 423 public open spaces, consisting of 1 404 undeveloped public open spaces, 3 348 community parks, 13 district parks and 604 greenbelt open spaces.
 - A 2010 study commissioned by the City investigated Cape Town residents' participation levels in sport and recreation. The study found that almost 90% of Capetonians regarded sport and recreation as important for Cape Town communities. According to the findings of the study, most Cape Town residents were more interested in recreational programmes such as health and fitness, arts, crafts and games than in formal sporting codes such as soccer and cricket. However, the same study showed that only 24,6% of adult residents in Cape Town participated in physical activities in their

spare time. The evaluation study noted that only 29,7% of the total population of the Mitchells Plain/Khayelitsha district were being served in terms of access to public open space – the lowest figure in Cape Town. Altogether 67,61% of the population in the Mitchells Plain/Khayelitsha district and 19% of Cape Town's total population were underserved in this regard.⁴⁷

- According to 2014 figures, there are 137 clinics in Cape Town, comprising community health centres (CHCs), satellite clinics and mobile clinics.⁴⁸ These facilities ensure the provision of comprehensive primary health care (PHC) and maternal and child health services, including preventive and promotional programmes.
- Also in terms of 2014 figures, there are 61 police stations across Cape Town, with various policing precincts within the area of jurisdiction of each police station. However, to foster a safe and secure environment for all in Cape Town, the City has three policing departments: Metro Police, Traffic Services, and Law Enforcement and Specialised Services. The objectives and priorities of these departments are set out in the City's overarching Law Enforcement Plan, which includes the Metro Police's legally required Annual Police Plan. The plan aims to ensure the integrated delivery of efficient policing services.

46. Lloyd, K. & Auld, C. 2003. Leisure, public space and quality of life in the urban environment. *Urban Policy and Research*, 21(4):339-356.

47. CSIR. 2010. Evaluation of community social facilities and recreational space in City of Cape Town. CSIR: Stellenbosch.

48. Data drawn from the City's corporate geographic information database.



Informality and public housing

- Fuelled by rapid urbanisation, informal housing and settlements have become a regular feature of urban environments in developing-country contexts, including South African cities. One of Cape Town's biggest growth challenges is the increase in informal settlements and the escalating number of households living in backyard structures. There has been a marked increase in informal dwellings in Cape Town over the last decade. As such, a substantial proportion of new households live in informal housing for shelter, either in informal settlements or in backyard dwellings in formal townships. The emerging human settlement pattern suggests that Cape Town's population of poor households are increasing, and that proportionately more households depend on public housing delivery.
- The increase in informal housing is in line with the increase in the population of Cape Town between 1996 and 2011, and is a manifestation of the rate of population growth outstripping the supply of housing: In 1996, 19,2% of Cape Town households lived in informal dwellings; in 2011, this figure had increased to 20,5%. Over the same period, the proportion of households living in formal housing declined gradually from 79,3% in 1996 to 78,4% in 2011. The percentage of those with no housing access decreased slightly from 1,5% in 1996 to 1,1% in 2011. There are currently approximately 376 informal settlements, consisting of 146 488 dwellings. The official number for service de-

livery is therefore 149 860 service points.

- The existence of informal settlements and the growth of informal structures in backyards of formal township houses suggest a growing demand for low-cost housing. The proportion of households in informal dwellings in backyards increased from 3,3% in 1996 to 7,0% in 2011.⁴⁹ During the same period, households in informal dwellings in informal settlements declined slightly from 15,9% in 1996 to 13,5% in 2011. Growth in informal dwellings mainly occurs in the metro south-east, and the establishment of backyard dwellings is largely prevalent in areas where subsidised housing has been delivered. Large numbers of backyard dwellings also occur in older, low-income areas of the city.
- The City's five-year housing plan for 2010/11 to 2014/15 sets out a range of strategies for upgrading the living conditions of people in informal settlements as well as those in backyard structures. The plan outlines initiatives to increase access to shelter by providing incremental housing. During the 2012/13 financial year, the City of Cape Town spent a total of 93,6% of its Urban Settlements Development Grant (USDG) and delivered a total of 6 394 sites, 4 353 top structures and 1 727 other housing opportunities (upgrade of rental stock, land restitution and re-blocking).⁵⁰ The City prioritised increased allocation of resources to improve living conditions in informal settlements, especially for the provision of basic services such as refuse removal, water, sanitation and electricity.



One of Cape Town's biggest growth challenges is the increase in informal settlements and the escalating number of households living in backyard structures.

49. City of Cape Town DI&GIS Department, compiled from Stats SA Census 1996, 2001 and 2011 data.

50. City of Cape Town. 2013. City of Cape Town Annual Report 2012/13. Cape Town.



A backyarder service programme is aimed at improving the living conditions of families living in backyards by providing individual connections as well as water and sanitation installations, including the installation of an enclosed toilet with a tap and wash trough.

- The City's Integrated Human Settlements Strategy advances an integrated approach to respond to the multitude of challenges associated with the growth of informal settlements and backyarders, and the inadequate supply of housing in Cape Town. Part of this approach is the upgrade of informal settlements. The initial focus is on areas in the south-east of the city, including Khayelitsha, Mitchells Plain and surrounds. This approach is in line with national housing policy, which – through the Upgrading of Informal Settlements Programme (UISP) – provides for phased, formal, in-situ upgrades to informal settlements. This includes the City of Cape Town's programme for re-blocking informal settlements to allow for in-situ and formal upgrades by effectively reconfiguring the settlement to create firebreaks and allow better access for services and vehicular access, especially emergency vehicles. It also entails a backyarder service programme aimed at improving the living conditions of families living in backyards by providing individual connections as well as water and sanitation installations, including the installation of an enclosed toilet with a tap and wash trough, as well as a bin per backyard. An electricity supply that can service up to three backyard structures will be installed per backyard. The programme is being rolled out at various sites across Cape Town.
- In 2014, the mandate for public housing provision was

devolved from the provincial to the local government housing sphere – specifically to the six metropolitan governments with the requisite capacity, including the City of Cape Town. Devolution of the mandate is accompanied by the transfer of human resources, projects and assets. This shift will aid attempts to reduce the housing backlog, which continues to trigger violent protests in the local government sphere.

Urban mobility – transport in Cape Town

- Much of the concern about transport in cities has to do with an observed increase in private car use, and the associated increase in air pollution. Private car use also fuels urban sprawl, as the availability of private transport allows for urban development to locate further from the centre and off the main public transport routes. The push for cities to develop in more sustainable ways has inevitably also meant a renewed emphasis on public transport and more compact forms of urban development that closely track the key transport corridors within cities. It has been proven that sustainable cities make greater provision for public and non-motorised transport infrastructure, both demanding and yielding a more compact city form. Both of these elements form a core component of the City's Integrated Transport Plan (ITP) for 2012-2017.
- The City's Integrated Public Transport Network Plan 2013-18 includes provision for rail, bus rapid transit



(BRT) services, non-motorised transport (NMT) as well as road-based public transport improvements.

- Travel modes used include buses, trains, cars and bicycles, as well as walking. Statistics reveal that between 2009 and 2012, private/company cars have been the most dominant or preferred mode of transport among commuters in Cape Town. Between 2001 and 2011, most commuter transport trips entering the Cape Town CBD on a daily basis were by private/company car, followed by train, minibus/metered taxi and, finally, bus.
- With regard to modal split, the use of private/company vehicles in Cape Town increased from 37,8% in 2009 to 42,0% in 2012. Over the same period, minibus/metered taxis were the second most-used mode of transport, followed by trains and buses.
- With regard to travel time between home and work, commuters in the Asian (35,76%) and white (28,68%) population groups had the shortest commute, of less than 15 minutes on average, compared to 13,33% and 15,63% of commuters in the black African and coloured population groups respectively.
- In turn, those commuters who travel an average of 61 to 90 minutes are predominantly from the black African (14,32%) and coloured (10,21%) population groups. The majority of low-income black African and coloured households live further away from the city centre and

other major economic nodes around Cape Town, and have to commute longer distances and times using public transport modes. A small percentage of commuters from these population groups took more than 90 minutes to travel to and from work, and predominantly use public transport.

- Almost 40,0% of black African commuters use public transport (buses and trains) between home and work – compared to 27% of coloured commuters and 3,11% of white commuters. The use of private transport amounts to 59,16% of Asian and 80,28% white commuters, compared to 17,37% black African and 37,19% coloured commuters.⁵¹
- In the 2010/11 financial year, the MyCiTi service was launched, providing dedicated bus lanes in places to help cut travelling time by half during peak hours, reduce traffic congestion, and save on overall travel costs.
- The MyCiTi service commenced in the inner city, and then expanded along the R27 towards Table View and within the Table View area. It has also launched routes towards the northern and West Coast suburbs, where there is high passenger demand, yet no rail service. Early in the 2013/14 financial year, MyCiTi extended to Hout Bay, Dunoon, Atlantis, Mamre, Melkbosstrand, Montague Gardens, Joe Slovo, Century City and other areas within the phase 1A area. In July 2014, MyCiTi



The MyCiTi service commenced in the inner city, and then expanded along the R27 towards Table View and within the Table View area. It has also launched routes towards the northern and West Coast suburbs, where there is high passenger demand, yet no rail service.

⁵¹ DI&GIS, compiled from Census data.



● ● ●

The City's transit-oriented urban development, alongside the implementation of integrated human settlements, is a key component towards realising the vision contained in the administration's medium-to-long-term strategies.

launched an express service between Khayelitsha and Mitchells Plain, and the city centre.

- The new services complement the rail service of the Passenger Rail Agency of South Africa (PRASA), and serve to meet the needs of commuters on high-demand corridors. PRASA will also be rolling out plans for modernisation of the Khayelitsha-to-CBD service.
- In 2012, Council approved proposals for the City of Cape Town to apply to National Government to be allocated contracting authority functions. Transport for Cape Town (TCT) was established as a local government entity in October 2012 with a view to transforming Cape Town's current fragmented transport system into an integrated, multi-modal system that provides more efficient, affordable and safer public transport.

Implications for urban form

- Cape Town is a growing metropolitan city faced with a number of developmental challenges and trends, which inform the city's growth, form and functions. According to the Cape Town Spatial Development Framework, the spatial extent of the city has increased rapidly by an estimated 650 ha per annum.⁵² The biggest component of current and past growth in Cape Town has been new residential development, predominantly on the periphery of the city.
- A major challenge is to promote transformation of the city's growth into a more compact and integrated spatial and social form. The sprawling, inequitable and inefficient city growth form of the former apartheid regime is still entrenched. As new developments are located on the outskirts of the city, the sprawl contributes to loss of valuable land. Urban sprawl also increases the cost of providing services to outlying areas, because as the city grows spatially, transport costs and commuting times increase.
- A second key challenge regarding urban growth and form in Cape Town includes dealing with the legacy of segregated development, which means that poor communities are located on the periphery of the city, away from the opportunities that the city offers. The geography of old "group areas" still largely corresponds with a division between predominantly middle-class neighbourhoods in the west and north of the city, and predominantly working-class neighbourhoods in the south-east. The highest concentrations of new subsidised housing have also been in peripheral areas. The growth of informal settlements is concentrated around these areas on the periphery of the city, particularly in the south-east region. With increased urbanisation, a key challenge facing the city is to deliver equitable social and economic development and provide infrastructure and services for the growing population, while at the same time addressing social integration at the neighbourhood level.

Future Cape Town

- In October 2012, the City of Cape Town approved the City Development Strategy (CDS) 2040, which has opportunity, inclusiveness and resilience as important underlying themes, in order to meet and address the city's challenges. The CDS is aligned and operates in tandem with the City's other medium-to-long-term strategies, namely the Economic Growth Strategy, the Social Development Strategy, the Cape Town Spatial Development Framework and the IDP.
- Current short-to-medium-term growth management strategies that guide spatial planning in the city are informed by two key approaches, namely transit-oriented planning and the redress of the historically spatially-segregated settlement patterns of South African cities. In terms of transit-oriented planning, urban growth is directed along the main transit corridors and economic growth nodes of Cape Town, for which two corridors have been prioritised with a view to the next Medium-Term Revenue and Expenditure Framework (MTREF) cycle – the Voortrekker Road corridor and the Metro South East Corridor.
- The social cost of apartheid and segregated human settlements manifests in a disconnected urban population in Cape Town (and other cities in South Africa), who have little opportunity to interact across racial, cultural and/or class divides. In a complex environment, the uneven access to social amenities for low-income communities and neighbourhoods has helped fuel the emergence of a plethora of social ills in informal settlements and low-income areas. The current frameworks, strategies and plans for a future Cape Town are all informed by the imperatives to build sustainable, connected and resilient communities. These goals demand a new approach to the planning of human settlements to develop integrated human settlements that are living, working, playing and learning spaces; maximise social interaction between community members, both within neighbourhoods as well as in transit between neighbourhoods, and have the potential to build trust and social capital, thereby increasing the resilience of individuals, families, households and entire communities.
- The City's transit-oriented urban development, alongside the implementation of integrated human settlements, is a key component towards realising the vision contained in the administration's medium-to-long-term strategies.
- The City's urban network strategy outlines plans for the spatial integration of nodes (e.g. the Bellville and Cape Town CBDs) and emerging township hubs (e.g. underserved townships like Phillippi East) along "integration zones such as the Voortrekker Road Corridor and the Metro South East Corridor. These integration zones become the focus areas for public transport, investment opportunities and densification in the city.

52. City of Cape Town. 2012. Cape Town Spatial Development Framework.



5. Urban governance

- Since the 1990s – and specifically since the transition to democracy – South Africa has been journeying towards reconstruction, planning and development in the post-apartheid era. Local government has been instrumental in bringing about change, especially as the South African Constitution, 1996, highlights the developmental role of local authorities,⁵³ which required the strengthening of capacity in areas that, for decades, had been neglected under the apartheid government.
- After the 2000 local government elections, the new national Demarcation Board recognised the six largest urban areas as “metropolitan” areas⁵⁴ in terms of the Municipal Structures Act 117 of 1998, which were subsequently governed by “unicity” local government bodies. These urban areas included Johannesburg, Cape Town, eThekweni/Durban, Tshwane/Pretoria, Ekurhuleni/East Rand, and Nelson Mandela/Port Elizabeth.⁵⁵
- The predominant focus was on attaining a single city government, which would take on a predominantly redistributive role and be responsible for the provision of services to all, specifically public services to the poor. Local government had to close the gap between “spaces of opportunity” and those marginal spaces where the poor lived – and consequently took on the

mission to dismantle the apartheid city and its myriad fragmented structures.

- The work to build developmental local government started in earnest during the first Mbeki presidency, when the legislative framework was completed. The second Mbeki presidency (2004 to 2009) continued to build local government capacity in order to link the poor with economic opportunity through increased capital expenditure in the built environment, and deploy and build technical expertise within the local government sphere.
- In the late 1990s, fiscal discipline – alongside the pursuit of investment and economic growth – became a primary strategy, and replaced an overtly redistributive agenda within cities. In time, the growing understanding of the complexity of cities, and the acknowledgement that city administrations cannot transform cities on their own, led to the realisation of the importance of partnerships.
- As local government mandates evolved, so did those of the provincial and national spheres of government. In 2014, the key mandates of public housing as well as public transport provision were devolved from the provincial to the local government sphere, specifically to the six metropolitan governments with the requisite capacity, including the City of Cape Town.



In 2014, the key mandates of public housing as well as public transport provision were devolved from the provincial to the local government sphere, specifically to the six metropolitan governments with the requisite capacity, including the City of Cape Town.

53. See s 152 and 153 of the 1996 Constitution.

54. The White Paper on Local Government (1998) defined metropolitan areas as “... large urban settlements with high population densities, complex and diversified economies, and a high degree of functional integration across a larger geographic area than the normal jurisdiction of a municipality. Economic and social activities transcend municipal boundaries, and metropolitan residents may live in one locality, work in another, and utilise

recreational facilities across the metropolitan area”. Department of Provincial Affairs and Constitutional Development. 1998. Available at http://www.polity.org.za/polity/govdocs/white_papers/localgov/wp0.html.

55. The SACN also included in its programmes the three non-metro members Mangaung/Bloemfontein, Buffalo City/East London, and Msunduzi/Pietermaritzburg, which were characterised as large municipalities that included large rural areas.



In 2000, the new Unicity had more than 27 000 staff and a budget of R8,9 billion (a capital budget of R2,1 billion and an operating budget of R6,8 billion). Currently, the City of Cape Town has a staff complement of just over 25 000 employees and a total budget of R31,59 billion (a capital budget of R5,45 billion and an operating budget of R26,14 billion).

Implementing local government – from the Cape Town Unicity, 2000, to the current City of Cape Town

- By 1994 – prior to the first democratic local government elections held in May 1996 – greater Cape Town had 39 local authorities and 19 separate administrations.⁵⁶ On the eve of the 1996 local government elections, the 58 municipalities that constituted metropolitan Cape Town were merged and replaced by a two-tier local government system comprising seven councils: the municipalities of Blaauwberg, Cape Town, Helderberg, Oos-tenberg, South Peninsula, Tygerberg and the umbrella Cape Metropolitan Council. After the local government elections in November 2000, the seven councils were dissolved and their employees, assets and commitments transferred to the new Unicity Council.⁵⁷
- In 2000, the new Unicity had more than 27 000 staff and a budget of R8,9 billion (a capital budget of R2,1 billion and an operating budget of R6,8 billion). Currently, the City of Cape Town has a staff complement of just over 25 000 employees and a total budget of R31,59 billion (a capital budget of R5,45 billion and an operating budget of R26,14 billion).

Local government in transition – City of Cape Town structures and partnerships

- The City of Cape Town is currently in its third term following municipal elections held in November 2000, March 2006 and May 2011. Across three terms of office since 2000, Cape Town has had six executive mayors and six City managers, having had a leadership change approximately every two years.
- Following the 2011 local government elections, the

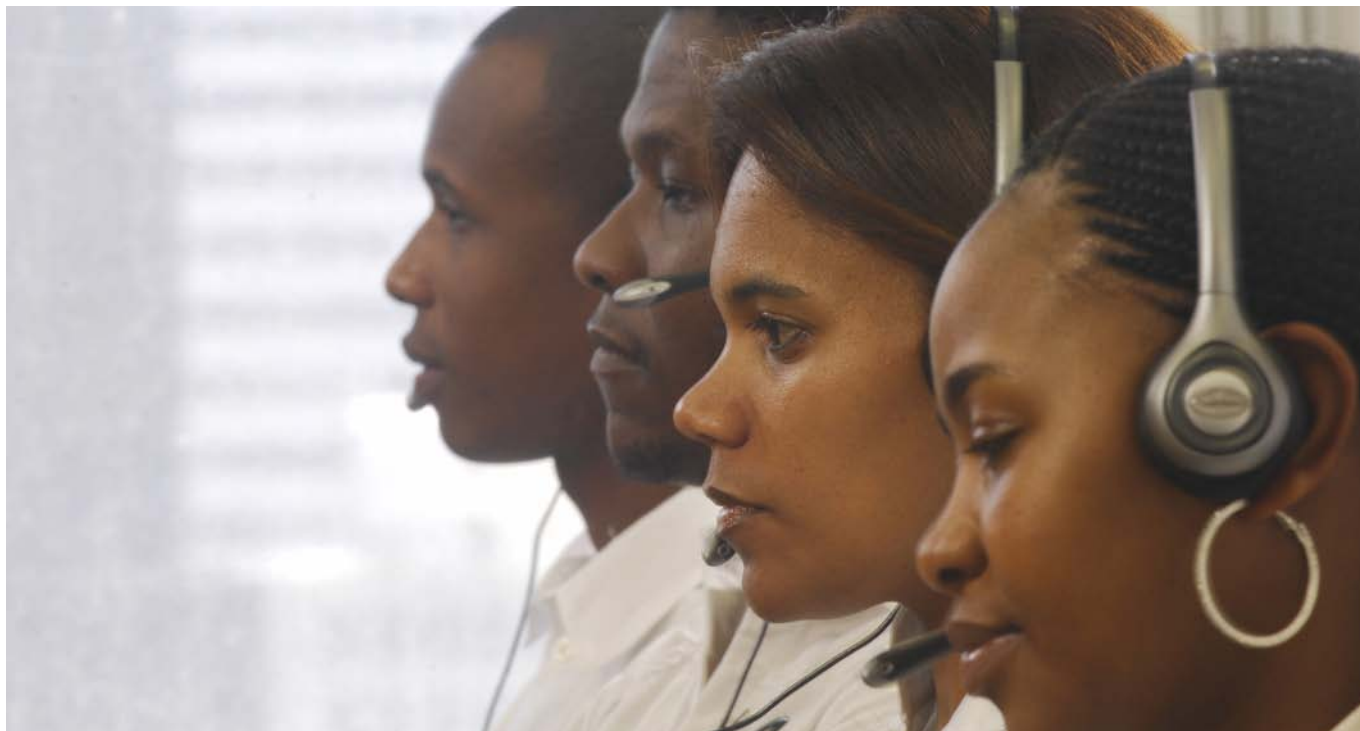
size of Council increased from 210 to 221 councillors, 111 of whom are ward councillors and 110 proportional (party list) councillors.

Local government planning, policies and implementation tools

- As the City of Cape Town evolved, its systems and processes also started to mature. This is evident from the production processes for the IDP – the key implementation tool for local government – and the annual IDP reviews, the processes for consulting with local stakeholders, and the rationalisation and development of the planning tools available.
- Additional examples of this development are the CTSDf, long-term strategies such as the CDS and the strategies for economic growth and social development, and – from an organisational perspective – the City's SAP implementation in 1997/8 and projects to prove its responsiveness to Capetonians' needs.
- The foundational IDP – the term-of-office plan for the first Unicity Council – was developed with a view to the period 2000/1. Between 2000 and 2014, the City produced 13 IDP annual reviews. The information and analyses provided in the chapters of this State of Cape Town report indicate that, while there have been considerable achievements in the past 14 years in particular, many of the challenges identified by the Unicity Commission in 2000 continue to prevail, and point to the imperviousness to change and the length of time needed to address some of the complex and deep underlying social and economic challenges.
- The first CTSDf was approved in 2012 as part of the

56. This was already a consolidation of structures from the pre-1994 arrangements where 61 entities existed, including 19 white local authorities, 6 local councils,

29 coloured management committees, and 7 black local authorities.
57. City of Cape Town 2011, City of Cape Town Council Overview, p4.



2012-2017 IDP. The CTSDP is a long-term plan to manage growth and change in Cape Town, and to ensure that it becomes a more sustainable, integrated and equitable city. It seeks to ensure that Cape Town remains a quality place in which to live, work and invest, as well as to visit, and won the South African Planning Institute's planning award for best municipal project in 2012.

- In October 2012, the City approved the long-term CDS 2040. The CDS is aligned with the National Development Plan 2030 as well as the Western Cape Government's long-term strategy for the province, ONECAPE2040.
- At an organisational level, the CDS is supported by the medium-term Economic Growth Strategy and Social Development Strategy (both approved in 2013), as well as the statutory IDP with its five strategic focus areas of the opportunity city, the safe city, the caring city, the inclusive city and the well-run city.
- The City of Cape Town has been running the SAP enterprise resource planning (ERP) system for more than 10 years. Development started in 2000 and the SAP system went live in 2003. The City's SAP implementation is considered one of the world's largest in local government. In 2013, the system encapsulated 420 business processes and handled 1,2 million consolidated invoices per month. The SAP system provides a single record of citizens, with a unique identity allocated to each person, against which all their interactions with the City are recorded. SAP's core value is that it provides a set of procedures for Council and its employees to follow in order to run the city.
- The City continuously seeks to improve and add to the mechanisms available to residents to provide the administration with input on service delivery concerns. It has launched a number of platforms to facilitate engagement with City stakeholders, including specific

measures targeted at poorer residents in Cape Town. These include the following:

- Since the first City call centre opened in 2000, the number of calls has levelled out from 8 000 to 4 200 calls per day. The call centre has consistently been able to exceed the target of 80% first-time call resolution.
- The City has installed more than 80 FreeCall customer service lines in outlying areas and disadvantaged communities, with a view to encouraging reporting and facilitating the resolution of service delivery issues. The pilot phase of this project was launched in July 2009, when four FreeCall lines were installed in City facilities. The FreeCall lines are located in municipal housing offices, cash offices, libraries and community halls. Many informal settlements, including some where there is no Telkom infrastructure, benefit from these new lines.
- The C3 notification system is part of a larger notification system operated by the City, and was created to revolutionise local government service delivery. A C3 notification is created every time a service request is received, either by phone to the City's centralised call centre, via SMS, e-mail, over the counter or through written correspondence. Complainants are given a reference number, allowing them to follow up on the complaint, and as soon as it has been resolved, the notification is closed. Responding to all citizens' service needs, the City's corporate call centre answered a total of 1 059 378 calls in the period 1 July 2012 to 30 June 2013. These calls were answered in customers' preferred language (English, Afrikaans or Xhosa) and were recorded. Calls are directed to the relevant departments in the tracking system. Response times from the opening to the



Responding to all citizens' service needs, the City's corporate call centre answered a total of 1 059 378 calls in the period 1 July 2012 to 30 June 2013.



● ● ●

There is a discernable trend among cities from different sociocultural, economic and political contexts to engage with their citizens and stakeholders in order to devise effective ways and means of improving living conditions and sustainability for all.

- completion of the service request is tracked and reported in the City's service delivery and budget implementation plan (SDBIP).
- The City's Information Services and Technology Department started to develop and test the City's eServices platform in 2010, which was subsequently launched in 2012. The online eServices platform allows residents and businesses to transact with the City from the comfort of their own homes or offices, saving them time and money.
 - In 2002, the Smart Cape access initiative was piloted in five City libraries. The project's initial success quickly led to the introduction of a Smart Cape corner in each of the 98 libraries in the city. Soon thereafter, the initiative was recognised for its innovation in providing residents with free public access to computers, when the City received the Access to Learning award from the Bill and Melinda Gates Foundation.
 - Since 2007/8, the City of Cape Town has undertaken an annual Community Satisfaction Survey (CSS) to gather detailed feedback from Cape Town's residents and businesses regarding the services it renders. Strict sampling rules are applied when selecting the respondents for the residents' survey to ensure that the respondents represent the entire city population. To date, the City has conducted seven annual surveys. The results of the CSS for the last five years reflect a consistent and increasing level of satisfaction with the City's service delivery efforts by both residents and business. The average rating of the City's overall performance by residents increased to 2,9 (on a five-point Likert scale) in 2013/14, from 2,6 in 2009/10. The average rating of the City's overall performance by businesses increased from 3,1 in 2009/10 to 3,5 in 2013/14.

From government to urban governance

- There is a discernable trend among cities from different sociocultural, economic and political contexts to engage with their citizens and stakeholders in order to devise effective ways and means of improving living conditions and sustainability for all. Thus, as city governments review their performance in relation to developmental goals – amidst rapid urbanisation and growing complexity – improved urban governance is increasingly proposed as an appropriate foundation from which to address the massive urban challenges cities face.
- Urban governance refers to both the processes and structures that emerge from the relationship between civil society and local government. Judged by inclusivity, transparency, participation as well as long-term planning, there is evidence that the City's strategies for fostering good urban governance are deepening.
- State capacity is another key ingredient and support mechanism for the exercise of urban governance. The City is strengthening its capacity to work in a transversal manner, with greater horizontal coordination of service delivery across directorates and departments, alongside attempts at vertical integration across different spheres of government. The strengthening of internal collaboration systems through transversal committees and work groups comprising elected representatives and appointed officials is geared towards improved delivery on the City's five-year IDP. City departments and directorates are pursuing new ways of working, including testing an area-based model for planning and project implementation. A pilot phase for testing area-based transversal planning and programming will be undertaken.
- Recently, the City changed its logo and byline to signal its intent to approach urban development in partner-



ship with residents and business – in their communities and social formations. In line with this approach, the City may need to consider ways of how best to work together and actively measure the extent and quality of that cooperative relationship. This would broaden and deepen the quality of urban governance, and establish the basis for measuring and tracking the quality of the relationship with the intended beneficiaries of the City's programmes and projects.

Conclusion

- More than half of the world population now live in urban settings. As many as 27 of the 33 urban agglomerations that are predicted to dominate the global urban space are located in the global South.⁵⁹
- Rapid urbanisation in the global South has highlighted the sharp increase in informality in the expanding urban centres of the world.
- As is the case in other parts of the global South, South African cities are increasingly at the forefront of efforts to meet the social and developmental needs of the country's population as more South Africans urbanise. The national development agenda is increasingly devolved to cities and to the broad local government sphere, as is evidenced by the recent devolution of public transport and public housing mandates. At the same time, urban development priorities are expanding to include new, evolving concerns, such as what constitutes basic human rights and the elements of quality of life. This may lead to additional demands being made on cities and city administrations, for example regarding improved access to connectivity and recreational space.

- Twenty years after the democratic transition, South African cities have made relatively little progress in changing racially based urban settlement spatial patterns, which has now led to the introduction of national grant-based incentives to support and bring about the required urban transformation.
- The challenge to manage urban growth and form in Cape Town – and bring about a more compact and spatially transformed city – is being addressed by the implementation of the approved CTSDP and progress with rolling out the integrated public transport system.
- The City's urban network strategy seeks to connect economic nodes and emerging township hubs through integration zones or corridors – which provides focus areas for public transport, investment opportunities and densification in the city.
- Key challenges remaining include the following:
 - As with other urban areas in South Africa, Africa and the developing world, informality in Cape Town seems to be a given part of the urban landscape for at least the short to medium term. This corresponds with urbanisation trends across the globe, where the bulk of new urban residents are from the ranks of the poor, with limited resources to meet their housing and other development needs, largely depending on public-sector assistance.
 - A further key issue in the Cape Town economy is the mismatch in the labour market between skills demand and supply, and the growth in the number and proportion of unemployed in the city. Cape Town has an oversupply of unskilled and semi-skilled workers, which is further boosted by new labour-market entrants – male and female high-

As with other urban areas in South Africa, Africa and the developing world, informality in Cape Town seems to be a given part of the urban landscape for at least the short to medium term.

59. See Gandy, M., 2005, Learning from Lagos. *New Left Review*, (33):37-52, quoted in Zeidermann, A., 2008, 'Cities of the Future: Megacities and the Space/Time of Urban Modernity', *Critical Planning Summer*: 22-39.

● ● ●

The City has taken pioneering steps to address Cape Town's multiple and interconnected energy challenges, which include a comparatively high carbon footprint, national electricity supply insecurity, rising energy costs, widespread energy poverty and energy service access challenges.

school dropouts and high-school graduates – with similar skills deficits. The link between education and employment – and therefore, poverty and inequality – is significant. An equally big concern is the relatively low number of adults with tertiary education, which requires special attention, the unlocking of opportunity, as well as closer connections between policy intention and operational reality.⁵⁹

- In the short to medium term, the challenge for Cape Town is to create opportunities for income earning and job creation among low-income and poor households. This is currently being addressed through strategies that seek to make informal trading more accessible and sustainable, and efforts to connect these households with economic development nodes across the city through public transport.
- The City has taken pioneering steps to address Cape Town's multiple and interconnected energy challenges, which include a comparatively high carbon footprint, national electricity supply insecurity, rising energy costs, widespread energy poverty and energy service access challenges. Although the municipal and city-wide consumption reduction targets have been achieved and exceeded, there is more to be done in future. As Cape Town's urban footprint densifies, the city's natural resources will need to be protected as providers of ecosystem services and benefits. Water scarcity will continue to present a challenge for Cape Town into the future, including balancing the growth in urban demand with maintaining water supply for agriculture and food production. As such, programmes that address water demand management form a key component of the City's approach to dealing with water resource scarcity in the future. Although the impacts of climate change are not yet fully understood, they have significant potential to affect the already scarce water resources in the Cape Town area. Changes in seasonality of rainfall or the intensity of rainfall events may disrupt agricultural activities in the region, and increase the risk of floods and severe weather impacts on residents of the city. In addition, waste minimisation efforts and the sustainable provision of new landfill sites will be key in the future.
- In the global policy space, there is growing consensus on the importance of cities in finding solutions to the challenges of sustainable development. By 2050, the world's cities will be home to six billion people, while past models of development have generated a range of complexities, including peak energy, global water

scarcities and climate change. In this complex global environment, complex and nuanced solutions are required. Eliciting them and evaluating their feasibility will require partnerships and participation across a wide range of stakeholders across sectors, including the people who inhabit these urban spaces. The development and application of fine-grained processes of co-design and co-production of an inclusive sustainable urban environment will demand innovative partnership approaches and commitment, involving local government, the private sector and residents in our cities, including Cape Town. Globally, emerging notions of good urban governance increasingly recognise the complexity of cities as systems, and are integrating more collaborative governance and implementation approaches. More than anything, cities must be guided by the growing notion of urban governance as both government responsibility and civic engagement.⁶⁰

- Generally, inclusive urban development policies and practices sit within one of two predominant approaches – the mobility or the place-making paradigm. A mobility paradigm is centred on the physical movement of people from one place to another in order to meet specific social goals.⁶¹ The place-making approach refers to "the construction (or making) of more 'good' (i.e. socially and economically healthy) places in metropolitan spaces".⁶² Both are evident in the current City of Cape Town policies and strategies, though they take a very different form.
- In Cape Town, the mobility paradigm is seen in strategies to address the marginal location of poor communities by linking them to economic opportunity. The strategy is first and foremost about getting working-age individuals in poor communities and households closer to jobs, which are largely seen to be located in the CBD and other economic nodes across the city.
- Place-making in the South African and Cape Town context is predominantly concerned with the faster delivery of affordable housing opportunities and access to basic services across the city, as well as improved quality of life for growing numbers of poor and low-income households. In addition, the 14 officially sanctioned urban renewal projects under way under the championship of Executive Mayor Patricia de Lille are further evidence of place-making in Cape Town, and are important learning opportunities to inform future approaches to the design of communities and communal spaces in Cape Town.

59. Wilson, F. & Cornell, V. (eds). 2014. Guide to Carnegie 3: Strategies to Overcome Poverty and Inequality – Conference Report. Conference held at University of Cape Town, 3-7 September 2012.

60. UNFPA. 2007. State of the World Population 2007. Available at http://www.unfpa.org/swp/2007/english/chapter_6/.

61. See, for example, Imbroscio, C., 2011, "Beyond Mobility: The limits of Liberal Policy", *Journal of Urban Affairs*, 34(1):1-20. The article provides insight into the American implementation of a mobility paradigm, and the

potential outcomes in relation to the intended goals of connecting low-income families to opportunity. The basic principles of such programmes have been criticised – in the American context – for the potential negative impact on residential stability, underestimating the attachment to place and mutual aid relationships, and the impact of excessive mobility on child and adolescent development. This is separate from the expression of choice by individuals and families or households.

62. Idem, p. 11.

● EXPERT ANALYSIS

The broad macro-economic context for Cape Town, South Africa and the Western Cape

Professor André Roux

Director: Institute for Futures Research
Stellenbosch University

Although the structure of the Western Cape economy resembles in broad terms that of the South African economy, the primary sector in the Western Cape is relatively less important. There have been some important changes in the composition of the Western Cape economy over the last 20 years. In 1993, for instance, the agricultural and forestry sector accounted for 6,6% of the province's total value added, while the finance sector made a 16,5% contribution. By 2011 the share of agriculture had declined to 3,8%, while the finance sector accounted for almost one third of gross value added. Nonetheless, today, the Western Cape is responsible for 23% of South Africa's total agricultural output. This large share can be attributed to the fact that more value-added agricultural activity occurs in the Western Cape than in other provinces. In the tertiary sector, the relative contributions of wholesale and retail trade, hotels and restaurants as well as finance to total gross domestic product (GDP) are larger in the Western Cape than in the overall economy, while the share of government services is relatively smaller.

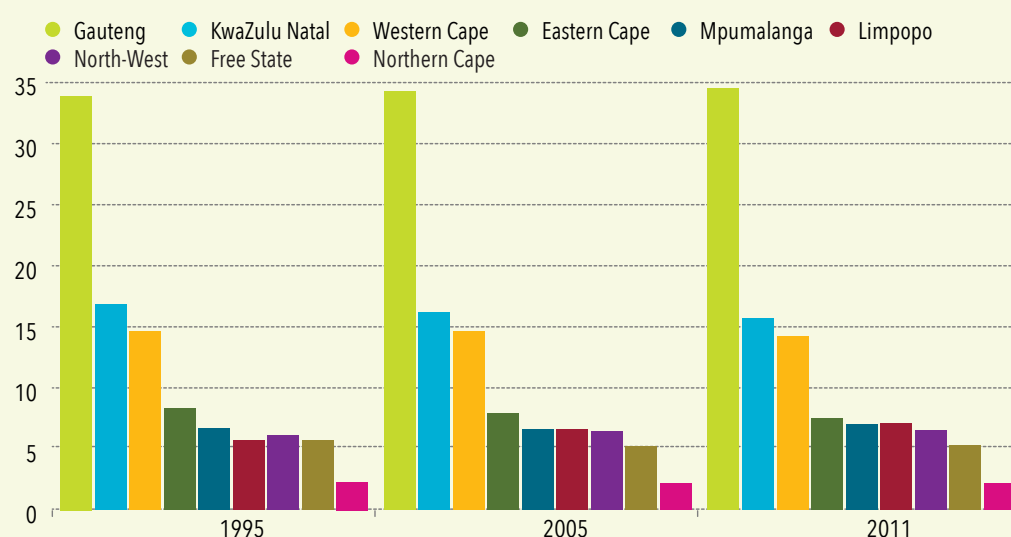


Figure 1: Provincial contribution to South Africa's GDP, 1995, 2005 and 2011

Source: Computed from Stats SA, 2012a.

Between 2001 and 2011, only three provinces, namely Gauteng (4,6%), Western Cape (4,1%) and KwaZulu-Natal (4,0%), recorded an economic growth rate as high as or higher than the national average (4,0%). One of the reasons is that the province is immune to cyclical changes in commodity prices. Moreover, the province has a comparative advantage over many other provinces in respect of, inter alia, trade and catering, financial services, value added in agriculture, and the positive results of an historically high level of investment in human capital.

Gauteng remains the largest provincial economy in South Africa, accounting for 34,5% of national economic activity. This is double the contribution of the second-largest provincial economy, KwaZulu-Natal (15,7%). These two, together with the Western Cape (14,2%), account for almost two thirds of South Africa's total economy (figure 1).

Not surprisingly, Cape Town accounts for the lion's share (more than 70%) of the Western Cape economy. The city's share of the provincial economy is particularly dominant in the secondary and tertiary sectors. Cape Town's economy accounts for some 10% of South Africa's GDP, making it South Africa's second-largest city economy.

The official unemployment rate in the Western Cape is higher than at the beginning of the century, but lower than the national average. Only KwaZulu-Natal and the Limpopo province have lower unemployment rates (table 1 overleaf).

Not surprisingly, Cape Town accounts for the lion's share (more than 70%) of the Western Cape economy. Cape Town's economy accounts for some 10% of South Africa's GDP, making it South Africa's second-largest city economy.

Table 1: Unemployment rate percentages by province, March 2001-March 2013

Year	March 2001	March 2003	March 2008	March 2010	March 2013
Western Cape	20,9%	22,0%	18,1%	21,8%	23,3%
Eastern Cape	30,6%	33,3%	28,1%	27,9%	30,2%
Northern Cape	21,7%	25,0%	24,8%	29,9%	29,6%
Free State	24,0%	27,5%	25,0%	27,8%	31,6%
KwaZulu-Natal	19,6%	28,2%	22,7%	20,9%	21,1%
North West	22,7%	26,8%	22,3%	27,9%	26,5%
Gauteng	27,9%	31,2%	22,7%	26,9%	25,2%
Mpumalanga	19,1%	23,3%	23,7%	27,7%	29,4%
Limpopo	30,7%	42,3%	31,7%	22,4%	20,3%
RSA average	24,6%	29,3%	23,5%	25,2%	25,2%

Source: Stats SA, 2010; 2013. Socio-economic/developmental indicators.

Population size and growth

According to the 2011 Census results, South Africa's two economic strongholds, Gauteng and the Western Cape, experienced the highest annual population growth rates during the 2001-2011 period (2,7% and 2,6% respectively), reflecting strong in-migration from other provinces and from outside South Africa. According to ASSA2008 projections, the Western Cape population is expected to grow by about 0,5 million between 2011 and 2025 (figure 2).

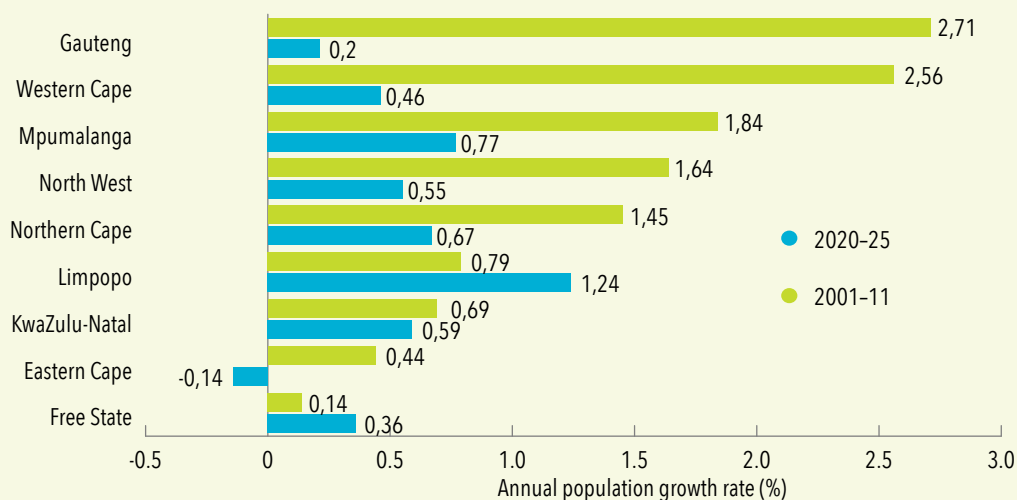


Figure 2: Ranking of provinces by actual (2001-11) and projected (2020-25) population growth rates (ASSA2008 projections)

Actuarial Society of South Africa, 2011; Stats SA.

Table 2: Actual (2001 and 2011) and projected size of the provincial populations, 2001-2025

Province	Census data ('000)		Projected population ('000)				
	2001	2011	2001	2011	2015	2020	2025
Eastern Cape	6 436,8	6 562,0	6 651,4	6 778,7	6 990,0	7 242,7	7 450,0
Free State	2 706,8	2 745,6	2 818,7	2 926,4	2 991,3	3 064,0	3 118,9
Gauteng	8 837,2	12 272,3	9 023,4	10 820,0	11 096,5	11 299,0	11 419,0
KwaZulu-Natal	9 426,0	10 267,3	9 636,4	10 557,4	10 894,7	11 293,4	11 632,9
Limpopo	5 237,6	5 404,9	5 434,0	5 852,3	6 195,9	6 637,5	7 059,0
Mpumalanga	3 123,0	4 039,9	3 229,6	3 847,3	4 010,7	4 199,8	4 363,0
Northern Cape	822,7	1 145,9	867,2	1 143,5	1 184,9	1 231,9	1 273,7
North West	3 669,3	3 510,0	3 678,1	3 471,8	3 588,5	3 718,2	3 822,5
Western Cape	4 524,3	5 822,7	4 652,6	5 348,2	5 531,0	5 704,0	5 837,6
South Africa*	44 819,8	51 770,6	45 991,4	50 745,6	52 483,5	54 390,5	55 976,6

* The projected figures for the total South African population are a summary (aggregate) of the provincial projections, and are slightly different from the figures in brackets in the previous table, which reflect a separate projection done for the total population.

Source: Actuarial Society of South Africa, 2011; 2012a:21.

Urban agglomeration

Although South Africa's metropolitan areas or urban agglomerations are not, nor are they ever likely to be, very large in world terms, South Africa is the only African country, with the exception of Nigeria, the Democratic Republic of Congo and Morocco, with more than four cities with 0,75 million inhabitants or more in 2010. In fact, South Africa has six so-called 'million-cities' with populations in excess of 1 million each. Together, these six cities were home to 18,9 million people in 2011 – some 36% of South Africa's total population on less than 2% of its land area. Cape Town is the second most-metropolitan area after Johannesburg, with a population of some 3,75 million (figure 3).

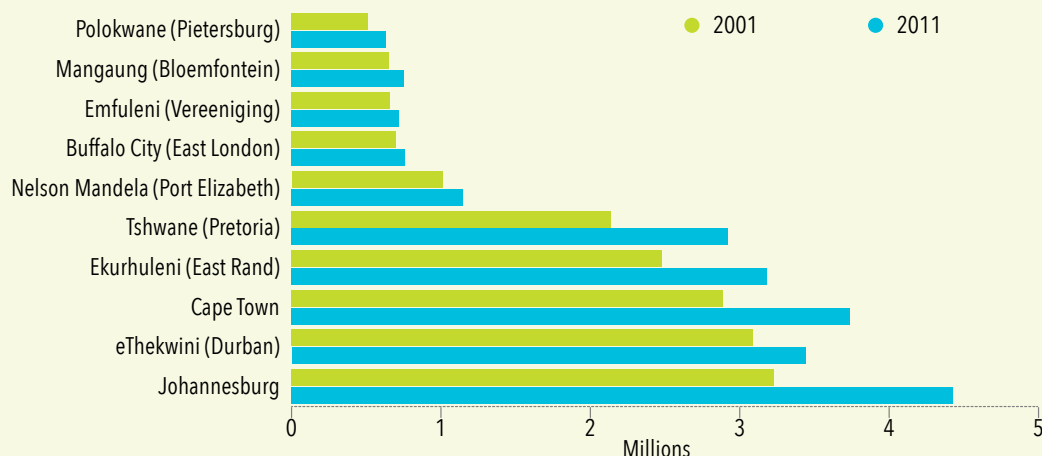


Figure 3: Actual size of South Africa's 10 largest cities, 2001 and 2011

Source: StatsSA, 2012b:2-14.

Life expectancy

According to the ASSA2008 model, an Aids and demographic model of the Actuarial Society of South Africa, all provinces have experienced declining life expectancies due to Aids. Currently (2013), the Western Cape is ranked highest with a life expectancy at birth of 64,4 years. The lowest life expectancies at birth are currently found in KwaZulu-Natal (54 years), the Eastern Cape (56 years) and the Free State (56,6 years) – the provinces with the highest HIV prevalence rates. By 2025, life expectancy at birth is projected to range between 65,3 years in the Western Cape and 54,7 years in KwaZulu-Natal (table 3).

Table 3: Projected life expectancy at birth of the South African population by province, 1990-2025

Province	Life expectancy at birth (years)								
	1990	1995	2000	2005	2010	2013	2015	2020	2025
Eastern Cape	58,6	59,0	55,4	51,4	55,2	56,0	56,0	56,3	56,7
Free State	61,5	60,5	55,3	50,5	55,1	56,6	56,8	57,1	57,4
Gauteng	67,6	65,6	60,7	56,9	60,3	60,7	60,7	61,0	61,3
KwaZulu-Natal	60,5	59,5	53,0	47,8	53,4	54,0	54,1	54,5	54,7
Limpopo	65,8	65,2	62,6	59,5	63,0	62,7	62,7	62,9	63,3
Mpumalanga	61,9	61,4	55,7	50,7	55,6	57,0	57,0	57,2	57,4
Northern Cape	63,8	63,8	61,8	60,4	61,6	61,3	61,4	61,8	62,3
North West	64,3	63,1	57,7	52,8	57,2	58,3	58,5	58,8	59,0
Western Cape	65,2	65,6	64,2	63,5	64,7	64,4	64,4	64,8	65,3
South Africa*	62,9	62,4	58,3	54,3	58,2	58,5	58,6	58,8	59,1

Source: Actuarial Society of South Africa, 2011.

Ageing

The age structure of the total South African population has changed significantly over the past 25 years, displaying early signs of population ageing (i.e. declining proportions and numbers of children, increasing proportions and numbers of older persons and rising median ages) – a process that is projected to accelerate over the next 30 years. The total population has changed from a demographically young population with almost 40% younger than 15 years of age, less than 4% aged 65+ and a median age of only 20,2 years in 1985 to a population of intermediate age with 29,2% children, 5,3% older persons and a median age of 25,0 years in 2011.

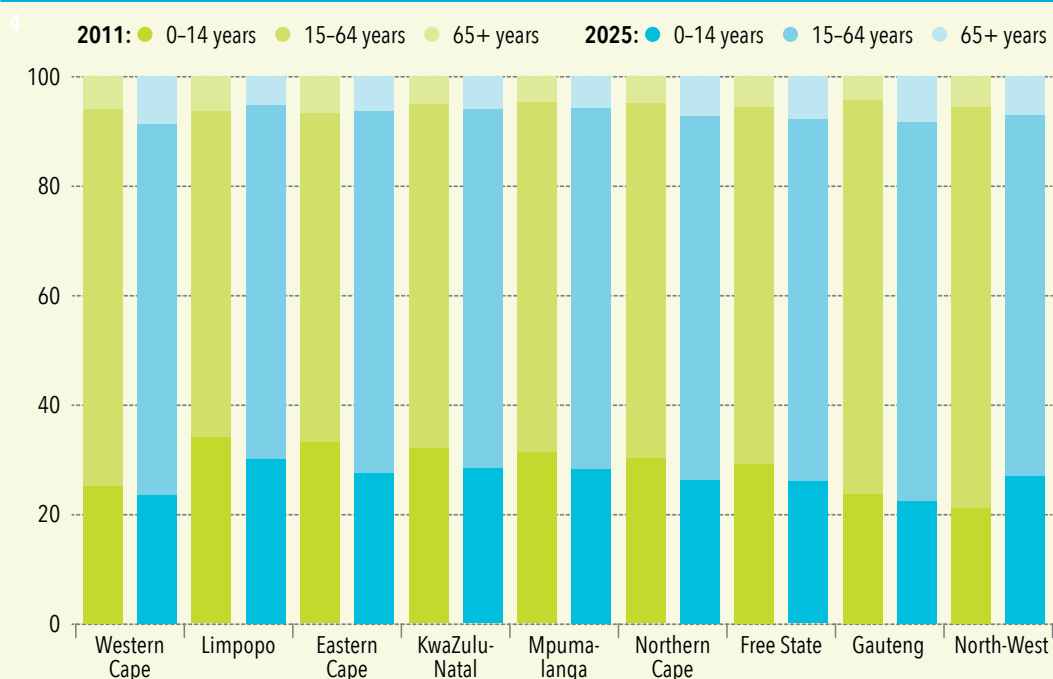


Figure 4: Ranking of provinces by percentage children, adults aged 15-64 and older persons, 2011 (census data) and 2025 (ASSA2008 projections)

Source: Actuarial Society of South Africa, 2011; Stats SA.

By 2025, Gauteng and the Western Cape will be the most advanced with regard to population ageing with the highest percentages aged 65+ and the smallest percentages aged 0-14 (figure 4). It is also important to note that the proportion aged 15-64, or the potentially economically active part of the population, is projected to increase, especially in those provinces with young populations (e.g. Eastern Cape, KwaZulu-Natal, Limpopo and Mpumalanga). This means that the number of potential workers in relation to dependants (older persons and children) is high and still increasing, with possible beneficial effects on the economies of these provinces – the so-called ‘window of opportunity’.

On a provincial basis, the proportion of children living with both parents is significantly higher in the Western Cape and Gauteng than the national average of 33,4% – 54,1% and 50,4% respectively.

Children

On a provincial basis, the proportion of children living with both parents is significantly higher in the Western Cape and Gauteng than the national average of 33,4%, i.e. 54,1% and 50,4% respectively (table 4). Similarly, the number of children living with neither parent is low in these two provinces (10,6% and 12,2% respectively). In contrast, 34,1% of children in the Eastern Cape live with neither parent.

There are substantial differences in poverty rates across the provinces (table 5). In both Limpopo and the Eastern Cape, over 70% of children lived below the poverty line (i.e. a monthly per-capita income of less than R575 in 2010 rands) in 2010, compared to the Western Cape and Gauteng, which had the lowest rates of poverty, namely 30,6% and 37,9% respectively. Roughly, two out of three children in the Free State, KwaZulu-Natal, Mpumalanga, the North West and the Northern Cape live in households below the poverty line.

Table 4: Number and proportion of children (0-17 years) living with biological parents by province, 2010

Province	Mothers only		Both parents		Fathers only		Neither parent	
	Number	%	Number	%	Number	%	Number	%
Eastern Cape	1 095 000	40,8	592 000	22,1	81 000	3,0	916 000	34,1
Free State	419 000	39,1	356 000	33,2	34 000	3,1	262 000	24,5
Gauteng	1 140 000	34,4	1 668 000	50,4	99 000	3,0	402 000	12,2
KwaZulu-Natal	1 726 000	40,5	1 100 000	25,8	199 000	4,7	1 238 000	29,0
Limpopo	1 049 000	46,4	571 000	25,3	32 000	1,4	607 000	26,9
Mpumalanga	612 000	41,9	430 000	29,5	58 000	4,0	359 000	24,6
North West	501 000	39,2	402 000	31,5	38 000	3,0	336 000	26,3
Northern Cape	177 000	41,1	134 000	31,1	12 000	2,9	107 000	24,9
Western Cape	564 000	31,9	958 000	54,1	61 000	3,5	187 000	10,6
South Africa*	7 287 000	39,3	6 195 000	33,4	615 000	3,3	4 426 000	23,9

Source: Meintjies & Hall, 2012:83.

Health

The Western Cape has the highest number of pharmacists per 100 000 population, and the second-highest number of medical practitioners per 100 000 population, after the Northern Cape (table 6).

Moreover, the Western Cape had the second-highest number of public and private hospitals, 54 and 34 respectively; the fourth-highest number of public hospital beds, and the second-highest number of private hospital beds, after Gauteng (Health Systems Trust, 2013b).

Table 5: Number and proportion of children (0-17 years) living in income poverty* by province, 2003 and 2010

Province	2003		2010	
	Number	%	Number	%
Eastern Cape	2 688 000	84,2	1 976 000	73,6
Free State	843 000	78,2	642 000	59,9
Gauteng	1 350 000	51,7	1 254 000	37,9
KwaZulu-Natal	3 004 000	78,5	2 903 000	68,1
Limpopo	2 346 000	88,1	1 740 000	77,0
Mpumalanga	1 028 000	77,9	903 000	61,9
North West	1 123 000	76,1	778 000	61,0
Northern Cape	245 000	72,5	275 000	63,8
Western Cape	696 000	45,6	542 000	30,6
South Africa	13 185 000	73,1	11 013 000	59,5

* Households with monthly per-capita income less than R575 in 2010 rands. Source: Hall, 2012:86.

Table 6: Public sector health care personnel in South Africa by province, 2012

Province	Professional nurses ¹		Pharmacists		Dental practitioners ²		Medical practitioners ²	
	Number	Per 100 000	Number	Per 100 000	Number	Per 100 000	Number	Per 100 000
Eastern Cape	9 495	160,1	368	6,2	116	1,96	1 477	24,9
Free State	2 227	91,2	261	10,7	70	2,87	665	27,2
Gauteng	11 167	132,3	994	11,8	224	2,65	2 920	34,6
KwaZulu-Natal	14 531	154,8	600	6,4	113	1,20	3 178	33,9
Limpopo	8 435	172,1	389	7,9	152	3,10	1 059	21,6
Mpumalanga	4 170	132,0	200	6,3	104	3,29	729	23,1
Northern Cape	1 316	130,1	120	11,9	26	2,57	392	38,8
North West	3 713	122,1	175	5,8	53	1,74	613	20,2
Western Cape	4 833	114,4	779	18,4	123	2,91	1 468	34,7
South Africa*	59 890	140,8	3 902	9,2	982	2,31	12 508	29,4

Notes: 1. Excluding enrolled nurses, nursing assistants and student nurses. 2. Excluding dental specialists and dental therapists. 3. Excluding medical specialists. Source: Health Systems Trust, 2013a.

Education

Just over 1 600 schools and 36 400 educators provide schooling to one million learners in the Western Cape, and the province generally boasts the best National Senior Certificate pass rate and the best endorsement rate – in 2012, the latter was 36,5% compared to the national rate of 26,6% (table 7).

Table 7: National Senior Certificate results by province, 2008, 2011 and 2012

Province	Learners who wrote (number)			NSC pass rates (%)			Endorsement rates (%)		
	2008	2011	2012	2008	2011	2012	2008	2011	2012
Eastern Cape	60 294	65 359	63 989	50,6	58,1	61,6	14,3	15,7	17,6
Free State	29 963	25 932	24 265	71,8	75,7	81,1	21,0	26,3	28,6
Gauteng	92 723	85 367	89 627	76,4	81,1	83,9	30,2	35,2	36,2
KwaZulu-Natal	136 743	122 126	127 253	57,6	68,1	73,1	18,2	22,4	27,3
Limpopo	84 614	73 731	77 360	54,3	63,9	66,9	12,6	17,6	19,8
Mpumalanga	42 153	48 135	47 889	51,8	64,8	70,0	15,3	18,4	19,8
Northern Cape	9 948	10 116	8 925	72,7	68,8	74,6	20,1	19,9	23,0
North West	33 157	25 364	27 174	68,0	77,8	79,5	19,4	28,3	27,4
Western Cape	43 966	39 960	44 670	78,4	82,9	82,8	33,0	38,1	36,5
South Africa*	533 561	496 090	511 152	62,5	70,2	73,9	20,1	24,3	26,6

Sources: DoBE, 2012b:46, 51; DoE, 2009:21.

THE FUTURE

Based on historical performance and future potential, the economic growth rate of the Western Cape and Cape Town should continue to exceed the national average for the next number of years. The following reasons, amongst others, justify this view:

- The province and the city have a number of competitive advantages across a diverse range of activities, e.g. natural beauty, the available skills pool, and above-average education, training and research facilities.
- High growth in trade and catering (including tourism and the conference sector), the highly developed financial services sector and value-added in agriculture
- The effect of HIV and Aids is less debilitating in Cape Town than in most other centres.

The achievement of this growth path is subject to a number of pre-conditions. Foremost among these are:

- the state and condition of the global economy;
- the future ability to upgrade and maintain the skills levels of the population to be attuned to the requirements of a knowledge-based economy;
- the future ability of the Cape Town economy to create sufficient jobs for a growing economically active population;
- the political will and governance ability to harmonise political and economic objectives; and
- the future ability to attract foreign direct investment and tourists.

In conclusion, cities in general – and Cape Town should be no exception – are decisive for development and modernisation because they:

- contribute to sustained economic growth (through urbanisation);
- are centres of excellence, bringing together innovators, entrepreneurs, financiers and academics; and
- provide economies of scale, choices and opportunities.

In this regard, Cape Town should set itself the following goals in the years and decades that lie ahead:

- To become a hub of culture, information, knowledge and industry.
- To serve as an engine of rural development (e.g. by providing the products and services that drive agriculture, by providing storage, packaging and exporting of farm products, and by financing and providing health, education and infrastructure provision in and for rural areas).
- To be instrumental in reducing energy demand and minimising environmental losses through its compactness and economies of scale.

References

- Actuarial Society of South Africa. 2011. ASSA2008 Aids and demographic model: <http://www.actuarialsociety.org.za>.
- Department of Basic Education (DoBE). 2012a. School Realities 2012. Pretoria: Department of Basic Education.
- Department of Basic Education (DoBE). 2012b. Report on the National Senior Certificate examination 2012: Technical report. Pretoria: Department of Basic Education.
- Department of Education (DoE). 2002. Education Statistics in South Africa at a Glance in 2002. Pretoria: DoE.
- Department of Education (DoE). 2009. Education statistics in South Africa 2007. Pretoria: DoE.
- Hall, K. 2012. Income poverty, unemployment and social grants. In Hall, K et al. South African Child Gauge 2012. Cape Town: Children's Institute, University of Cape Town, pp.86-90.
- Health Systems Trust. 2013a. Health Statistics: <http://www.hst.org.za/health-indicators-advanced-search>.
- Health Systems Trust. 2013b. South African Health Review 2012/13. [online] URL: <http://www.hst.org.za>.
- Meintjies, H & Hall, K. 2012. Demography of South Africa's children. In Hall, K et al. South Africa's Child Gauge 2012. Cape Town: Children's Institute, University of Cape Town, pp.82-85.
- Stats SA. 2010. Quarterly Labour Force Survey. Pretoria: Stats SA.
- Stats SA. 2012a. Gross Domestic Product 2002-2011. Annual estimates per region 2002-2010. Pretoria: Stats SA.
- Stats SA. 2012b. Census 2011: Census in Brief. [online] URL: <http://www.statssa.gov.za>.
- Stats SA. 2013. Quarterly Labour Force Survey. Pretoria: Stats SA.

Biography

André Roux has been the Director of the Institute for Futures Research (IFR) at the University of Stellenbosch since 1996. He also lectures on economics and futures thinking on numerous programmes at MBA and executive education level in South Africa and, from time to time, in Australia, Belgium, Namibia, Swaziland, Tanzania, Ghana and Nigeria. He is a guest lecturer on post-graduate programmes at School of Public Management (Stell) and Post-graduate diploma in Managing HIV and Aids in the work-place. He is also the initiator and academic manager of the Master of Philosophy (Futures Studies) programme, which has been presented since 1998. André holds a PhD in Economics (Stell) and is responsible for more than 150 publications. He is a member of the Management Committee of the Bureau of Economic Research, the Faculty Research Committee, and the Editorial Committee of the South African Journal of Military Studies (Scientiae Militaria). He was awarded the Rector's award for excellence in teaching in 1999.



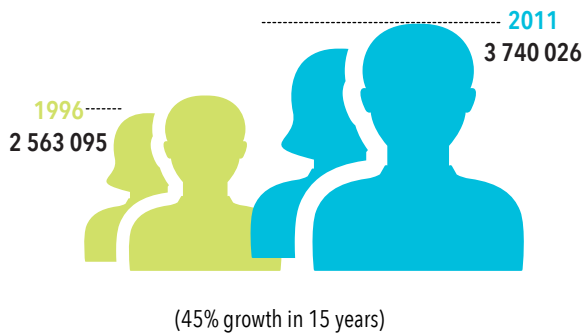




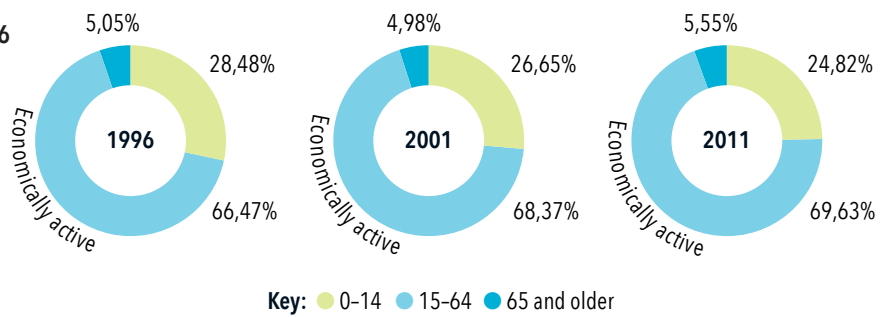


Cape Town's SOCIAL at a glance

Population growth



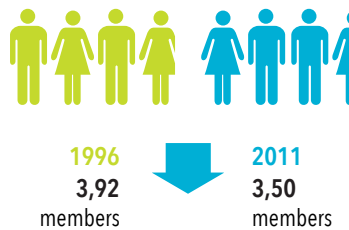
Population age



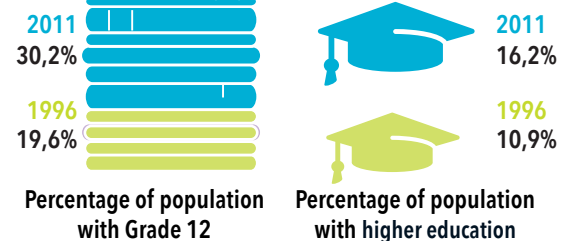
Number of households



Average household size



Education



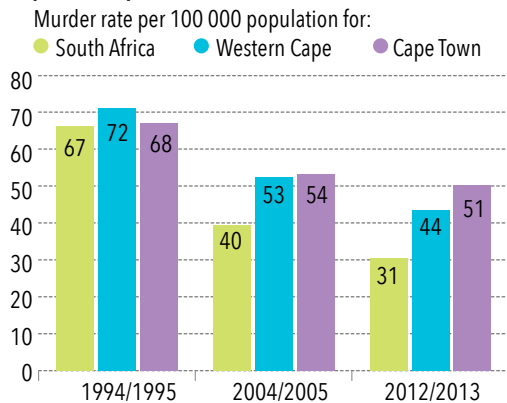
Food security



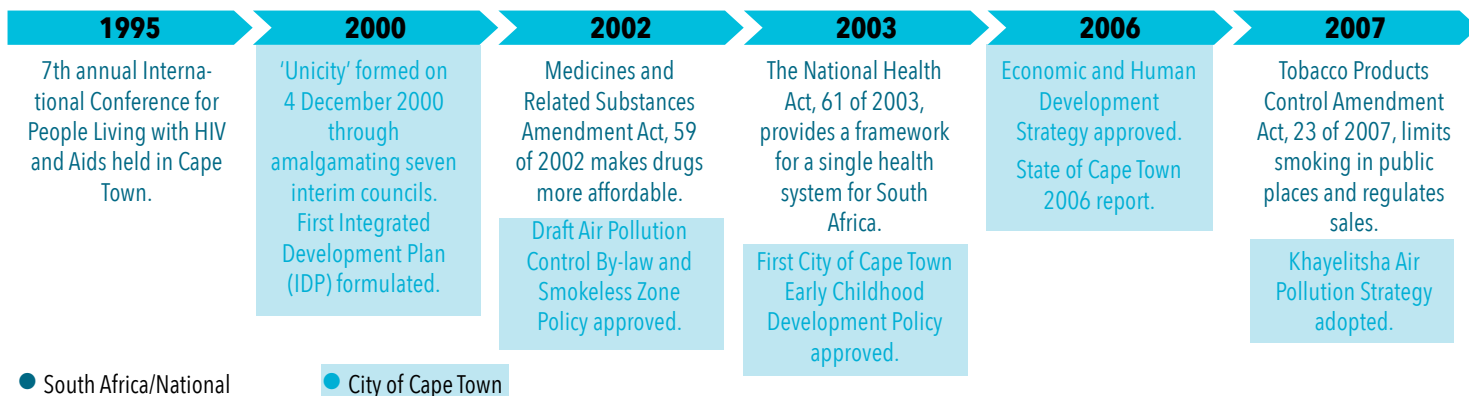
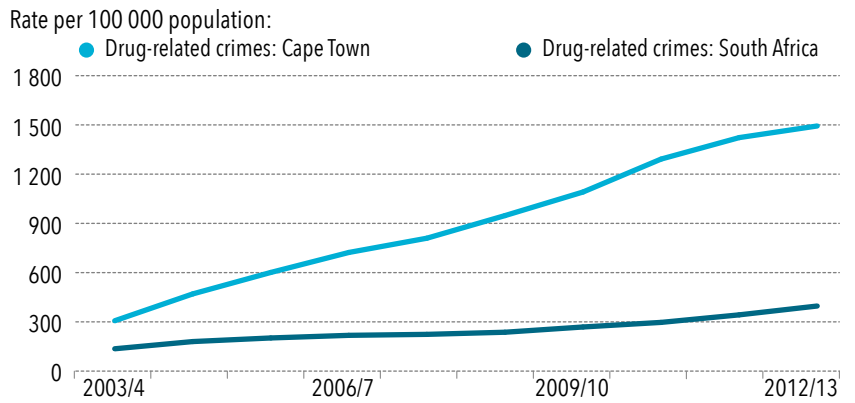
Gini coefficient

The Gini coefficient for Cape Town improved between 2001 to 2010: In 2001, it stood at 0,60, in 2007 at 0,59 and in 2010 at 0,57. However, the Gini coefficient in 2011/12 had increased to 0,67, although this was still the lowest in South Africa.

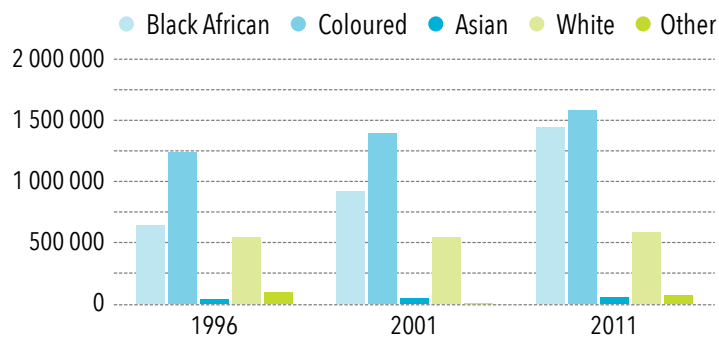
Murder rate (per 100 000): South Africa, Western Cape and Cape Town, 1994/5, 2004/5 and 2012/13



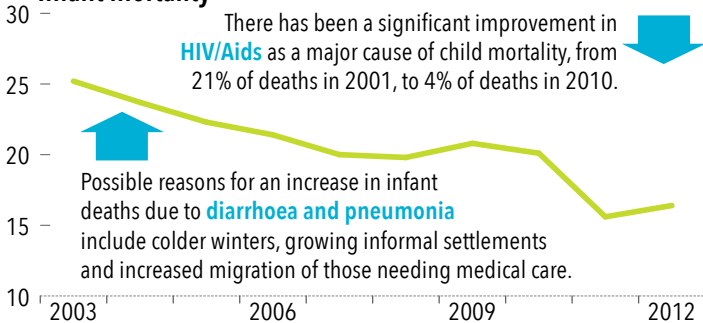
All reported drug-related crimes in Cape Town and South Africa, 2003/4-2012/13



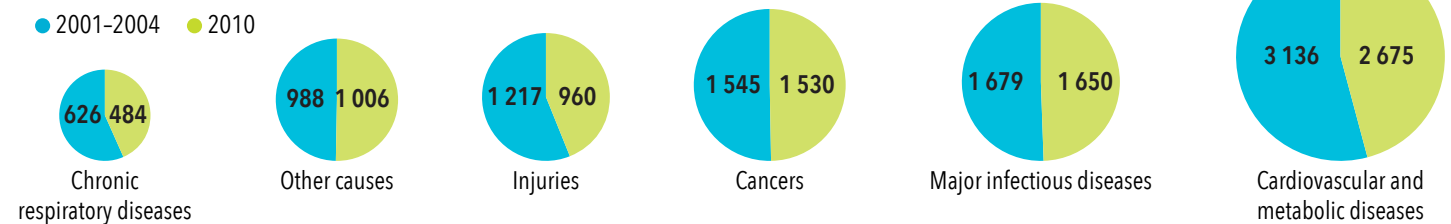
Population of Cape Town, 1996 to 2011



Infant mortality



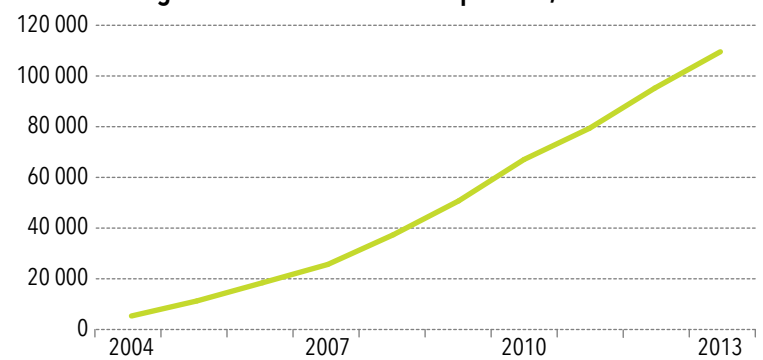
Causes of death (per 100 000 people) in Cape Town, 2001-2004 and 2010



Cape Town antenatal HIV prevalence trend (%), 2001-2011



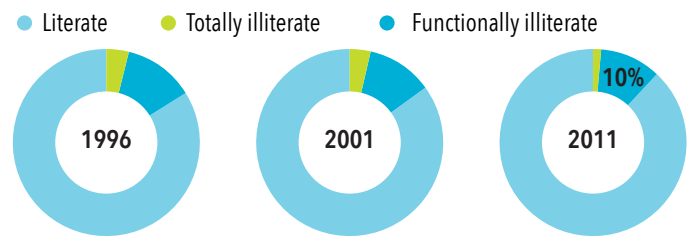
ART clients registered for treatment in Cape Town, 2004-2013



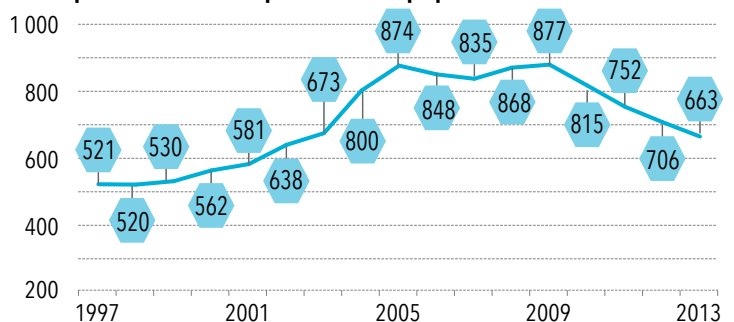
Iconic events

The City of Cape Town hosts and funds more than 40 iconic and other events.

Adult literacy (%) for Cape Town, 1996, 2001 and 2011



All Cape Town TB cases per 100 000 population, 1997-2013



2008	2009	2010	2011	2012	2013
City of Cape Town Indigent Policy approved. State of Cape Town 2008 report.	South African Department of Environmental Affairs released the National Ambient Air Quality Standards.	The City of Cape Town Air Quality Management Bylaw adopted.	Revised National Strategic Plan (NSP) on HIV, STDs and TB released. City of Cape Town Early Childhood Development Policy updated.	State of Cape Town 2012 report.	City of Cape Town Social Development Strategy approved. City of Cape Town Early Childhood Development Policy updated and approved. Food garden summit hosted.

Sources: For detailed information regarding sources refer to the relevant chapter of the State of Cape Town Report 2014.

1. Introduction

Cities emerge, are sustained and continue to grow because of the human factor. The social environment is the basis on which other institutions, activities and processes are built within the urban context.¹ It is in cities where people satisfy their basic needs and obtain essential public goods. Cities are places where ambitions, aspirations and other immaterial aspects of life are realised, providing contentment and happiness, and increasing the prospects of individual and collective well-being.² However, not all urban citizens achieve prosperity.³ Many urban dwellers find themselves in extreme poverty, with low education levels and poor health conditions, exacerbated by inadequate access to essential public goods and services.

The world's population is predominantly urban, and will continue to become more so. This, indeed, is the urban age, where the dynamism of cities becomes even more prominent.⁴ Although South Africa's urbanisation is advancing at a slower rate compared to the African average, in 2013, urban areas were home to 63% of the population.^{5,6} In the early 1990s, South Africa reached the urban tipping point, where 50% of the population were urban, and by 2030, it is projected that 71% of the population will have urbanised.⁷

The greatest challenge in Africa is the inequality that characterises the "urban divide".⁸ In 1994, South Africa was a divided nation with high poverty levels, inequality, discriminatory practices, inequitable distribution of income and an ineffective health system, largely due to apartheid policies.⁹ The urban divide was most exaggerated in South Africa, divided along the lines of race and class.

In 1994, when South Africa became a democracy, Cape Town told a tale of two cities. The urban divide between rich and poor as well as between white and non-white was significant. It is against this context that the progress in Cape Town's social development is discussed in this report. Cape Town today is a culturally diverse and dynamic city, offering opportunities for people from all walks of life. It is also an international city, creating opportunities for foreign nationals from both the developing and developed world. This chapter reflects on changes in Cape Town's demographics, health, education, poverty and inequality, and crime trends between the period 1994 and 2014. It intends to tell two tales of one city – its past and its present – so as to move forward as one city into the future.

2. Demographics

2.1 Population

The total population in South Africa increased by 60% (or 19,5 million) between 1985 and 2011, reflecting high fertility rates and high net migration gains.¹⁰ In 1996, the South African population was 40,58 million people and, in 2011, an estimated 51,8 million.¹¹ Currently, the South African population is estimated at 52,98 million people,^{12,13} and is predominantly black African. Between 1996 and 2011, the Western Cape population grew by 47,2% from 3,96 million to 5,82 million. The 2014 population figure in the province is an estimated 6,02 million, constituting 11,4% of the total South African population.¹⁴ The largest population group in the province is the coloured group (48,8%).¹⁵

Cape Town is the tenth most-populous city in Africa.¹⁶ The population grew by 45,9% between 1996 and 2011, from 2 563 095 to 3 740 026 people. Currently, the population of Cape Town is an estimated 3 860 589, constituting 64,12% of the Western Cape's population, which makes the province predominantly urban.^{17,18} The clearest emerging trend is the steady growth (124,3%) in the number and proportion of black Africans in Cape Town between the period 1996 to 2011. The difference between the size of the black African and coloured populations also decreased rapidly: In 1996, the variance was 23,3%, with the coloured population significantly larger; by 2011, the variance had shrunk to 3,8% (see table 1.1).

The Asian population remains relatively stable, comprising 1,4% of the city's population in 2001 and 2011, having dropped by only 0,1% from 1996. This population group grew by 36,7% between 1996 and 2011.

The white population reflects two distinct growth patterns: A period of negative growth (-0,2%) is observed between 1996 and 2001, followed by a period of positive growth (8%) between 2001 and 2011. The negative growth is attributed to the departure of one million white South Africans (a fifth of the country's white population) from the country between 1996 and 2006. Crime and affirmative action are cited as major factors that discouraged the white population and prompted them to leave in large numbers.¹⁹

The increase in population growth between 2001 and 2011 is attributed to some 380 000 South Africans (from all population groups) who returned from abroad (mainly Australia, New Zealand and Canada) to settle back home around 2008, prompted by the global economic recession.



The clearest emerging trend is the steady growth in the number and proportion of black Africans in Cape Town.

1. Roux, 2013.

2. UNHABITAT, 2012.

3. Ibid. Prosperity involves more than economic success, but rather encompasses a socially broad-based, balanced and resilient type of development that combines tangible and more intangible aspects. Urban prosperity tightens the links between individuals and society with their everyday environment – the city itself.

4. Ibid.

5. RSA, 2013b.

6. Stats SA Census 2011.

7. United Nations, 2012.

8. UNHABITAT, 2014.

9. RSA, 2014.

10. Roux, 2013.

11. Stats SA 1996 Census.

12. Stats SA, 2013a.

13. The 2014 mid-year estimates were still expected at the time of writing.

14. Stats SA, 2013a.

15. DI&GIS Department, using Stats SA 2011 Census.

16. UNHABITAT, 2014.

17. DI&GIS Department, using Stats SA, 2013a.

18. This excludes the other urban areas within the province.

19. Cronjé, 2006.

Table 1.1: Population of Cape Town, 1996 to 2011

Population group	1996		2001		1996-2001 % change	2011		2001-2011 % change	1996-2011 % change
	Number	%	Number	%		Number	%		
Black African	644 181	25,1%	916 584	31,7%	42,3%	1 444 939	38,6%	57,6%	12,3%
Coloured	1 239 943	48,4%	1 392 594	48,1%	12,3%	1 585 286	42,4%	13,8%	27,9%
Asian	37 882	1,5%	41 516	1,4%	9,6%	51 786	1,4%	24,7%	36,7%
White	543 425	21,2%	542 555	18,8%	-0,2%	585 831	15,7%	8,0%	7,8%
Other	97 664	3,8%	0	0,0%		72 184	1,9%		-26,1%
Total	2 563 095	100,0%	2 893 249	100,0%	12,9%	3 740 026	100,0%	29,3%	45,9%

Source: City of Cape Town DI&GIS Department, using all Census data.

sion. These returnees used their wealth acquired overseas to purchase private property in South Africa, where prices would have seemed quite reasonable to them.²⁰ This also reflects a level of confidence regained in the country. There has also been an increase in migration among the white population from other provinces to Cape Town. The Census data indicate that 217 140 whites migrated from other provinces to Cape Town between 2001 and 2011, compared to only 5 493 between 1996 and 2001. A further 17 538 whites migrated to Cape Town from other countries.

A ten-year trend analysis of migration into Cape Town between 2001 and 2011, drawing on Census data, highlights some important patterns.²¹ Firstly, the majority of new arrivals to Cape Town were from outside the Western Cape, while between 1996 to 2001, the majority of migration to the city was from within the province. A second pattern entails a breakdown of migration by population group, revealing that the majority of migration during the ten-year period was by black Africans (57,9%), followed by whites (22,4%), coloureds and Asians (13,20%), with "other" constituting the smallest migration category (6,5%). A third pattern relates to age, indicating that 58,78% of new arrivals to Cape Town during this period were predominantly from the age category 25 to 64 years, while the category 15 to 24 years comprised 24,11% of new arrivals. A fourth pattern reveals that there were slightly more males (52,65%) than females (47,35%) among new arrivals to Cape Town in this period. Finally, the analysis revealed that migrants' choice of destination within Cape Town may be strongly influenced by their origin. For example, the majority of new arrivals from the Eastern Cape tended to settle in particular destinations that are traditionally considered black African townships.

A key feature of the apartheid state included the suppression of black Africans' freedom of movement. Several subjugating policies were introduced during the regime to facilitate this. Consequently, black African people's

movement into urban areas was kept in check through the influx control system, and black African, coloured and Indian people were forcibly removed from urban areas.

The new democracy in 1994 allowed for freedom of mobility for all South African citizens. Within Cape Town, significant demographic changes over the 20 years since democracy clearly reflect this freedom of mobility, enabling all population groups to share in the potential opportunities the city has to offer. The trend clearly indicates a positive change in terms of freedom of mobility since before 1994.

Population growth in Cape Town is expected to continue over the next 20 years. The Western Cape Government and the City have recently completed updated population projections following the 2011 Census. Cape Town's population is expected to grow to 4,20 million by 2022, and to 4,46 million people by 2032.²²

2.2 Households

The family and the household are the most basic socio-economic institutions in society. Traditionally, the primary role of the family is to raise and care for children, and to support the ill and elderly. The role of the household and residential family is also central in economic analyses, because these units are usually the locus of joint decisions regarding consumption, production, labour force participation, savings and capital formation.²³

The total number of households in Cape Town grew from 653 085 in 1996 to 1 068 572 in 2011, constituting an increase of 63,6%.²⁴ There seems to be a trend towards smaller household units across all population groups (figure 1.1). In 1996, the average household size in Cape Town was 3,92 members, which figure had declined to 3,50 by 2011. The largest decrease is observed among the Asian population, whose average household size decreased by an average of 0,7 members, from 4,33 to 3,63, in the period 1996 to 2011. The white population continue to have the smallest average household

Within Cape Town, significant demographic changes over the 20 years since democracy clearly reflect freedom of mobility, enabling all population groups to share in the potential opportunities the city has to offer.

20. Breytenbach, W. 2014. 'The Upcoming Elections and the Political Consequences', Presentation at the IFR Breakfast Seminar, 25 March 2014.

21. Rilityana, S. 2014. Cape Town Migration - New Arrivals. Development Information & GIS Department, City of Cape Town

22. Western Cape Government and City of Cape Town, 2014. Western Cape Population Projections 2011 - 2040

23. Bongaarts, J. 2001. Household Size and Composition in the Developing World. Population Council: New York. Available at: <http://www.popcouncil.us/pdfs/wp/144.pdf>

24. Stats SA defines a household as "a group of persons who live together and provide themselves jointly with food or other essentials for living, or a single person who lives alone".

Table 1.2: Population of Cape Town, 1996 to 2011

Population group	1996 %	2001 %	1996-2001 % change	2011 %	2001-2011 % change	1996-2001 % change
Black African	25,7%	32,3%	49,5%	41,6%	77,1%	164,8%
Coloured	39,8%	39,9%	19,4%	33,6%	15,5%	37,9%
Asian	1,3%	1,3%	15,1%	1,3%	41,7%	63,2%
White	29,9%	26,5%	5,5%	21,8%	13,2%	19,4%
Other	3,3%	0,0%		1,7%		-15,4%
Total	100,0%	100,0%	19,0%	100,0%	37,5%	63,6%

Source: City of Cape Town DI&GIS Department, using all Census data.

size, which decreased by an average of 0,26 members, from 2,78 to 2,52, between 1996 and 2011. The largest average household size remains among the coloured population group, who also experienced an average decrease of 0,35 members, from 4,77 to 4,42, between 1996 and 2011.

Fertility, mean age at marriage as well as divorce are the three main demographic determinants influencing household size. Households become less extended, more nuclear and smaller as societies industrialise and urbanise.²⁵ Cape Town's household size is below that of developing countries (five members) and is moving closer to that of many developed countries (two to three members). This is already the case within certain population groups, such as the white population, with the black African group (3,25 in 2011) not far behind.

Although the trend of smaller household sizes may be viewed as positive, it also comes with certain challenges. These include the increased demand in housing supply to accommodate the trend, with the consequent increase in housing prices; the increased competition for scarce urban land for new housing development, and the break-

down of the extended family, which is often considered a powerful social support network.

The future Cape Town will be characterised by a growing population, coupled with a continuous inflow of people from neighbouring provinces and countries. There will therefore be more yet smaller households. Between 2011 and 2035, Cape Town can expect an addition of 600 000 households. By 2035, it is projected that Cape Town will have 1,7 million households, each comprising an average of three members. This trend would result in increased pressure on the city's water supply, housing provision, sanitation services, electricity supply, refuse removal, health-care services, employment, pollution (air, water, etc.), food security and transport services and infrastructure.²⁶

2.3 Age

Over the past 25 years, the age structure of the South African population has changed significantly, displaying early signs of population ageing across all groups.^{27,28} The same pattern is observed within the Western Cape.

The proportion of children (0 to 14 years) in Cape Town

By 2035, it is projected that Cape Town will have 1,7 million households, each comprising an average of three members. This trend would result in increased pressure on the city's water supply, housing provision, sanitation services, electricity supply, refuse removal, health-care services, employment, pollution, food security and transport services and infrastructure.

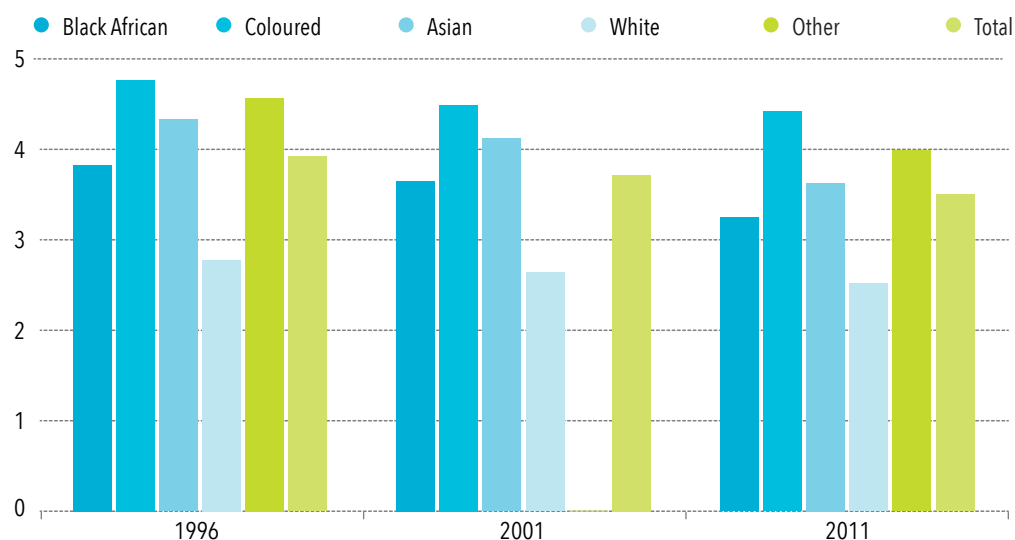


Figure 1.1: Average household size in Cape Town, 1996 to 2011

Source: City of Cape Town DI&GIS Department, using all census data.

25. Bongaarts, J. 2001.

26. Haldenwang, 2013.

27. Population ageing refers to declining proportions and numbers of children,

increasing proportions and numbers of older persons, and rising median ages.

28. Roux, 2013.

Table 1.3: Cape Town population by age, 1996 to 2011

Population group	1996		2001		2011	
	Number	%	Number	%	Number	%
0 to 14 years	722 272	28,5	771 028	26,6	928 330	24,8
15 to 64 years	1 685 544	66,5	1 978 035	68,4	2 604 209	69,6
65 years and older	128 068	5,0	144 183	5,00	207 486	5,6
Total	2 535 884	100	2 893 246	100	3 740 025	100

Source: Stats SA 1996, 2001 and 2011 Census.

decreased from 28,48% in 1996 to 24,80% in 2011. The percentage of the economically active population (15 to 64 years) increased from 66,47% to 69,70% in the 15-year period, while the elderly population (65 years and above) also increased from 5,05% to 5,50%. However, the total age dependency ratio²⁹ for Cape Town also decreased, from 0,50 to 0,44, predominantly due to a decrease in the child dependency ratio (0 to 14 years) from 0,43 to 0,36. The elderly dependency ratio (65 years and above) remained unchanged at 0,8 (table 1.3).

According to the United Nations (UN) classification, a population is considered mature or of intermediate age if between 4% and 7% of the population are aged 65 years or older. Cape Town's population fits this description.

Of the economically active (15 to 64 years), 49,70% had been absorbed into the economy in 2011, compared to a labour absorption rate of 47,41% in 2001 and a considerably higher rate of 53,94% in 1996. This reflects that Cape Town's economy is not growing fast enough to support the growing economically active population. The chapter on the economy will discuss the longer-term trend in further detail.

The high number of potential workers in relation to dependants presents a so-called "window of opportunity" for accelerated economic development, which may be beneficial for Cape Town.³⁰ If the population continues to age, however, it will affect not only the economy, government and pension expenditure, but also health care, social services, housing and the family.³¹

The future Cape Town will witness decreasing fertility rates, increased mortality rates and increased life expectancy at birth among all population groups. There will be a changing age structure, with increasing proportions of older persons, declining proportions of children, and rising median ages, indicating an ageing population. Between 2011 and 2035, it is projected that there will be 335 300 more people aged 65 and older. According to projections, the population aged 65 and older will comprise 542 800 people, or 11% of the population, by 2035. This is expected to result in increased pressure on

social assistance (old-age pensions), retirement or workplace pensions, health-care services, geriatric services, housing and living arrangements.³²

There will however be large numbers and proportions of people aged 15 to 64, indicating a demographic dividend or window of opportunity for economic development. Between 2011 and 2035, it is projected that there will be 800 000 million more people aged 15 to 64, while this age category is expected to comprise 3,4 million people (67,7% of the population) by 2035.³³

3. Health

Key developments in South Africa's health sector during the 20 years since 1994 include the important shift from a curative, hospital-based approach to a primary health-care approach, with an emphasis on prevention of disease and decentralised provision of health-care services. Some key steps for improvement in the health sector include mandatory community service for healthcare professionals, improving remuneration levels for certain professional categories, and international partnerships.³⁴ While spending on health care per capita in South Africa doubled from 1995 to 2012,³⁵ significant health challenges still prevail, although improvements have been noted in certain areas. For example, South Africa has among the highest number of TB cases worldwide, and TB incidence has grown significantly.³⁶ However, the country has improved its child health, and reduced its infant mortality rate.³⁷

3.1 Health trends in Cape Town

a) Infant mortality rate in Cape Town

The infant mortality rate (IMR)³⁸ is a key indicator of health and development in a society. It is associated with a broad range of social, economic and environmental factors, which also inform the health status of the broader population.

The United Nations Millennium Development Goal (MDG) 4 involves a two-thirds reduction between 1990 and 2015 in mortality rates among under-5s – which, of course, includes infants. Worldwide, infants account for



The future Cape Town will witness a changing age structure, with increasing proportions of older persons. There will however be large numbers and proportions of people aged 15 to 64, indicating a demographic dividend or window of opportunity for economic development.

29. The World Bank defines the age dependency ratio as the number of dependants (people younger than 15 or older than 64) in relation to the number of working-age population (those aged 15 to 64). See <http://data.worldbank.org/indicator/SP.POP.DPND>.

30. Haldenwang, 2011.

31. Roux, 2013.

32. Haldenwang, 2013.

33. Ibid.

34. RSA, 2014.

35. GoldmanSachs, 2013.

36. Hancock, 2014.

37. RSA, 2014.

38. IMR is defined as the probability of dying within the first year of life. It refers to the number of babies below 12 months who die per 1 000 live births during the same year. See Nannan & Hall, 2014, available at <http://www.childrecount.ci.org.za/indicator.php?id=5&indicator=23>.

44% of deaths among under-5s. Globally, the IMR is declining, but progress is slow. Sub-Saharan Africa has the highest IMR, accounting for 38% of the global total.³⁹

The IMR in South Africa has been significantly reduced since 1994. This is evident in Cape Town, which displayed a clear trend towards a decrease in IMR in the metro over the ten-year period between 2003 and 2012, dropping from 25,2 to 16,4 (per 1 000 live births) (table 1.4).

ern and Tygerberg subdistricts.

Although there have been significant improvements in IMR across all health subdistricts in Cape Town, the trend of high IMRs in low socio-economic areas versus low IMRs in high socio-economic areas remains. Ideally, the target should be an equal rate of IMR across all health subdistricts. This will be a significant indicator of social equality.

The root causes of infant deaths have their origin in

Table 1.4: Cape Town infant mortality rate (IMR) trends (per 1 000 live births), 2003–2012⁴⁰

Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
City IMR	25,2	23,7	22,3	21,4	20,0	19,8	20,8	20,1	15,6	16,4

Source: MRC, PHASA 2013 conference. Data supplied by City Health Directorate.

Cape Town displayed a clear trend towards a decrease in the infant mortality rate in the metro over the ten-year period between 2003 and 2012.

Studies conducted in Cape Town have demonstrated that areas with low socio-economic status display a higher IMR compared to places with high socio-economic status.⁴¹ Traditionally, the highest IMR is found in the Khayelitsha, Eastern and Klipfontein health subdistricts.⁴² In the Mitchells Plain and Northern health subdistricts, the IMR is usually located between the "high" and "low" areas. On average, the lowest IMR is to be found in the Southern health subdistrict, closely followed by the West-

socio-economic and environmental factors. Gastroenteritis and pneumonia are common causes of infant deaths, particularly among the black African and coloured population groups. Infant deaths are therefore directly attributable to the effects of bad sanitation, poor nutrition, inadequate water supplies, poor housing, overcrowding and poverty.⁴³ A key factor in the significant reduction of the IMR, especially in the low socio-economic areas, is the improvements in basic service delivery in these areas.

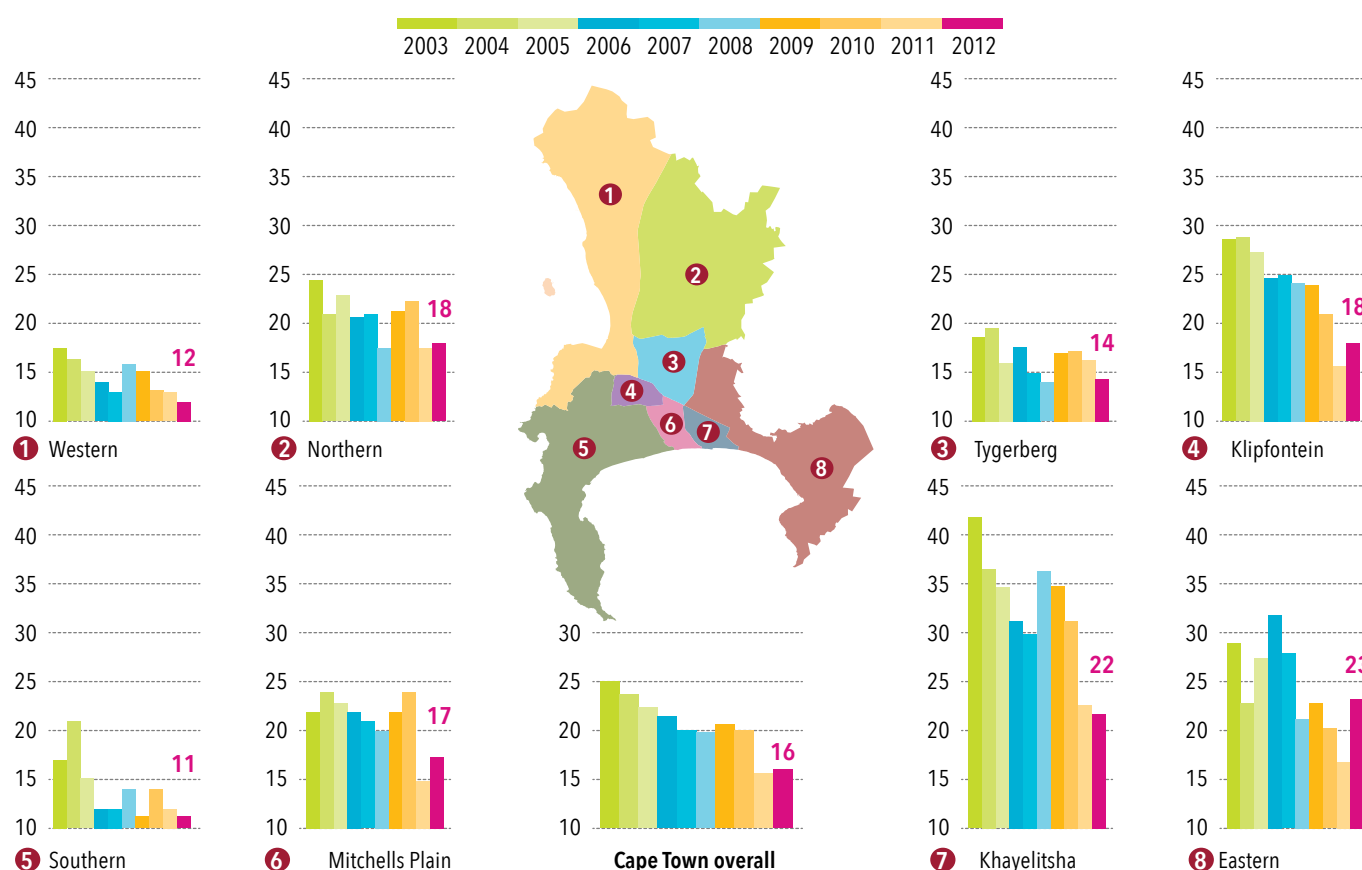


Figure 1.2: Cape Town infant mortality trends per health district, rate per 100 000 population, 2003–2012

Source: MRC, PHASA 2013 conference. Data supplied by City Health Directorate.⁴⁴

39. UN IGME, 2013.

40. Data supplied by City Health Directorate.

41. Chetty, 2003.

42. The City Health Directorate administratively arranges the Cape Town metro

into eight health subdistricts. However, Cape Town is seen as a health district within the provincial context.

43. Chetty, 2003.

44. Data supplied by City Health Directorate.

The chapter on urban form discusses these improvements in service delivery in greater detail.

Exclusive breastfeeding in the first six months provides all the nutrients that infants need to grow and further strengthen their immune systems. Infant formula, however, does not contain all these essential nutrients or antibodies to protect children from diarrhoea, pneumonia or malnutrition. Infant formula used to be encouraged in South Africa to reduce mother-to-child transmission of HIV. Free infant formula was consequently distributed throughout the country in line with policy. However, the unintended negative consequences were an increase in pneumonia and diarrhoea, which led to more infant deaths. Following the success of a policy shift in 2009 in KwaZulu-Natal, which encouraged exclusive breastfeeding among all mothers, the strategy was replicated throughout all remaining provinces in 2011.⁴⁵ Many maternity facilities across Cape Town provide antenatal workshops, where breastfeeding is encouraged as a first choice. In addition, health practitioners also encourage breastfeeding to their antenatal patients.

b) Child deaths

Another key indicator of health and development in a society is the mortality rate among under-5s. Worldwide, the number of deaths in children under the age of five declined from 12,4 million in 1990 to 6,6 million in 2012. In sub-Saharan Africa, one in ten children dies before age five.⁴⁶

South Africa has significantly improved its child health and under-5 mortality rates. In 2005, it was one of only four countries worldwide with an under-5 mortality rate higher than the 1990 MDG baseline. This rate declined by an annual average of 10,3% between 2006 and 2011 – the fourth-fastest rate of decline globally. The decline is largely attributed to the programme for the prevention of mother-to-child transmission of HIV (PMTCT), im-

proved immunisation rates to protect children against vaccine-preventable diseases such as diarrhoea and pneumonia, and vitamin A supplements to decrease deficiencies. South Africa is one of a few countries that have introduced rotavirus and pneumococcus vaccines to reduce the incidence of, and death due to, diarrhoea and pneumonia in children.⁴⁷

The ten-year trend witnessed over the period 2001 to 2010 in Cape Town concerning causes of child deaths displays two distinct patterns (figure 1.3). There was a small percentage increase in deaths due to diarrhoea, death before the age of 1 month, and deaths due to neonatal conditions, congenital causes, malnutrition, pneumonia and meningitis during this review period. The increase in death due to diarrhoea and pneumonia is inconsistent with the national trend reflected in the 20-year review of the country. Possible reasons for this trend include colder winters as a result of climatic change, growing informal settlements, migration of those needing medical care to Cape Town, and challenges in health services.

However there was a significant improvement in HIV/Aids as a major cause of child deaths: In 2001, it accounted for 21% of deaths; in 2010, it accounted for only 4% of deaths. This can be ascribed to an intensive PMTCT programme. TB as cause of death in children also improved, with a 1% reduction recorded during the ten-year period. The reduction in HIV/Aids and TB-related deaths among children is consistent with the national trends reflected in the 20-year review of South Africa.

c) Tuberculosis

There was a general increase in TB cases and incidence from 1997 to 2013 in Cape Town, although a downward trend began to emerge in the last three years of the period under review. This downward trend is consistent with global and national TB trends. In Cape Town, data reveal that it is the number of HIV-positive TB cases that had



South Africa is one of a few countries that have introduced rotavirus and pneumococcus vaccines to reduce the incidence of, and death due to, diarrhoea and pneumonia in children.

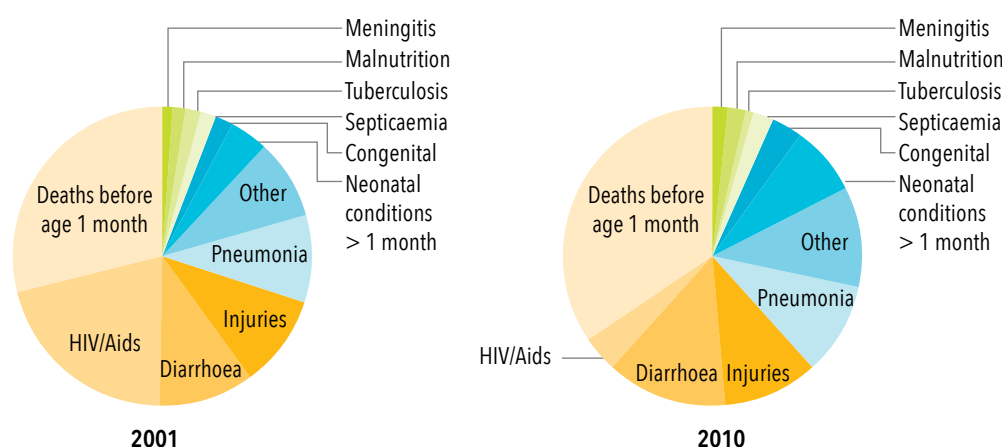


Figure 1.3: Causes of child deaths in Cape Town, 2001 and 2010

Source: MRC, PHASA 2013 conference.

45. Bloemen, 2012.

46. UN IGME, 2013.

47. RSA, 2014.

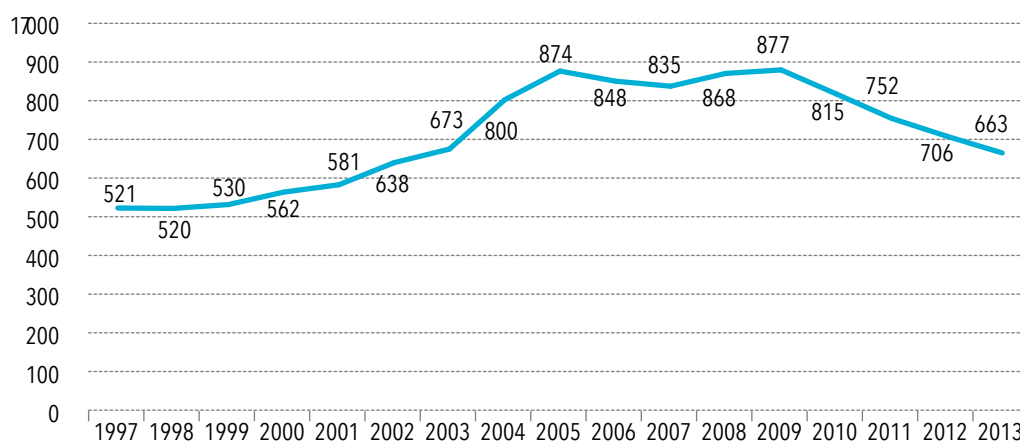


Figure 1.4: All Cape Town TB cases per 100 000 population, 1997-2013

Source: City Health Directorate, 2014.



The challenge is not only to maintain efforts to combat the TB epidemic throughout the city, but to develop enhanced responses in the high-burden areas.

risen but is now reducing again. Substantial improvements in TB outcomes have been achieved in the last number of years. However, TB is still the leading cause of natural deaths in South Africa.⁴⁸

Despite improvements, however, the following factors continue to fuel the TB epidemic in Cape Town:

- Poverty
- Urbanisation, with resultant overcrowding
- Damp, poorly ventilated houses/shacks
- High HIV prevalence
- Clients presenting or being identified late in the course of the disease, increasing the risk of infecting others before treatment
- Some clients never starting or interrupting treatment (defaulters)
- Substance abuse
- Smoking

Particular challenges are faced in areas with high case loads and high dual infection rates, such as Khayelitsha and parts of Klipfontein, the Eastern district and Mitchells Plain. In Khayelitsha, the TB incidence is a massive 1 165 cases per 100 000 people. The challenge is not only to maintain efforts to combat the TB epidemic throughout the city, but to develop enhanced responses in the high-burden areas. New challenges have also arisen in the TB

programme with the emergence of both multidrug-resistant (MDR-TB) and extensively drug-resistant TB (XDR-TB), which pose tricky service delivery, clinical and ethical issues. The treatment and management of patients with drug-resistant TB have been decentralised to primary health-care level since 2010. The treatment of both MDR and XDR-TB takes substantially longer than ordinary (drug-susceptible) TB treatment, and requires the use of second-line anti-TB drugs, which are more expensive and have more side effects than the first-line drugs used for drug-susceptible TB⁴⁹ (figure 1.4 and 1.5).

d) HIV/Aids

The HIV epidemic in South Africa is characterised as a generalised epidemic that predominantly affects young sexually active adults. The past decade has seen South Africa making significant improvements in addressing HIV/Aids. By 2008, South Africa had begun to observe a decline in HIV incidence among the younger age groups. Evidence-based interventions focused on prevention, treatment, care and support were implemented. Programmes such as awareness campaigns and free services for HIV testing, the massive national roll-out of antiretroviral therapy (ART) and PMCT were instrumental in this success.

An estimated 12,2% of South Africa's population (6,4 million people) were HIV-positive in 2012. The Western Cape had the lowest percentage (5%) of HIV prevalence in the country. Of the eight metropolitan areas in the country, Cape Town had the lowest HIV prevalence (5,2%). The black African population group had the highest HIV prevalence compared to all other population groups, followed by the coloured group.⁵⁰

From the national antenatal surveys in which the Western Cape participates, a similar trend is evident: The Western Cape remained the province with the lowest HIV prevalence rates in the country from 1994 up to 2012⁵¹

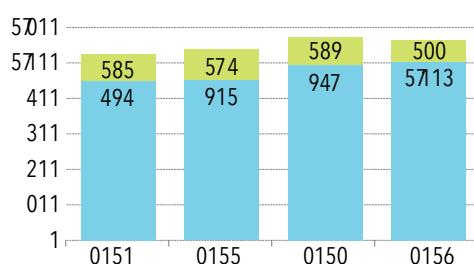


Figure 1.5 Drug-resistant TB cases in Cape Town, 2010-13

Source: City Health Directorate, 2014.

48. Stats SA, 2013b.

49. WHO, 2012.

50. HSRC, 2014b.

51. National Department of Health antenatal surveys from 2000 to 2012.

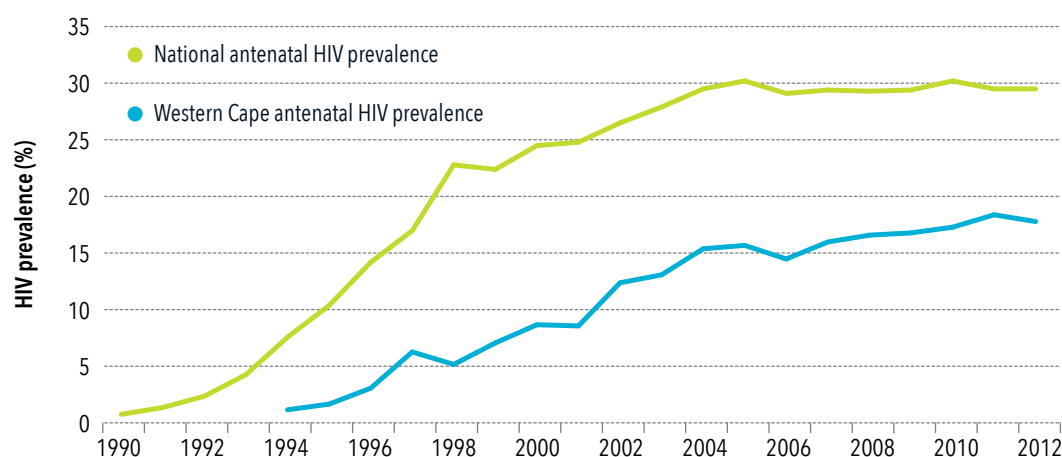


Figure 1.6 :National versus Western Cape antenatal HIV prevalence trends, 1990-2012

Source: Western Cape Department of Health 2012 antenatal survey.

(figure 1.6). During most of this period, findings suggest that young women aged between 25 and 29 years were most affected. However, since 2008, the age category of 30-34 years appears to have been most affected. Unlike national trends of slow stabilisation in HIV prevalence among teenagers, the Western Cape findings show a consistent increase in HIV prevalence among this age group up to 2010, when a decline began to emerge among 15-to-24-year-olds in some districts.

In 2005, the Western Cape passed the early phase of the HIV epidemic, which had been characterised by an exponential growth in prevalence. Thereafter, prevalence rates began to stabilise, with a slight decrease in 2012 compared to 2011. The 2013 HIV prevalence rate for the province was even lower, at 17,1%,⁵² which was lower than the 2010 rate of 17,3%. A downward trend is therefore beginning to emerge. A similar pattern is observed at the national level.

Reasons for the initial exponential growth in HIV prevalence include the degree of urbanisation, sexual

risk behaviours, sexual networks, population demographics, unemployment, social deprivation, migration and high population density. Throughout the period 1994 to 2012, the Western Cape observed a rapid rate of HIV prevalence increase in urban settings. The Cape metro is the major driver in this context. The Khayelitsha health district remains the district with the highest HIV prevalence rates in Cape Town as well as the province.⁵³

Figure 1.7 illustrates an exponential increase in HIV prevalence for Cape Town in the period 2001 to 2005, which mirrors the pattern observed for the Western Cape during that period. The period 2006 to 2010 reflected more stability, however followed by a significant increase in 2011.

In 2006, a commitment was made at both the global and national level that prevention had to be a key strategy in responding to the epidemic. This commitment translated into the formulation of the new National Strategic Plan on HIV and Sexually Transmitted Infections (STIs) for South Africa, which was launched in 2007.⁵⁴ The

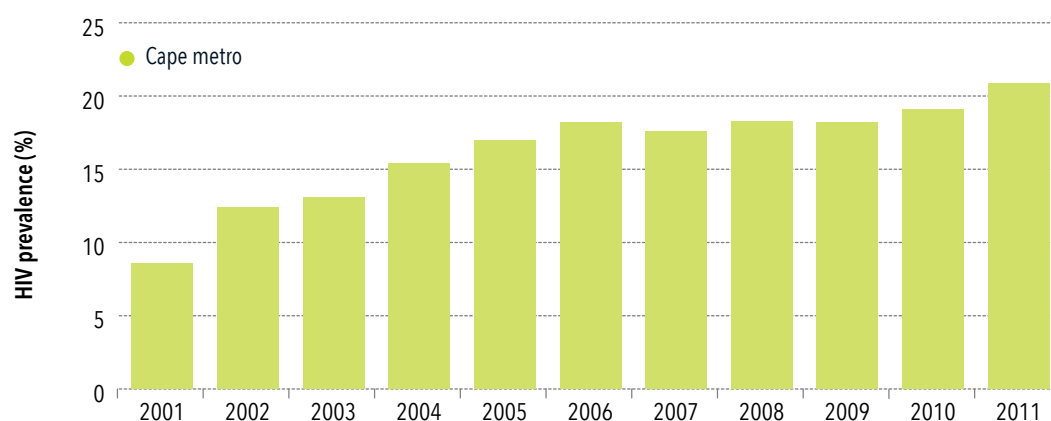


Figure 1.7: Cape Town HIV prevalence trend, 2001-2011

Source: Western Cape Department of Health 2012 antenatal survey.

52. Personal communication with Dr Vivien Essel, Western Cape Department of Health. The 2013 national survey results had not yet been released at the time of writing.

53. Ibid.

54. The previous plan, which was in force from 2000 to 2005, focused on reducing new infections (particularly among the youth) and lowering the impact of HIV/Aids on individuals, families and communities. However, the large-scale roll-out of ARVs still remained absent from this strategy.

The Western Cape remained the province with the lowest HIV prevalence rates in the country from 1994 up to 2012.

During most of this period, findings suggest that young women aged between 25 and 29 years were most affected. However, since 2008, the age category of 30-34 years appears to have been most affected.

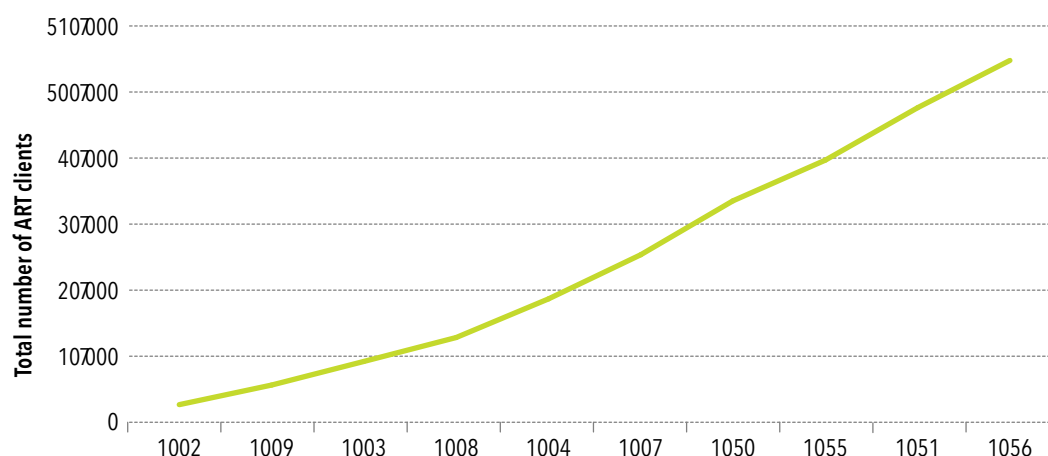


Figure 1.8: Number of ART clients registered for treatment in Cape Town, 2004-2013

Source: City Health Directorate, 2014.

● ● ●

Strategies that address the HIV epidemic need to consider the broader issues of poverty, discrimination, alienation, separation from the family and the breakdown of established community and social networks, along with the broader goal of building social capital.

new plan focused on four key priority areas, namely prevention; treatment, care and support; human and legal rights, and monitoring, research and surveillance. The plan also placed more emphasis on large-scale antiretroviral (ARV) provision.

The significant increase recorded in 2011 was partly made up of the large number of people receiving ART (figure 1.8), which enabled them to live longer with the virus, thereby increasing the total number of people living with HIV.

The number of patients receiving ART in South Africa increased exponentially from 47 500 in 2004 to 1,79 million in 2011.⁵⁵ In 2004, Cape Town had 5 225 patients receiving ART; by 2011, this group had grown to 79 326.

Strategies that address the HIV epidemic need to consider the broader issues of poverty, discrimination, alienation, separation from the family and the breakdown of established community and social networks, along with the broader goal of building social capital. The current National Strategic Plan on HIV and STIs (2012-2016) considers these broader issues, as it contains the following

key strategic objectives for the next five years:

- Addressing social and structural barriers that increase vulnerability to HIV, STIs and TB
- Preventing new cases of HIV, TB and STIs
- Sustaining health and wellness
- Increasing the protection of human rights and improving access to justice⁵⁶

e) Causes of death

Table 1.5 presents the aggregate for the causes of death in Cape Town between 2001 and 2004, while table 1.6 presents the same for 2010. The data for 2010 reveal a decrease in all causes of death (884 deaths per 100 000 people) compared to the 2001-to-2004 aggregate of 992 deaths per 100 000 people. Cardiovascular and metabolic diseases remained the major cause of death in Cape Town over the ten-year period, with 341 deaths per 100 000 people in the 2001-to-2004 aggregate, and 279 deaths per 100 000 people in 2010. This is consistent across most health subdistricts. There is however a general downward trend in this cause of death.

Table 1.5: Causes of death (per 100 000 people) in Cape Town, 2001-2004

Health subdistrict	Causes of death						All causes
	Injuries	Major infectious diseases	Cardiovascular and metabolic diseases	Cancers	Chronic respiratory diseases	Other causes	
Khayelitsha	217	430	342	185	105	144	1 424
Klipfontein	166	245	442	189	73	124	1 239
Mitchells Plain	135	173	473	188	88	113	1 171
Tygerberg	120	117	424	199	79	117	1 056
Eastern	139	173	300	139	58	93	903
Western	111	149	293	161	55	104	873
Southern	89	89	290	171	56	96	790
Northern	107	130	231	142	46	89	745
Metro	133	173	341	171	66	108	992

Source: MRC, PHASA 2013 conference.

55. RSA, 2014.

56. RSA, 2011.

Table 1.6: Causes of death (per 100 000 people) in Cape Town, 2010

Health subdistrict	Causes of death						All causes
	Injuries	Major infectious diseases	Cardiovascular and metabolic diseases	Cancers	Chronic respiratory diseases	Other causes	
Khayelitsha	117	220	445	217	81	128	1 208
Klipfontein	139	338	322	178	54	128	1 159
Mitchells Plain	123	216	374	179	61	122	1 075
Tygerberg	94	145	319	172	56	112	898
Eastern	90	106	256	172	46	109	781
Western	113	127	228	156	47	108	780
Southern	92	168	234	136	44	95	769
Northern	85	158	218	155	44	93	753
Metro	107	172	279	165	51	111	884

Source: MRC, PHASA 2013 conference.

The ranking of the major causes of death suggests that the majority of deaths in Cape Town are caused by lifestyle diseases. These are associated with a combination of factors, including unhealthy and stressful living conditions, which are a factor of urban life and particularly affect the most vulnerable members of society which is reflected in the poorer health subdistricts containing the highest numbers of such causes of death.

3.2 Future trends

Cape Town's IMR is expected to continue to decrease into the future as vaccinations become more readily available and City health services improve, coupled with increased awareness among mothers. All population groups will therefore experience increased life expectancy at birth.

The number of children dying from HIV/Aids will decrease further (with a target of zero) as PMTCT programmes gain further momentum. However, as more foreign nationals from Africa migrate to the city, previous diseases that were no longer considered pandemics may resurface, such as yellow fever and the like. As an impact of climate change, diseases that are climatic in origin may also increase, particularly among the most vulnerable.

In contrast to the expected decrease in HIV/Aids-related mortality among children, however, an increase in HIV/Aids-related adult mortality rates is expected, particularly among the black African and coloured populations.⁵⁷ MDR and XDR-TB are also projected to continue to pose a challenge, and will be exacerbated by growing informal settlements.

There will be an increased burden of chronic diseases due to population ageing; changing lifestyles; unhealthy diets, further exacerbated by urban food insecurity; obesity, and alcohol abuse.⁵⁸ The poor will be most affected by lifestyle diseases, as they work longer hours, for example shift work, and therefore have less time for, or are unable to afford, recreation or physical exercise. They are

also forced to purchase unhealthy foods as the price of (especially healthy and organic) food further increases (see paragraph 5.2 below).

4. Education

Education is one of the most important investments a country can make in its people and its future, and is critical in reducing poverty and inequality. The South African government recognises education as an "apex priority" for the country. It views education as an instrument of freedom and development, and regards access to it as the "tangible fruits of freedom".⁵⁹ The democratic government inherited an unequal education system, which had been based on racial classification and, thus, required redress.

4.1 Literacy

Literacy refers to the ability to – with comprehension – read and write a short, simple sentence as may be necessary for general household or workplace tasks. It further includes basic numeracy skills as may be needed for such tasks. There has been a surge in publicly funded adult literacy education in recent years in South Africa. The positive impact of this is reflected in the difference between literacy levels in 1995 compared to levels in 2012.⁶⁰

In 1995, an estimated 13,1% of the South African adult population (aged 20 years and above) were totally illiterate (i.e. having received no education at all), while 17,3% were functionally illiterate to varying degrees, having dropped out of school before completing Grade 7. Illiteracy levels continued to increase up to 2002, fluctuating between increasing and decreasing on either total or functional illiteracy. The only real absolute decrease from the 1995 levels was observed in 2003, when 11,2% of the population were totally illiterate and 16,2% functionally illiterate. Since 2003, illiteracy levels continued to decrease, until in 2012, only 5,8% of the population were totally illiterate and 10,9% functionally illiterate. The pro-

● ● ●

The poor will be most affected by lifestyle diseases, as they work longer hours, for example shift work, and therefore have less time for, or are unable to afford, recreation or physical exercise.

57. Haldenwang, 2013.
58. Ibid

59. Greve, 2014
60. Department of Basic Education, 2013.



● ● ●

The implications of the historically inequitable provision of education to the different population groups in South Africa are clearly reflected in the difference in literacy levels among the different racial groups.

portion of functionally literate adults, therefore, increased from 69,6% in 1995 to 83,3% in 2012.⁶¹

The implications of the historically inequitable provision of education to the different population groups in South Africa are clearly reflected in the difference in literacy levels among the different racial groups. The black African population remain those with the highest illiteracy levels, followed by the coloured population. In 2003 to 2005, for example, no whites were illiterate.⁶²

In Cape Town, the adult literacy trend is similar to the national trend, but with slightly higher percentages of the adult population being literate compared to national estimates. From Census 1996 data, an estimated 4,1% of the Cape Town adult population were totally illiterate and 12,1% functionally illiterate. By 2001, illiteracy levels had decreased, with 3,8% of the adult population totally illiterate and 11,3% functionally illiterate. By 2011, adult illiteracy had decreased even further to 1,6% totally illiterate and 10,6% functionally illiterate. Thus, the literacy levels in Cape Town increased from 83,8% in 1996 to 87,9% in 2011.

Literacy patterns among population groups in Cape Town also resemble those at the national level. The lowest literacy levels are observed among black Africans, followed by the coloured population group. The highest literacy levels are observed among whites, followed by the Asian population group. There was a consistent increase in literacy levels from 1996 to 2011 among both the black African and coloured population groups. However, in 2011, both the Asian and white population groups observed a decline in literacy levels compared to 2001.

Since 1994, the democratically elected government

has introduced various policies and structures to meet the challenges of adult illiteracy. In 1996, an Adult Basic Education and Training (ABET) Directorate was established in the Department of Education (DoE). This directorate is responsible for the development of an ABET policy framework, and for planning and mobilising resources in support of large-scale ABET provision. In 2000, the Adult Basic Education and Training Act 52 of 2000 was passed, providing the basis for the provision of adult education and training. In 2000, the DoE also launched the South African National Literacy Initiative (SANLI), which had at its objective the targeting of 3,3 million illiterate adults in a five-year period.⁶³

4.2 Adult education

In terms of adult education, there have been significant improvements in South Africa from 1996, when 19,1% of adults had no schooling, to 2011, when this figure had dropped to 9%. In Cape Town, the percentage of the adult population with no schooling is much lower than the national figure. Census data reveal that, in 1996, an estimated 4,2% of Cape Town's adult population had no schooling. The same percentage continued into 2001; however, by 2011, the figure had decreased to 1,8%. Variations among population groups were still evident in 2011, with the highest percentage of no schooling occurring among the black African population, followed by the coloured group. The white population had the lowest percentage of no schooling. However, decreases had occurred across all population groups.

The percentage of Cape Town's adult population who completed schooling (Grade 12) increased significantly

61. Department of Basic Education, 2013.

62. DoE, 2009.

63. Ibid.



from 19,6% in 1996 to 25,4% in 2001, and to 30,2% in 2011. The percentage of the adult population with higher education also increased from 10,9% in 1996 to 16,2% in 2011. Increases in higher education occurred across all population groups. However, although there has been an increase in the number of adults completing schooling, there are concerns around the quality of education received, as will be discussed under paragraphs 4.3 and 4.4 below.

4.3 Youth education

South Africa is approaching the universal standard for school enrolment. The MDG standard is 100% enrolment by 2015; South Africa currently has 97% of six- and seven-year-olds enrolled in schools.⁶⁴ Although the education system has achieved a significant reach of children of school-going age, actual learning in schools has not kept pace.⁶⁵

Of every 100 learners who started school in 2001 in South Africa, only 51 made it to Grade 12 in 2013, of whom 40 passed and only 16 of those passed qualified to go to university.⁶⁶ School drop-out rates remain a major concern. Census 2011 statistics reveal that, by age 18, the school drop-out rate is 65%. Some reasons for dropping out include pregnancy, financial challenges, and circumstances that force young people to become caregivers to ill household members.⁶⁷

In Cape Town, the general trend over the 20-year pe-

riod suggests an increase in school enrolment numbers from 1995 to 2004. Between 2005 and 2014, there was a fluctuation in the number of learners in schools. In 2000, the DoE instituted an admission policy that required learners to be seven years old to be enrolled for Grade 1. This policy was constitutionally challenged and, in 2004, was relaxed to allow for six-year-olds also to be admitted to Grade 1. This consequently caused learner numbers to increase significantly in 2004.

Drop-out rates in Cape Town's public schools over the 20-year period have moved from a phase of increased drop-outs to a phase of recovery. This pattern becomes apparent when studying Grade 7, 10 and 12 output numbers (table 1.7). Of the 1995 Grade 7 learners, 96% reached Grade 10 in 1998, and 64,82% reached Grade 12 in 2000.⁶⁸ Of the 2000 Grade 7 learners, 114,5% reached Grade 10 in 2003, and 55,49% reached Grade 12 in 2005. Of the 2005 Grade 7 learners, 102,17% reached Grade 10 in 2008, and 56,9% reached Grade 12 in 2010. Of the 2009 Grade 7 learners, 101,81% reached Grade 10 in 2012, and 63,83% reached Grade 12 in 2014.

This pattern suggests the following trends for Cape Town:

- The first decade (12 years) of democracy witnessed an increasing drop-out rate. It was only in 2007 that drop-out rates⁶⁹ began to decrease.
- The second half of democracy witnessed a decrease in drop-out rates. The 2014 data suggest figures closer to

Although the education system has achieved a significant reach of children of school-going age, actual learning in schools has not kept pace.

64. Schultz, 2013.

65. DoE, 2009.

66. Spaull, 2014.

67. Schultz, 2013.

68. This analysis assumes that all of the 1998 Grade 10s and the 2000 Grade 12s were from the 1995 Grade 7 group, without factoring in learners who possibly repeated grades or migrants who may have entered the system.

69. Drop-out rates should be treated with caution, however, as they may have

multiple meanings. A drop-out figure does not necessarily mean that a learner has completely dropped out of school. It could mean that a learner left the school, only to continue in another province or country, which may not be reflected in the statistics. Additionally, learners who drop out for a period of time may not always indicate the reason for doing so, especially in the case of teenage pregnancies, where the learner and parents may not disclose this information to the school. (Personal communication with Abdurahman Noordien, 2014, Western Cape Department of Education)

those seen at the beginning of democracy. This suggests that we are entering a recovery period in terms of output numbers.

- From the latter part of the first decade of democracy, the number of Grade 10 learners exceeded the number who started out in Grade 7. For example, the 2003 Grade 10 group consisted of 14,50% more learners than those who started in Grade 7 in 2000. This suggests an increase in either grade repeaters or migrants (and immigrants), or both. By 2012, however, this had decreased to 1,81%, indicating either fewer grade repeaters or migrants (and immigrants), or both.

Although output numbers are important, as they are directly linked to the MDG of 100% enrolment by 2015, the quality of education is equally vital. In the past, quality education was based on racial classification; now, however, it is based on class. A well-equipped and resourced school will produce better-quality education than an under-resourced school.⁷⁰

In 2008, the DoE acknowledged the direct link between educational outcomes and poor infrastructural conditions by publishing the draft National Minimum Norms and Standards for School Infrastructure. In 2013, the Department published the draft regulations for enforcing these. The South African Schools Act 84 of 1996 provides the legal basis for the establishment of norms and standards for school infrastructure.

4.4 Quality of education

Improving the quality of education implies more than expanding current systems of education; it implies a change in culture. However, the wrong questions may have been asked to date. Examination of the underlying structures suggests that instead of asking how education can bring about a more equal society, it might be worthwhile considering how a more equal society could lead to more equal education.⁷¹

A social analysis of education and its impact in society reveals that the structures of education as they currently

exist in South Africa act largely to reinforce inherited inequalities. Improvements have been made to equalise access to, and funding of, education. However, inequality in educational attainment, levels of completed secondary (matric) schooling and tertiary education attained is still prevalent. This has lasting effects on employability, earnings and income inequality. The link between education and employment – and therefore, poverty and inequality – is significant.⁷²

A 20-year review of the education system notes that schooling policies have oscillated between affording teachers almost unlimited professional autonomy (under Curriculum 2005), and a variety of bureaucratic measures ranging from the most burdensome demands of the National Curriculum Statements to a lighter touch under the Curriculum Assessment and Policy Statements (CAPS). However, none of these has had any effect on the quality of schooling (in maths and science in particular) as measured through international comparative tests, although CAPS is probably still too new to show any effects.⁷³

Of equal concern is the decrease in the number of adults with tertiary education.⁷⁴ A lack of financial resources, poor matric (Grade 12) results and the inability to secure student financial assistance contribute to lower numbers progressing into tertiary education. South African universities do not seem to pay sufficient attention to the training of youngsters who leave school with limited skills and scant prospects for employment or post-school vocational training (including apprenticeships). A key challenge faced by further education and training (FET) colleges in delivering on their skills development mandate is the lack of synergy between the supply-side and demand-side requirements of skills in the market. Although the social, economic and political impetus for ensuring success is there, certain structural considerations peculiar to the sector need to be addressed at the highest level. The mix of policy incoherence and the “structural disconnect” between policy intention and operational reality have resulted in a less-than-successful sector.⁷⁵

● ● ●

Examination of the underlying structures suggests that instead of asking how education can bring about a more equal society, it might be worthwhile considering how a more equal society could lead to more equal education.

Table 1.7 Learner output numbers (Grades 7, 10 and 12) for Cape Town public schools, 1995-2014

Year	Grade 7	Grade 10	Grade 12	Total	Year	Grade 7	Grade 10	Grade 12	Total
1995	42 363	33 797	23 429	523 198	2005	51 684	54 344	26 457	608 207
1996	43 246	36 542	25 328	539 965	2006	41 186	55 580	26 828	590 494
1997	43 656	38 406	27 041	542 735	2007	45 417	57 180	28 400	602 260
1998	46 424	40 754	27 849	571 151	2008	48 005	52 806	28 771	598 222
1999	46 916	42 160	26 838	577 240	2009	47 598	46 385	30 021	603 313
2000	47 678	42 124	27 460	566 430	2010	51 866	47 070	29 408	608 977
2001	49 317	44 673	26 548	568 901	2011	48 616	49 096	25 562	616 015
2002	50 939	46 394	26 751	586 625	2012	47 753	48 460	28 198	629 334
2003	52 818	54 590	26 533	593 668	2013	47 532	51 926	30 051	638 886
2004	56 604	54 184	26 549	608 588	2014	46 945	49 539	30 384	652 051

Source: Western Cape Department of Education, 2014.

70. Pasensie, 2013.

71. Wilson & Cornell, 2014.

72. Ibid.

73. Ibid.

74. City of Cape Town, 2012.

75. Wilson & Cornell, 2014.



● ● ●

Hunger is an important cause and effect of poverty. Hunger has substantial economic costs for individuals, families and communities.

5. Income poverty and food security

By 2013, the proportion of people living in extreme poverty had declined by half worldwide. In developing regions, the proportion of people living on less than \$1,25 (R13,18)⁷⁶ a day decreased from 47% in 1990 to 22% in 2010. The proportion of undernourished people globally decreased from 23,2% in 1990-1992 to 14,9% in 2010-2012, which means that one in eight people goes hungry.⁷⁷

Hunger is an important cause and effect of poverty. Hunger has substantial economic costs for individuals, families and communities. Chronically hungry people cannot accumulate the financial or human capital that would enable them to escape poverty. Hunger is also inter-generational, with undernourished mothers giving birth to underweight children. If hunger is widespread, economic growth is severely compromised.⁷⁸ In this context, therefore, food security becomes increasingly important.

5.1 Poverty and inequality

Although there is no single accepted definition for poverty, it is now widely believed that any poverty definition needs to be understood, at least in part, in relation to particular social, cultural and historical contexts. Early definitions of poverty entailed measures of income or living standards, income or capabilities, and absolute and relative poverty.⁷⁹ Studies measuring trends in poverty and inequality often use measures of people's income and/or expenditure to represent their well-being.⁸⁰ The World

Bank, for example, defines poverty as whether households or individuals have enough resources or abilities to meet their needs.⁸¹ However, the multidimensional poverty index, with its ability to measure poverty more comprehensively, is gaining popularity.⁸² The index identifies deprivations and their overlap, and places poverty and inequality at the centre of the human development framework. It complements money-based poverty measures such as the income poverty line, which is often criticised as being insufficient to reflect the varied dimensions of poverty.⁸³ The importance of a multidimensional approach to poverty is discussed further under paragraph 5.3 below.

Despite the criticism levelled against it, the income poverty line is useful for the purpose of informing statistics, programmes and policies in order to form a baseline measure, and enables researchers to determine whether people are moving towards or away from the poverty line. The South African national poverty lines are derived from the cost of basic household needs in the country. They include the lower-bound poverty line (LPL) of R433 per person per month, and the upper-bound poverty line (UPL) of R620 (both based on 2011 prices). Both the LPL and UPL were derived from the cost of adequate food and non-food items. However, households living below the LPL have to sacrifice some essential food items in order to obtain essential non-food items, such as clothing, housing and transport, while households living on the UPL are able to purchase both adequate food and non-food items.⁸⁴

76. Currency conversion rate as at 14 April 2014.

77. United Nations, 2013.

78. FAO, 2002.

79. <http://www.polity.co.uk/keyconcepts/samples/lister-chapter.pdf>.

80. Finn, Leibbrandt & Woolard, 2013.

81. The World Bank, 2011.

82. See, for example, City of Cape Town, 2012:15; Finn et al., 2013; UNDP, 2013a:27.

83. City of Cape Town, 2012.

84. RSA, 2013a.

Judging by these national poverty lines, the national poverty headcount and poverty gap declined between 2006 and 2011.⁸⁵ The LPL for South Africa was 42 out of 100 people in 2006, 44 in 2009, and 32 in 2011. The increase witnessed in 2009 was probably due to the global financial crisis of 2008/9.⁸⁶ The UPL was 57 out of 100 in 2006, dropping to 46 in 2011.⁸⁷ Social grants had a considerable impact on poverty reduction: In 1993, 2,6 million grants were issued compared to 16,6 million in 2011.⁸⁸

While poverty levels and depth of poverty have been declining, levels of inequality remain high in South Africa, making it one of the most inequitable countries in the world.^{89,90} Between 1993 and 2000, overall income inequality increased. Since 2000, inequality has not changed substantially due to two opposing trends – greater inequality within population groups (especially as a result of the rising black middle class) and lower inequality between population groups.⁹¹

South Africa's human development index (HDI)⁹² worsened over the first decade of democracy, decreasing from 0,65 in 1995 to 0,604 in 2005 (table 1.8), primarily as a result of the dramatic decline in life expectancy due to HIV/Aids.⁹³ However, by 2010, the HDI had risen again to (0,621), and continued its upward trend in 2011 (0,625) and 2012 (0,629). These increases are due to increases in life expectancy as well as in gross national income (GNI).

Only four cities in Africa have solid prosperity⁹⁴ factors,

with Cape Town being ranked the highest of the four (0,59) and being regarded as the most equal city in South Africa.⁹⁵ The Gini coefficient for Cape Town showed consistent improvement in the ten years up to 2010, going from 0,60 in 2001 to 0,59 in 2007, and to 0,57 in 2010.⁹⁶ The Gini coefficient in 2011/12, however, was at 0,67, although this still was the lowest in the country.⁹⁷

The poverty line used to determine poverty levels in Cape Town (table 1.9) differs from the national poverty line (LPL and UPL), as the latter is a more recent development. In Cape Town, a household that qualifies for an RDP (now BNG)⁹⁸ house serves as the proxy baseline for determining the poverty line. In 2011, any household earning R3 500 or less per month qualified for an RDP (or BNG) house. However, as the Census data had a cut-off point at R3 200 per month only (and not at R3 500), this served as the 2011 poverty line for the City's purposes. It is estimated that this figure would have been around R1 600 in 2001, and about R1 000 in 1996.

Poverty in Cape Town remains widespread, and households moving into poverty showed a significant increase over the period 1996 to 2011 (table 1.10). The black African population has the largest proportion of households living in poverty. However, the 2011 figures reflect a more equal spread across population groups compared to 2001 and 1996 figures, which is consistent with the national trends.

Only four cities in Africa have solid prosperity factors, with Cape Town being ranked the highest of the four and being regarded as the most equal city in South Africa.

Table 1.8 South Africa's HDI trends, 1980 to 2012

Year	Life expectancy at birth	Expected years of schooling	Mean years of schooling	GNI per capita (2005 PPP\$) ¹	HDI value
1980	56,9	11,1	4,8	8 399	0,570
1985	59,8	11,1	4,8	7 892	0,581
1990	61,5	11,4	6,5	7 671	0,621
1995	59,9	13,1	8,2	7 350	0,650
2000	54,8	13,1	8,2	7 462	0,622
2005	51,1	13,1	8,2	8 420	0,604
2010	52,2	13,1	8,5	9 307	0,621
2011	52,8	13,1	8,5	9 463	0,625
2012	53,4	13,1	8,5	9 594	0,629

Note 1: PPP\$ = purchasing power parity dollars.

Source: UNDP, 2013b

Table 1.9 Households living in poverty⁹⁸ in Cape Town, 1996, 2001 and 2011

Year	Black African	Coloured	Asian	White	Other	Unknown	Total
1996	54,5%	20,2%	15,0%	8,2%	–	16,6%	24,7%
2001	71,3%	31,3%	18,9%	11,7%	–	–	38,9%
2011	69,4%	40,8%	24,4%	15,3%	46,7%	–	47,0%

Source: Stats SA 1996, 2001 and 2010 Census.

85. Ibid.

86. Ibid.

87. City Press, 2014.

88. Ibid.

89. RSA, 2013a.

90. RSA, 2014.

91. Department of Economics, 2013.

92. A composite index measuring average achievement in three basic dimensions of human development – a long and healthy life, access to

knowledge, and a decent standard of living (UNDP, 2013a:151).

93. defenceWeb, 2011.

94. UNHABITAT, 2014.

95. UNHABITAT, 2012.

96. Western Cape Government, 2011.

97. UNHABITAT, 2012.

98. The figures for determining the poverty line here are derived from annual household incomes according to Census 1996, 2001 and 2011.

99. Low-cost housing.

Table 1.10: Indigent households in Cape Town, 2003-2013

Year	Number of households	Year	Number of households	Year	Number of households
2003	250 000	2007	261 671	2011	213 765
2004	135 891	2008	201 876	2012	251 381
2005	225 000	2009	197 478	2013	288 703
2006	184 032	2010	232 027		

Source: City Finance Directorate, 2014.

The number of indigent households¹⁰⁰ in Cape Town increased from 250 000 in 2003 to 288 703 in 2013. However, during this ten-year period, there were significant annual increases and decreases from the 2003 baseline figure.

The increase in the number of poor households in Cape Town reflects national income trends. The share of wages in national income decreased from just below 55% in 1994 to a low of 49% in 2008, after which it increased to 51% in 2012. This could be the result of real wages stagnating, at least for the average worker.¹⁰¹

Job security also has a significant impact on household income. The 2008/9 recession had a significant impact on Cape Town's economy and led to considerable job losses. The manufacturing sector experienced the greatest negative impact and shed 58 000 jobs between 2000 and 2011. Some 42% of these job losses occurred between 2008 and 2009. Significant job losses also occurred in other sectors, including construction and a range of services industries.¹⁰²

A series of legislative and policy reforms since 1994 have aimed to reduce poverty and inequality. Examples include the following:

- The social grant programme
- No-fee schools
- Government-funded free lunches for learners from poor households
- The abolishment of user fees for primary health-care services, while indigent and very poor users are not required to pay for hospital services
- The low-income housing subsidy, providing access to housing for the very poor
- Municipal rates rebates to the indigent, and free basic water and electricity to the poor
- The introduction of minimum wage levels for low-paid workers
- The establishment of a regulatory environment to enable access to banking for low-income and poor households
- Public employment schemes, such as the Expanded Public Works Programme (EPWP)¹⁰³

However, the South African society continues to be char-

acterised by large-scale inequalities along various dimensions, such as population group and geographic location.

Economic inequalities have a further negative impact on the creation of social cohesion. Social cohesion is a broad and complex concept, which is integrated with many domains of life, including the economic domain.^{104,105} Social cohesion among South Africans is hindered by the lingering inequalities in society.¹⁰⁶

5.2 Food security

The 1996 World Food Summit defined food security as existing "when all people at all times have sufficient, safe, nutritious food to maintain a healthy and active life". Commonly, the concept of food security is defined as both physical and economic access to food that meets people's dietary needs as well as their food preferences. Food security is based on three principles: food availability (sufficient quantities of food available on a consistent basis); food access (having sufficient resources to obtain appropriate foods for a nutritious diet), and food use (appropriate use based on knowledge of basic nutrition and care, as well as adequate water and sanitation).¹⁰⁷

Food insecurity is becoming an increasingly urban challenge in South Africa. Food insecurity rather pertains to the inability to access nutritious and culturally acceptable food, than to the absolute amount of food available.¹⁰⁸ Addressing food insecurity in Cape Town is essential, not only because of everyone's constitutional right to access to food, but also because access to adequate, nutritious, hygienic and culturally important food can assist in achieving the City's developmental aims, and forms an important foundation for individual and community health and well-being, in particular for children and youth.¹⁰⁹

Between 2005 and 2012, more than three quarters of Cape Town's households had food-secure adults and children, with the exception of children in 2005, in respect of whom the figure was slightly below three quarters (table 1.11 and 1.12). The percentage of food-secure households for both adults and children was greater in 2012 than in 2005. However, the figures in the period 2006 to 2008 were much higher than the 2012 figures.

Job security also has a significant impact on household income. The 2008/9 recession had a significant impact on Cape Town's economy and led to considerable job losses.

100. These are ratepayers who own a single home and qualify for a 100% rates rebate when they register themselves as indigent. To qualify, a household either has to be managed by a minor and be registered in the name of a deceased parent/parents, or must have a total monthly income of R3 301-R5 000 (2013 figures). This income bracket may change annually.

101. RSA, 2014.

102. Western Cape Government, 2013.

103. RSA, 2014.

104. HSRC, 2014a.

105. Struwig, Davids, Roberts, Sithole, Tilley, Weir-Smith & Mokhele, 2011.

106. SAPA, 2014.

107. WHO, 2014.

108. Frayne, et al., 2010.

109. Battersby, 2011.

Table 1.11: Food security among adults in Cape Town, 2005-2012

Year	Population group			
	Black African	Coloured & Asian	White	Total
2005	47,4%	85,1%	94,7%	77,1%
2006	73,7%	87,7%	99,5%	86,5%
2007	70,4%	85,3%	95,1%	82,7%
2008	76,0%	87,9%	97,3%	86,0%
2010	63,6%	81,8%	99,0%	80,0%
2011	62,3%	81,7%	98,6%	78,5%
2012	59,5%	84,5%	96,8%	78,5%

Source: DI&GIS Department, using Stats SA general household survey data.

In 2008, global and local food prices significantly increased as a result of the economic recession. In South Africa, food inflation between October 2007 and 2008 was 16,7%, which exceeded general inflation by 4,6%.¹¹⁰ This surprising trend could be ascribed to the fact that, during the period of high inflation, households would have had enough income to remain food-secure, but that income used to survive during this period would have dried up in the subsequent years. The significant job losses as a result of the economic recession may have further contributed to this trend.

Within population groups, however, inequality in terms of food security becomes apparent: Throughout the eight years from 2005 to 2012, more than 80% of coloured and Asian adults and children, and more than 90% of white adults and children, were food-secure. However, among the black African population, less than half (47% adults and 38% children) were food-secure in 2005, and slightly more than half (60% adults and 58% children) in 2012.

There are multiple causes of food insecurity in urban settings. The spatial geography of a city is one explanation for the significant variation in food security seen between population groups. Apartheid-era planning consigned the poor to the city periphery,¹¹¹ and it is a known fact that the physical location of households affects their food security by shaping the resources they are able to draw on to purchase food or obtain it from alternative sources.¹¹² Another spatial element is the actual food geography of the city.

Households may have adequate resources to access food, but their location relative to accessible, affordable food may render them food-insecure. Poor households in Cape Town primarily access food in three ways, namely through food purchase, formal social safety nets and social networks.¹¹³

Food security is closely related to poverty. A study by the African Food Security Urban Network found that food insecurity in the poor areas of Cape Town is both severe and chronic. Although income is a good indication of food security, this relationship is not absolute: Nearly all food-insecure households are poor, but not all households in poor communities are food-insecure.¹¹⁴

Future scenarios will witness local food production and distribution systems becoming increasingly critical as climate change affects weather patterns and the rising cost of fuel drives up food prices even further. Low-income and poor households will be most affected by food price hikes.

The AFSUN study suggests that the solution to food insecurity in Cape Town cannot simply be linked to local and national policy interventions. Public-private partnerships would need to address the weaknesses of current food distribution and sales systems. In terms of policy, the enhancement of the informal food economy as a means of food supply is an important strategy. Engagement between non-governmental organisations (NGOs), civil society and the state should be encouraged in order to install safety nets that neither create dependency nor

● ● ●

Households may have adequate resources to access food, but their location relative to accessible, affordable food may render them food-insecure.

Table 1.12: Food security among children in Cape Town, 2005-2012

Year	Population group			
	Black African	Coloured & Asian	White	Total
2005	37,7%	85,4%	92,9%	72,5%
2006	73,3%	87,3%	94,9%	84,3%
2007	64,1%	82,2%	93,4%	78,4%
2008	75,1%	86,9%	96,1%	84,4%
2010	62,8%	81,9%	97,9%	76,7%
2011	65,6%	81,8%	95,3%	77,3%
2012	57,6%	86,0%	93,6%	76,6%

Source: DI&GIS Department, using Stats SA general household survey data.

110. National Agricultural Marketing Council, 2008.

111. Battersby, 2011.

112. Zenk, Shutz, Israel, James, Bao & Wilson, 2005.

113. Battersby, 2011.

114. Ibid.



destroy existing social safety nets that perpetuate community relations. Therefore, the City needs to develop a food security strategy that goes beyond a focus on production and absolute supply. This strategy must consider supply chains, procurement, nutrition support, public health, environmental sustainability, water and waste, and the support of local enterprise, among others. It should also consider the geography of the urban food system, in particular planning and zoning regulations regarding the location of both formal and informal retail within low-income areas of the city.¹¹⁵

The City of Cape Town has a well-established Food Gardens Policy¹¹⁶ in support of poverty alleviation and reduction, which reflected on the recommendations proposed by the AFSUN study. The City currently supports 42 food gardens across the metropole, and provided the community members who manage the gardens with training in food gardening management and leadership to ensure sustainability. In addition, the City provides the gardens with resources, ranging from tools to compost and seedlings. Another 50 existing food gardens have been identified for similar support.¹¹⁷ The City has further commissioned a comprehensive study on food systems and food security in Cape Town. The purpose of this study is to understand the nature of Cape Town's food systems in

order to inform City interventions and policy decisions. This study also addresses much of the recommendations proposed by the AFSUN study.

5.3 Multidimensional approach to poverty

Studies measuring trends in poverty and inequality often use measures of income and/or expenditure to represent well-being. While such measures are important and useful, they should be complemented by a study of changes in the dimensions of well-being that cannot be measured in monetary terms, including social cohesion, security, health, education and access to basic services. Therefore, a multidimensional poverty index (MPI) provides a better understanding of poverty. Results suggest that both the prevalence and intensity of multidimensional poverty in South Africa decreased significantly from 1993 to 2010. The decline in multidimensional poverty is much greater than the decline in poverty as measured in monetary terms.¹¹⁸

The prosperity index prepared by UNHABITAT similarly measures well-being as inclusive of both tangible and intangible aspects of success. In this respect, the 2012 results indicate that Cape Town has the highest prosperity index in Africa, and is therefore the most equal city on the continent.¹¹⁹

● ● ●

The City needs to develop a food security strategy that goes beyond a focus on production and absolute supply. This strategy must consider supply chains, procurement, nutrition support, public health, environmental sustainability, water and waste, and the support of local enterprise, among others.

115. Ibid.

116. City of Cape Town, 2013c.

117. City of Cape Town, 2013a.

118. Finn et al., 2013.

119. UNHABITAT, 2012.

6. Crime

Crime has become a key social and health concern to public policy-makers and citizens in urban areas worldwide.¹²⁰ South Africa is perceived as a country with high rates of crime, domestic violence, murder and rape.¹²¹ Cape Town's crime statistics highlight a major challenge for the City and its residents. Crime has a detrimental effect on Cape Town's ability to attract foreign business investment, tourists and highly skilled people. It further reduces trust among locals, which in turn affects the goal of creating social cohesion. Crime contributes to stressful living conditions and increased expenditure on security measures. In addition, it has given rise to a range of responses that further divide the city socially, including a new urban form of gated communities.

From South African Police Service (SAPS) data, Cape Town had the highest overall crime rate compared to other selected South African metros in 2012/13, at a rate of 8 514 per 100 000 people. Crime continues to be largely concentrated in the poorer areas of the city.¹²²

South Africa's crime situation has however improved steadily over the past decade, although many serious crimes increased during the 2012/13 reporting year. The

overall crime rate per 100 000 people in Cape Town was more than double the national crime rate for the reporting period 2003/4 to 2012/13. It is encouraging, however, to note that over this period, both Cape Town and South Africa showed a gradual downward trend in overall reported crime rates: The overall crime rates decreased by 27% and 14% for South Africa and Cape Town respectively (figure 1.9).¹²³

6.1 Murder

There was a consistent, gradual decrease in the murder rate for South Africa, the Western Cape and Cape Town from 1994/5 to 2012/13 (figure 1.10). In 1994/5, Cape Town's murder rate was almost parallel to the national murder rate, and below the provincial murder rate. However, a decade later (2004/5), Cape Town's murder rate had risen significantly above the national murder rate, and also above the provincial murder rate. In the second decade, Cape Town's murder rate was higher than both the national and provincial murder rates. These trends suggest that at a provincial and national scale, significant reductions in the murder rate were observed over the 20-year period. In Cape Town, however, the murder rate declined at a much slower rate.

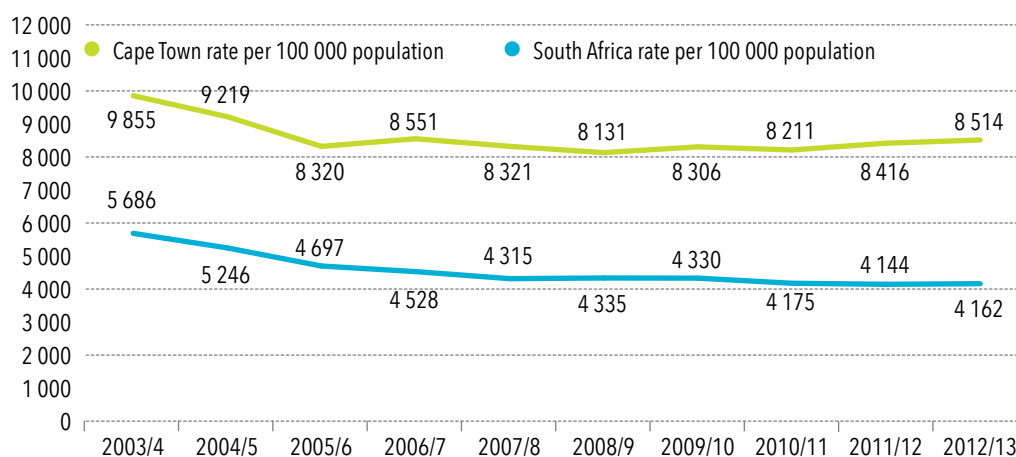


Figure 1.9: Crime rates – all reported crimes in Cape Town and South Africa, 2003/4-2012/13

Source: SAPS crime statistics 2003/4-2012/13; Cape Town and South African population estimates based on Stats SA mid-year estimates, compiled by DI&GIS Department.

In 1994/5, Cape Town's murder rate was almost parallel to the national murder rate, and below the provincial murder rate. However, a decade later (2004/5), Cape Town's murder rate had risen significantly above the national murder rate, and also above the provincial murder rate.

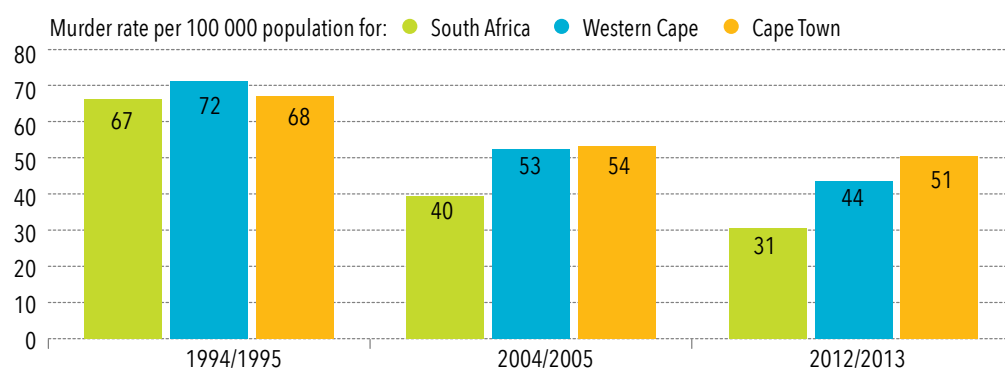


Figure 1.10: Murder rate (per 100 000): South Africa, Western Cape and Cape Town, 1994/5, 2004/5 and 2012/13

Source: SAPS crime statistics 1994-2013; population estimates (1994, 2004 and 2012) based on Stats SA mid-year estimates, compiled by DI&GIS Department.

120. City of Cape Town, 2008.

121. City of Cape Town, 2012.

122. City of Cape Town, 2014a.

123. City of Cape Town, 2014c.

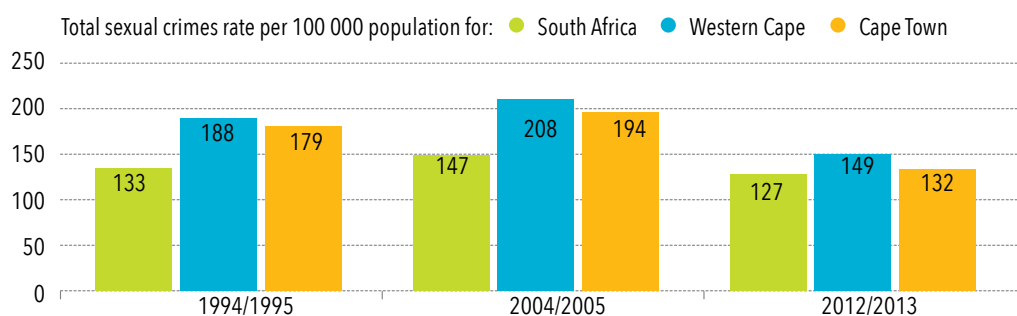


Figure 1.11: Sexual crime rate (per 100 000): South Africa, Western Cape and Cape Town, 1994/5, 2004/5 and 2012/13

Source: SAPS crime statistics 1994-2013; population estimates 1994, 2004 and 2012 based on Stats SA mid-year estimates, compiled by DI&GIS Department.

6.2 Total sexual crime

The crime category "total sexual crime" contains 59 separate offences, ranging from sex-work-related offences to rape and indecent assault. Many cases go unreported, in some communities more so than others. Statistics depend on the reporting of such crimes, and not on police action taken.

There has been a consistent, gradual decrease in total sexual crime for South Africa, the Western Cape and Cape Town from 1994/5 to 2012/13 (figure 1.11). The 2004/5 total sexual crime rate was higher than the 1994/5 rate. However, by 2012/13, the rate had decreased to below the 1994/5 rate, which signifies an improvement in this type of crime. This could be attributed to more awareness campaigns, social programmes empowering women, and improved policing.

6.3 Driving under the influence of alcohol or drugs

Driving under the influence, as it is commonly known, is a serious offence, which often causes serious fatalities.¹²⁴ Drunk driving is one of the biggest threats to road safety in South Africa. Research indicates that 50% of people who die on the roads had a blood alcohol concentration of more than 0,05 g/ml.¹²⁵

There appears to have been a significant increase in the rate of people driving under the influence of alcohol

or drugs from 1994/5 to 2012/13 (figure 1.12). One reason for this increase is that this offence depends on police action to be detected. There have been an increased number of police roadblocks over the 20-year period. Therefore, the significant increase in this offence is partly a result of improved reporting and law enforcement. There has also been a clear increase in the amount of substance abuse users in Cape Town, which further contributes to the increased rate of this offence.

6.4 Substance abuse

Figure 1.13 shows drug-related crime rates for Cape Town and South Africa for the period 2003/4 to 2012/13. Drug-related crimes include the use, possession and dealing in drugs. There was an increase in the rate of drug-related crime in Cape Town over the reporting period, from 306 in 2003/4 to 1 495 in 2012/13, representing an increase of 479% in actual reported crimes over the nine-year period, and an average of 24% per annum. These figures for Cape Town are concerning when compared to the national figures for the same period, which reflect an increase from 135 in 2003/4 to 396 in 2012/13, representing an increase of 230% in actual reported crimes over the nine-year period, and an average of 14% per annum. The drug-related crime rate for Cape Town, therefore, is nearly four times higher than the rate for South Africa¹²⁶ (figure 1.13).

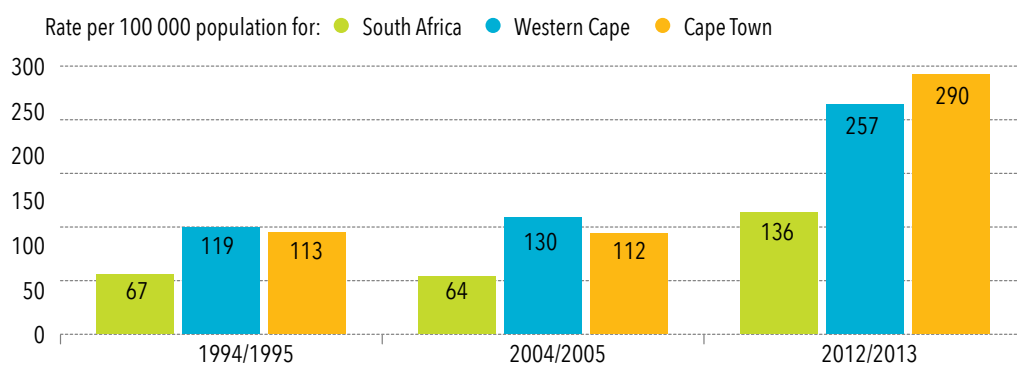


Figure 1.12: Rate of driving under the influence of alcohol or drugs (per 100 000): South Africa, Western Cape and Cape Town, 1994/5, 2004/5 and 2012/13

Source: SAPS crime statistics 1994-2013; population estimates 1994, 2004 and 2012 based on Stats SA mid-year estimates, compiled by DI&GIS Department.

Drunk driving is one of the biggest threats to road safety in South Africa. Research indicates that 50% of people who die on the roads had a blood alcohol concentration of more than 0,05 g/ml.

124. Parry, 2012.

125. Arrive Alive Campaign, 2012.

126. City of Cape Town. 2014a. Drug-related and driving under the influence

of alcohol or drugs crimes in Cape Town 2003/4 – 2012/13. Factsheet compiled by Poswa, N., Development Information & GIS Department

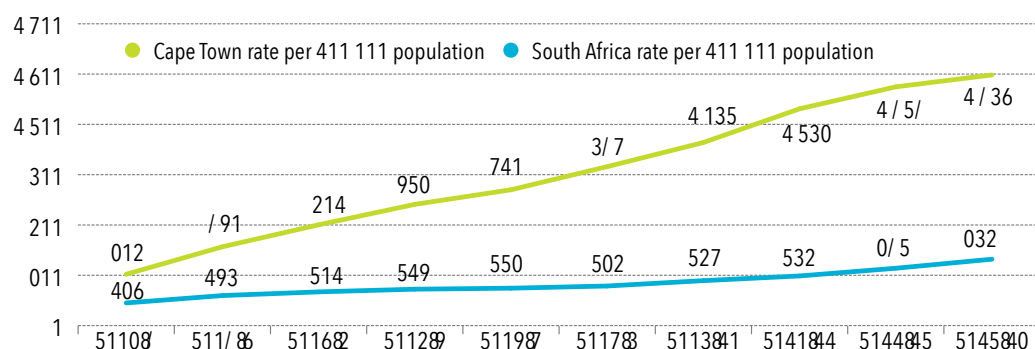


Figure 1.13: Drug-related crime rates in Cape Town, and trend line for South Africa, 2003/4-2012/13

Source: SAPS crime statistics 2003/4-2012/13; Cape Town and South African population based on Stats SA mid-year population estimates, compiled by DI&GIS Department.



The drug-related crime rate for Cape Town is nearly four times higher than the rate for South Africa.

These statistics are not "reported" crimes, but rather cases opened by the police as a result of law enforcement actions, such as stop-and-search operations in respect of suspects, drug raids and roadblocks.

These statistics are not "reported" crimes, but rather cases opened by the police as a result of law enforcement actions, such as stop-and-search operations in respect of suspects, drug raids and roadblocks. These are crimes that would not have been reported unless the police made an arrest.¹²⁷ Also, Cape Town's drug challenge has gained more exposure over the past decade through various types of crime research, citizen accounts, public forums and social interactions.

In the Western Cape, methamphetamine (commonly known as "tik") remains the number one drug of choice, although the number of clients presenting for treatment across the Western Cape decreased from 39% in 2008 to 29% in 2013. The prevalence of abuse of marijuana, the second most-preferred drug, increased from 15% in 2008 to 21% in 2013, while abuse of heroin, the third most-popular, remained stable at 17%.¹²⁸

Since 2008, the City Health Directorate have opened five alcohol and drug community-based treatment sites across the metropole, namely Tafelsig, Albrow Gardens (Milnerton), Delft South, Khayelitsha and Parkwood. From June 2008 to June 2013, 5 104 new clients were screened for substance abuse at these sites.

A breakdown of statistics in respect of clients presenting for treatment between July to December 2012 reveals that:

- 71% were male and 29% female;
 - 45% were tik users, 22% sought treatment for marijuana, 17% for heroin, and 16% for alcohol abuse; and
 - 82% of clients were unemployed and 14% were married.
- A 65% target was set for "clean" drug tests of clients attending the programme. Results recorded between July 2012 and June 2013 exceeded this target, at 73%.

Tafelsig and Delft South treatment sites recently received Matrix® three-year certifications of excellence, and are part of only a handful of sites outside the United States of America that have been certified by the Matrix® Institute.

6.5 Fetal alcohol spectrum disorder

Alcohol is dangerous for pregnant women and their unborn children, and research indicates that alcohol exposure during pregnancy leads to fetal alcohol spectrum disorders (FASD). FASD is a group of birth defects caused by alcohol consumption during pregnancy. Effects of FASD are permanent; yet, these disorders are entirely preventable by simply refraining from drinking alcohol during pregnancy. When a pregnant woman drinks alcohol, it enters her bloodstream, which then transports the alcohol to the fetus. Alcohol damages the unborn baby's growing body and brain in many ways at various stages of the pregnancy, resulting in many types of birth defects.

FASD is a significant public health problem, but is not often recognised as such.¹²⁹ Children affected by FASD may suffer brain damage, facial anomalies, growth deficiencies, heart, kidney and liver defects, sight and hearing problems, skeletal defects and dental abnormalities.¹³⁰ This has implications to both economic and social aspects of development. In terms of economic impacts, a significant amount of money would have to be spent on health treatment, which would further burden already poor households and stretched government resources. Children with FASD perform poorer in education and, in most instances, would not progress to tertiary education. This would disadvantage them in securing high-paid jobs.

Some social problems related to FASD are that mothers of such children often die due to causes associated with alcohol use, including accidents, homicide and violent death, TB and liver disorders. Often, there are also associated adult behavioural consequences, such as interpersonal injuries, violence, unsafe sex and other negative behaviours.¹³¹

As a result of the former "dop system", FASD is usually viewed as a rural problem, affecting rural women and children.¹³² The effect is still very much felt among many coloured people in the Western Cape, who are highly dependent on alcohol. Consequently, studies on FASD are

127. Ibid

128. South African Community Epidemiology Network on Drug Use (SACENDU), MRC.

129. Olivier, Urban, Chersich, Temmerman & Viljoen, 2013.

130. SAMHSA, 2007.

131. Olivier et al., 2013.

132. This was a system that originated in the colonial era and continued throughout apartheid. Some farmers paid their farmworkers very low wages, supplemented with free or cheap alcohol. In this way, farmworkers became dependent on alcohol and were therefore prepared to work for very low wages. A wealth of literature exists on this subject, dating as far back as 1793. See, for example, Louw, 1998, for a detailed bibliography.



predominantly focused on rural women and children.¹³³ However, FASD is becoming an increasingly urban problem, especially as a result of increased rural-to-urban migration.

The importance of FASD within the urban (and specifically Cape Town's) context is increasingly being recognised. This is illustrated by the establishment of the Western Cape FAS (fetal alcohol syndrome) reference and working group following a strategic provincial meeting in 2001. FAS was declared a provincial health priority in 2001 and 2002. Although the group is no longer chaired by the Western Cape Department of Health, it still continues its role. It is now known as the FASD task team, who operates in Cape Town and surrounding areas. The task team consists of members of various organisations, including the City's Health Directorate, the Western Cape Health Department, the Medical Research Council (MRC), Stellenbosch University and three NGOs. Some of the work of the task team includes public awareness campaigns, training manuals, conferences and various platforms of information dissemination, including the internet.¹³⁴

6.6 Future trends

South Africa's high crime rates, especially violent crime rates, are the result of rapid urbanisation, which has led to massive growth in informal settlements; high unemployment rates, especially among young people; poverty, and alcohol and drug abuse.¹³⁵ Any discussion around future crime trends would depend on the future management of these drivers of crime.

Current South African and Cape Town crime trends, however, provide insight into future crime trends if current socio-economic conditions prevail for the next 20 to 30 years. The following trends could be expected:

- Drug-related crimes will continue to increase as more

people, especially youth, experiment with recreational drugs. The average age of drug users will continue to become lower. New types of recreational drugs would arrive on the market as the pharmaceutical industry progresses.

- Declining numbers and proportions of contact and contact-related crimes¹³⁶
- Declining incidence of murder, attempted murder, sexual offences, violent assault, violent robbery and common robbery¹³⁷
- Corruption, bribery and fraud in the public sector will reduce due to more stringent legislation and intense corruption monitoring. For the private sector, corruption, bribery and fraud will continue to be difficult to control.
- Organised crime, which primarily involves vehicle theft, hijackings, armed robberies, drug trafficking, money laundering and, more recently, bombings of automatic teller machines, and poaching in the South African context, will continue to increase, bolstered by globalisation and the communications revolution.¹³⁸
- Cybercrime (another form of organised crime) will be the new form of major crime and is set to increase on the back of increased globalisation and, especially, the communications revolution, particularly the internet. Cybercrime ranges from attacks on computer data and systems, identity theft and credit-card fraud, distribution of child pornography, internet auction fraud, penetration of online financial services, as well as the deployment of viruses, Botnets and various e-mail scams, such as phishing. In the past, cybercrimes were committed by individuals or small groups of individuals. Currently, these crimes are increasingly committed by traditional organised crime syndicates and criminally minded technology professionals, who work together and pool their resources and expertise.¹³⁹



South Africa's high crime rates, especially violent crime rates, are the result of rapid urbanisation, which has led to massive growth in informal settlements; high unemployment rates, especially among young people; poverty, and alcohol and drug abuse. Any discussion around future crime trends would depend on the future management of these drivers of crime.

133. See, for example, Olivier et al., 2013, and May et al., 2013.

134. Personal communication with Letitia Bosch, City Health Directorate; <http://www.fasdsa.org/index.html>.

135. Roux (ed.), 2013.

136. This draws on the analysis of South African crime trends discussed in Roux (ed.), 2013.

137. This draws on the analysis of South African crime trends discussed in Roux (ed.), 2013.

138. This draws on the analysis of South African crime trends discussed in Roux (ed.), 2013.

139. Interpol, 2012.



Cape Town has a strong track record as an events destination, and the City of Cape Town adopted a detailed Events Policy that guides the administration in managing and facilitating various types of events, including cultural and community events.

7. Cultural events celebrating Cape Town's diversity

The Constitution of South Africa laid the foundations for an inclusive and just relationship between the citizens and the state at different levels of government. However, the effective realisation of full participation by all citizens remains uneven in South Africa. A national strategy for developing an inclusive and cohesive South African society was therefore formulated in 2012.¹⁴⁰ This section outlines some cultural events in Cape Town, which is one way of fostering social cohesion through the celebration of the diverse South African cultural heritage.

Social cohesion is defined as "the degree of social integration and inclusion in communities and society at large, and the extent to which mutual solidarity finds expression itself among individuals and communities".¹⁴¹ Therefore, a community or society is cohesive in so far as the inequalities, exclusions and disparities based on ethnicity, gender, class, nationality, age, disability or any other distinction that engenders divisions, distrust and conflict are reduced and/or eliminated in a planned and sustained manner.¹⁴²

This section focuses on the cultural dimension of social cohesion. Establishing culture at the core of development policy and implementation constitutes an essential investment in the world and cities' future, and is a precondition to successful globalisation processes that take into account the principles of cultural diversity. It is a means to achieve a more satisfactory intellectual, emotional, moral and spiritual existence. As such, development is inseparable from culture. Strengthening the

contribution of culture to sustainable development was launched as a goal of the World Decade for Cultural Development (1988-1998).¹⁴³

South Africa is a culturally diverse society. Being mandated to promote social cohesion within the country, the Department of Arts and Culture developed and adopted a draft national strategy for an inclusive and cohesive South Africa in order to realise its mandate.

There have been several annual social events in Cape Town that illustrate how the City supports the fostering of unity and social cohesion. Cape Town has a strong track record as an events destination, and the City of Cape Town adopted a detailed Events Policy that guides the administration in managing and facilitating various types of events, including cultural and community events.¹⁴⁴ An array of activities take place, ranging from sports to performing arts and music. Some of these events are supported by the City. Apart from the benefit of social cohesion, these events also contribute towards the city's GDP. Some of the more well-known events are discussed below.

Over the past years, many diverse people have been visiting the city to witness spectacular events such as the jazz festival, which commenced in 2000 as the North Sea Jazz Festival, and was renamed the Cape Town Jazz Festival in 2005. The festival has been a success since its commencement, with visitor numbers having grown from an initial 14 000 to a massive 34 000 in 2013. The diverse crowds come from across South Africa and the rest of the world.

In the wide spectrum of cultural activities that take place in Cape Town, one of the most prominent ones in

140. Department of Arts and Culture, 2012.

141. Ibid.

142. Department of Arts and Culture, 2012.

143. UNESCO, 2014.

144. City of Cape Town, 2013b.



the field of design and art is the Design Indaba. Its primary aim is to advance the cause of design as a communication fundamental and a powerful tool in industry and commerce, as well as to encourage a demand for investment in intellectual capital. By encouraging local creativity to go global, Design Indaba attracts influential global buyers. Also under the umbrella of design is the World Design Capital (WDC). With Cape Town named World Design Capital for 2014, numerous people from different communities in Cape Town have been participating in dialogue for the WDC projects. These projects propose design-based solutions to the challenges faced by Cape Town.

Voice of the Cape was one of the radio stations initially granted a special-event licence by the Independent Broadcasting Authority to broadcast for five days during Ramadan, the Muslim sacred month of fasting. The station first broadcast in 1995. It later received a temporary broadcast licence, which allowed it to broadcast for 24 hours on every second day, sharing the frequency with Radio 786 (a sister radio station) on 100.4 FM. Voice of the Cape is defined as a special-interest community broadcaster, licensed to serve the cultural interests of the Muslim community. In June 2013, it changed to an independent frequency on 91.3 FM, while Radio 786 maintained the 100.4 FM frequency. In terms of demographics, the community served by the station are approximately 95% black (including black African, Coloured, Indian and Asian) and 5% white. Voice of the Cape also hosts an annual fundraising community event, which is supported by the City of Cape Town and attracts large crowds over a four-day period.

The Discovery Big Walk has its origins in a long-distance walking race organised in June 1903 under the banner of the Spartan Harriers. Since then, participation rather than racing has become the defining feature of the Big Walk. Thousands of Capetonians from all walks of life

are drawn to participate in this event every year, exploring the city with fellow citizens, getting some exercise, and supporting charity in the process. Another major sporting event is the Cape Town Marathon, which for the first three years from 2007, was organised by Western Province Athletics under the umbrella of Athletics South Africa. Over the years, the marathon gradually attracted larger fields of runners. In 2010, a sponsor partnership between Western Province Athletics and the City was formed, which set the stage for developing the Cape Town Marathon into a high-quality, international event that showcases Cape Town as a world-class destination for major sporting events. The route for the marathon, which has always been held on the Sunday closest to South Africa's Heritage Day, is especially designed for runners to take in Cape Town's spectacular natural beauty and historical sites.

The Cape Town Minstrels carnival started as a movement to reclaim the streets by those who had suffered political oppression. Since then, it has become a joyful celebration of their success. This event attracts tens of thousands of spectators in and around Cape Town. Another well-known attraction among Capetonians and tourists alike is Mzoli's in Gugulethu. Even though it is situated in an African township, it is visited by various population groups every weekend to network and socialise with the locals.

In Cape Town alone, the City hosts and funds more than 40 iconic and other events, all of which are a means of creating social cohesion through celebrating cultural diversity and connecting people from diverse social and cultural backgrounds. Judging by the progress and turnout every year, it is clear that the City seeks to deliver on the promises relating to social cohesion made in its Integrated Development Plan (IDP) and policies.

● ● ●

The Cape Town Minstrels carnival started as a movement to reclaim the streets by those who had suffered political oppression. Since then, it has become a joyful celebration of their success. This event attracts tens of thousands of spectators in and around Cape Town.

Chapter 1 reference list

- Arrive Alive Campaign. 2012. Drunk driving in South Africa, 2012. Reported in News24, 3 February 2014.
- Atkinson, T. 2004. 'Chapter 8 –The European Union Experience with Social Inclusion Policy', in Social Inclusion and Economic Development in Latin America. (eds. Buvinic et al.). Inter-American Development Bank.
- Battersby, J. 2011. The State of Urban Food Insecurity in Cape Town. Urban Food Security Series No. 11. Queen's University and AFSUN: Kingston and Cape Town.
- Bloemen, S. 2012. 'In a major policy shift, mothers in South Africa are encouraged to exclusively breast-feed instead of using formula'. UNICEF (South Africa). Available at http://www.unicef.org/infobycountry/southafrica_62139.html.
- Bongaarts, J. 2001. Household Size and Composition in the Developing World. Population Council: New York. Available at <http://www.popcouncil.us/pdfs/wp/144.pdf>.
- Breytenbach, W. 2014. 'The Upcoming Elections and the Political Consequences', Presentation at the IFR Breakfast Seminar, 25 March.
- Buvinic, M., Mazza, J. Ruthanne, D. (eds.). 2004. Social Inclusion and Economic Development in Latin America. Inter-American Development Bank.
- Chetty, K.S. 2003. 'Urbanization and health: evidence from Cape Town', in The Apartheid City and Beyond: Urbanization and Social Change in South Africa. D.M. Smith (ed.). Routledge.
- City of Cape Town. 2008. State of Cape Town 2008. Development Information and GIS Department.
- City of Cape Town. 2010. State of Cape Town Report 2010. Development Information and GIS Department.
- City of Cape Town. 2012. State of Cape Town Report 2012. Development Information and GIS Department.
- City of Cape Town. 2013a. 'City tackles food security on International Day for the Eradication of Poverty'. Media Release No. 1830/2013, 17 October. Available at <http://www.capetown.gov.za/en/MediaReleases/Pages/CitytacklesfoodsecurityonInternationalDay-fortheEradicationofPoverty.aspx>.
- City of Cape Town. 2013b. Events Policy. Policy Number 12329, approved 29 May 2013.
- City of Cape Town. 2013c. Food Gardens Policy in Support of Poverty Alleviation and Reduction. Policy Number 12399C. Revised and Approved 04 December 2013 (C24/12/13).
- City of Cape Town. 2014a. Comparison with other Metros 2012/2013. Factsheet compiled by Fraser, A. & Gie, J., Development Information and GIS Department.
- City of Cape Town. 2014b. Drug-related and Driving under the influence of alcohol or drugs crimes in Cape Town 2003/4 – 2012/13. Factsheet compiled by Poswa, N., Development Information & GIS Department.
- City of Cape Town. 2014c. Overall Crime Trends in Cape Town 2003/4 – 2012/13 and Crime by Police Precinct in Cape Town 2012/13. Compiled by Poswa, N., Development Information and GIS Department.
- City Press. 2014. '4 million fewer South Africans live in poverty'. 3 April. www.citypress.co.za/news/4-million-fewer-south-africans-live-poverty.pdf.
- Cronjé, F. 2006. Report from the South African Institute of Race Relations, in Van Aardt (2006), 'Million whites leave SA –study', Fin24. Available at <http://www.fin24.com/Economy/Million-whites-leave-SA-study-20060924>.
- DefenceWeb. 2011. 'South Africa's Human Development Index on the rise: SAIRR'. Available at http://www.defenceweb.co.za/index.php?option=com_content&view=article&id=13241:south-africas-human-development-index-on-the-rise-sairr&catid=52:Human%20Security&Itemid=114.
- Department of Arts and Culture. 2012. A National Strategy for Developing an Inclusive and Cohesive South African Society. National Social Cohesion Summit. June.
- Department of Education. 2009. Trends in Education Macro Indicators Report: 2009. Republic of South Africa, Department of Education: Pretoria.
- Department of Basic Education. 2013. Education for All (EFA) -2013 Country Progress Report: South Africa. Republic of South Africa, Department of Basic Education: Pretoria.
- Department of Economics. 2013. The Emergent South African Middle Class. Stellenbosch University.
- FAO. 2002. Reducing Poverty and Hunger: The Critical Role of Financing for Food, Agriculture and Rural Development. Paper Prepared for the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March.
- Finn, A., Leibbrandt, M., and Woolard, I. 2013. The Significant decline in poverty in its many dimensions since 1993. Econ3x3, July. Available at www.econ3x3.org.
- Frayne, B. et al. 2010. 'The State of Urban Food Insecurity in Southern Africa'. Urban Food Security Series No. 2. Queen's University and AFSUN: Kingston and Cape Town.
- GoldmanSachs. 2013. Two Decades of Freedom –A 20-Year Review of South Africa. Goldman Sachs International: Johannesburg.
- Greve, N. 2014. 'Zuma re-emphasises education as 'apex' priority'. Available at <http://www.polity.org.za/article/zuma-acknowledges-education-as-apex-priority-2014-03-14>.
- Haldenwang, B.B. 2011. Projections of the South

- African population, 1985-2040 (With-Aids and No-Aids projections). Bellville: IFR, University of Stellenbosch.
- Haldenwang, B. 2013. South African demographic trends to 2035. Presentation to City of Cape Town on 31st October 2013. Institute for Futures Research, University of Stellenbosch.
- Haldenwang, BB., Esterhuysen, WP., Leonard, B., van Vuuren, E. 2013. 'Chapter 2: The Social Environment', in IFR 2013, Business Futures, A. Roux (ed.). Institute for Futures Research: Bellville, Cape Town
- Hancock, T. (ed). 2014. 'SA's TB epidemic one of worst, mining sector and communities targeted'. Polity.org.za, Published 25 March 2014. Available at <http://www.polity.org.za/article/sas-tb-epidemic-one-of-highest-mining-targeted-2014-03-25>.
- HSRC. 2014a. 'Poverty and inequality: A threat to a socially inclusive Rainbow Nation'. Available at <http://www.polity.org.za/article/poverty-and-inequality-a-threat-to-a-socially-inclusive-rainbow-nation-2014-01-07>.
- HSRC. 2014b. South African National HIV Prevalence, Incidence and Behaviour Survey, 2012. Human Science Research Council: Cape Town.
- Interpol. 2012. Cybercrime. Available at <http://www.interpol.int/layout/set/print/Crime-areas/Cybercrime/>.
- Louw, A. 1998. The Dop System in South Africa 1793 – 2008: A Bibliography. Available at <http://www.lib.uct.ac.za/wp-content/uploads/asl/dopsystem.pdf>.
- May, P.A., Blankenship, J., Marais, A.S., Gossage, J.P., Kalberg, W.O., Barnard, R., De Vries, M., Robinson, L.K., Adnams, C.M., Buckley, D., Manning, M., Jones, K.L., Parry, C., Hoyme, H.E. & Seedat, S. 2013. 'Approaching the Prevalence of the Full Spectrum of Fetal Alcohol Spectrum Disorders in a South African Population-based Study', *Alcoholism: Clinical and Experimental Research*, Vol. 37, No. 5, May.
- Nannan & Hall, 2014. Available at <http://www.children-count.ci.org.za/indicator.php?id=5&indicator=23>.
- National Agricultural Marketing Council. 2008. Food Price Monitor, November 2008.
- Oakley, P. 2004. 'Chapter 7 –European Origins of Social Exclusion: Application to Developing Countries', in *Social Inclusion and Economic Development in Latin America*. (eds. Buvinic et al.). Inter-American Development Bank.
- Olivier, I., Urban, M., Chersich, M., Temmerman, M. & Viljoen, D. 2013. 'Burden of fetal alcohol syndrome in a rural West Coast area of South Africa', *South African Medical Journal*, Vol. 103, No. 6, June.
- Parry, C. 2012. Alcohol and Drug Abuse Research Group. Reported on News24, 24 December.
- Pasensie, K. 2013. School Infrastructure Norms and Standards. Briefing Paper 337, November. Southern African Catholic Bishops' Conference – Parliamentary Office.
- Phiyega, R. 2013. 'The Cape of Crime', National Police Commissioner reported in the Cape Argus, 20th September 2013.
- Republic of South Africa. 1983. Culture Promotion Act No. 35 of 1983.
- Republic of South Africa. 2011. National Strategic Plan on HIV, STIs and TB: 2012-2016.
- Republic of South Africa. 2013a. Millenium Development Goals: Country Report 2013.
- Republic of South Africa. 2013b. Towards an Integrated Urban Development Framework: A Discussion Document. Department of Cooperative Governance and Traditional Affairs: Pretoria.
- Republic of South Africa. 2014. Twenty Year Review: South Africa 1994 – 2014. The Presidency: Pretoria.
- Rilityana, S. 2014. Cape Town Migration –New Arrivals. Development Information & GIS Department, City of Cape Town.
- Roux, A. (ed.). 2013. Business Futures 2013. Institute for Futures Research: Bellville.
- SAMHSA. 2007. The Physical Effects of Fetal Alcohol Spectrum Disorders. US Department of Health and Human Services. Available at http://fasdcenter.samhsa.gov/documents/WYNK_Physical_Effects.pdf.
- SAPA. 2014. 'Inequality biggest barrier to social cohesion –Zuma'. 11 March. Available at <http://www.polity.org.za/article/inequality-biggest-barrier-to-social-cohesion-zuma-2014-03-11>.
- Schultz, D. 2013. 'Trends in education', Mail & Guardian, 22 March 2013. Available at <http://mg.co.za/article/2013-03-22-trends-in-education>.
- Spaull, N. 2014. 'Education in SA –Still separate and unequal'. Available at <http://nicspaull.com/2014/01/12/education-in-sa-still-separate-and-unequal-extended-version-of-citypress-article/>.
- Stats SA. 1998. Census 1996. Statistics South Africa, Pretoria.
- Stats SA. 2003. Census 2001. Statistics South Africa, Pretoria.
- Stats SA. 2012. Census 2011. Statistics South Africa, Pretoria.
- Stats SA. 2013a. Mid-year Population Estimates 2013. Statistics South Africa: Pretoria.
- Stats SA. 2013b. Mortality and Causes of Death in South Africa, 2010: Findings from death notification. Statistics South Africa: Pretoria.
- Struwig, J., Davids, Y.D., Roberts, B., Sithole, M., Tilley, V., Weir-Smith, G. & Mokhele, T. 2011. Towards a Social Cohesion Barometer for South Africa: Research Paper. Human Sciences Research Council.
- The World Bank. 2011. 'Measuring Poverty'. Available at <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTPOVERTY/EXTPA/0,,contentMDK:20202198~menuPK:435055~pagePK:148956~piPK:216618~theSitePK:430367,00.html>.

Continued overleaf ...

- The World Bank. 2014. 'Age dependency ratio (% of working-age population)'. Available at <http://data.worldbank.org/indicator/SP.POP.DPND>.
- United Nations. 2012. World Urbanization Prospects: The 2011 Revision. Department of Economic and Social Affairs: New York.
- United Nations. 2013. We Can End Poverty: Millennium Development Goals and Beyond 2015 – Fact Sheet. Available at http://www.un.org/01998174-F3B5-4253-A892-5F24A220966C/FinalDownload/DownloadId-18FA660E1385D9872ECE8C8570BB476A/01998174-F3B5-4253-A892-5F24A220966C/millennium-goals/pdf/Goal_1_fs.pdf.
- UNDP. 2013a. Human Development Report 2013. The Rise of the South: Human Progress in a Diverse World. United Nations Development Programme: New York.
- UNDP. 2013b. 'Explanatory note on 2013 HDR composite indices: South Africa'. Human Development Report 2013. The Rise of the South: Human Progress in a Diverse World. Available at <http://hdr.undp.org/sites/default/files/Country-Profiles/ZAF.pdf>.
- UNESCO. 2014. Convention Concerning the Protection of the World Cultural and Natural Heritage. Available at <http://whc.unesco.org/en/conventiontext/> [Accessed 30th April 2014].
- UNHABITAT. 2012. State of the World's Cities: 2012/13. UNHABITAT: Nairobi.
- UNHABITAT. 2014. The State of African Cities 2014: Reimagining sustainable urban transitions. UNHABITAT: Nairobi.
- UN IGME. 2013. Levels and Trends in Child Mortality. Report 2013: Estimates Developed by the UN Inter-agency Group for Child Mortality Estimation. UNICEF: New York.
- Western Cape. 2000. The Provincial and District HIV Antenatal Survey Report. Department of Health: Cape Town.
- Western Cape. 2001. The 12th National and District HIV Antenatal Survey. Department of Health: Cape Town.
- Western Cape. 2002. The Provincial and District HIV Antenatal Survey. Department of Health: Cape Town.
- Western Cape. 2003. The Provincial and District HIV Antenatal Survey. Department of Health: Cape Town.
- Western Cape. 2004. The Provincial and District HIV Antenatal Survey. Department of Health: Cape Town.
- Western Cape. 2005. The 2005 HIV Antenatal Provincial and Area Surveys. Department of Health: Cape Town.
- Western Cape. 2006. HIV Prevalence in the Western Cape: Results of the 2006 HIV Antenatal Provincial and Area Surveys. Department of Health: Cape Town.
- Western Cape. 2007. HIV Prevalence in the Western Cape: Results of the HIV Antenatal Provincial and Area Surveys. Department of Health: Cape Town.
- Western Cape. 2008. HIV and Syphilis Prevalence in the Western Cape: Results of the 2008 HIV & Syphilis Antenatal Provincial and Sub district Surveys. Department of Health: Cape Town.
- Western Cape. 2010. Western Cape Antenatal HIV Survey. Department of Health: Cape Town.
- Western Cape. 2011. Western Cape Antenatal HIV Prevalence Survey. Department of Health: Cape Town.
- Western Cape. 2012. Western Cape Antenatal Survey 2012. Department of Health: Cape Town.
- Western Cape Government. 2011. Regional Development Profile: City of Cape Town. Provincial Treasury: Cape Town.
- Western Cape Government. 2013. Municipal Economic Review and Outlook 2013. Provincial Treasury: Cape Town.
- Western Cape Government and City of Cape Town. 2014. Western Cape Population Projections 2011 – 2040.
- WHO. 2012. 'Frequently Asked Questions: XDR-TB'. Available at http://www.who.int/tb/challenges/xdr/FrequentlyaskedquestionsXDRTB_2012.pdf?ua=1.
- WHO. 2014. 'Food Security'. Available at <http://www.who.int/trade/glossary/story028/en/>.
- Wilson, F. & Cornell, V. (eds). 2014. Guide to Carnegie 3: Strategies to Overcome Poverty and Inequality – Conference Report. Conference held at University of Cape Town, 3-7 September, 2012.
- Zenk, S., Shutz, A. Israel, B., James, S., Bao, S. & Wilson, M. 2005. 'Neighbourhood Composition, Neighbourhood Poverty, and the Spatial Accessibility of Supermarkets in Detroit', American Journal of Public Health 95(4): 660-7.

● EXPERT ANALYSIS

Progress towards reducing poverty in South Africa, 1994–2014

Professor Julian May

Director: Institute for Social Development
University of the Western Cape



Although progress towards poverty reduction is influenced by many factors, the specificity of South Africa's history has to be acknowledged even after twenty years of democracy. In 1993, 68% of black Africans were poor, and black Africans made up 94% of those categorised as being poor.¹ Almost 75% of the poor were in rural areas, and over 70% of rural black African households existed in conditions which could be described as inadequate or intolerable in terms of their access to housing and essential services.

The profile of poverty is also shaped by population structure and dynamics. South Africa is experiencing rapid urbanisation, with 54% of the population living in urban areas in 1996 rising to 68% in 2011. There has been a rural-to-urban migration of poor people, although poverty remains most severe in rural areas. KwaZulu-Natal and the Eastern Cape are becoming migrant-sending regions, while Gauteng and the Western Cape have become migrant-receiving regions. Finally, an increasing share of the population comprises young adults who are potentially economically active, while a decreasing share is actually economically active. Consequently consumption needs are increasing while the capacity to meet these needs is not.

Government's strategy to bring about poverty reduction has been through the provision of a "social wage" package intended to reduce the cost of living of the poor. This includes the social assistance system which provides grants to children, elders and selected vulnerable groups. Almost 60% of government spending is allocated to the social wage, and expenditure on these services has more than doubled in real terms over the past decade. There has been a doubling in per-capita health spending, 1,5 million free homes have been constructed, free basic education provided to the poorest 60% of learners and one meal a day is provided to 6 million primary school children in 18 000 schools. The numbers receiving social grants have risen from 2,6 million in 1997 to 16 million in 2012, almost one third of the total population.

To measure progress towards poverty reduction, South Africa makes use of a suite of poverty lines. At the upper-bound poverty line (UBPL), individuals can purchase both adequate food and non-food items.² The percentage of people who are poor has dropped from 58% in 1995 to 45% in 2011. The percentage of poor households is lowest in Gauteng and the Western Cape, at 25% and 23% respectively, compared to almost 64% in Limpopo and 61% in the Eastern Cape. Gauteng and the Western Cape experienced the largest reductions in the percentage of households in each province that are categorised as being poor from 2006 to 2011, at 33% and 29% respectively.

Self-reported hunger in South Africa also dropped, from 30% of households in 2002 to 13% in 2011. There have also been improvements in child nourishment, with stunting falling from 30% of children below 5 years of age in 1993 to 24% in 2008, wasting from 8% to 5%, and under-weight from 13% to 9%. Although these improvements are substantial, when related to the country's gross domestic product, South Africa remains an outlier compared to countries with similar levels of wealth. Child malnourishment can have a permanent negative impact on the physical development of children affecting both their bodily health and cognitive ability. There is also evidence emerging that stunting may be linked to obesity in later life, and the attendant risk of non-communicable disease such as diabetes and hypertension.

Inequality remains a challenge and is a likely constraint on poverty reduction. The wealthiest 20% of the population in South Africa account for over 61% of consumption in 2011, giving up a meagre 3% of total consumption to the middle 60% since 2000. The bottom 20% account for just 4,5% of consumption, a situation unchanged over the past two decades.

Job creation is essential for greater poverty reduction and narrowing inequality. Unemployment rates have remained at around 35% for more than a decade (expanded definition). As a consequence, the share of households in South

"

Inequality remains a challenge and is a likely constraint on poverty reduction.

The wealthiest 20% of the population in South Africa account for over 61% of consumption in 2011, giving up a meagre 3% of total consumption to the middle 60% since 2000. The bottom 20% account for just 4,5% of consumption, a situation unchanged over the past two decades.

"

1. Statistics reported are derived from Stats SA, 2013, *Millennium Development Report*; Stats SA, 2014, *Poverty Trends in South Africa: An examination of absolute poverty between 2006 and 2011*, Report No. 03-10-06, and Stats SA, 2014, *The South African MPI: Creating a multi-dimensional poverty index using census data*, Report 03-10-08.
2. In March 2011, these lines per person per month were as follows: food poverty line (R321), lower-bound poverty line (R443) and upper-bound poverty line (R620). These are applied to expenditure data gathered in 2006 and 2011 using a diary method (Stats SA, 2014). Estimates of poverty for 1997 use a poverty line constructed using a similar methodology, but applied to expenditure data using the recall method.



Africa with no link to the formal labour market increased from 30% in 1997 to 42% in 2008. Women have lower employment prospects than men, with 37% of women of working age in employment compared to 50% of men. Youth (15-24 years) unemployment is much higher than the older age groups, and reached an alarming 69% (expanded definition) in 2003.

Further reducing poverty depends upon the growth rate of the economy and the manner in which the benefits of economic growth are distributed and transformed into social outcomes. Although the economy of South Africa remains inefficient in terms of its ability to translate economic growth into employment, signs of poverty reduction are beginning to emerge after a long period of limited progress.

According to Census 2011, the City of Cape Town contains just less than 15% of the poor households living in the eight metropolitan municipalities of South Africa, and has the fourth-largest number of poor households, following behind the cities of Johannesburg, eThekweni and Ekurhuleni. As a percentage of the City's population, in 2011, Cape Town had 31% of its households below the upper-bound poverty line, the lowest of the eight metropolitan municipalities. There are 232 027 households registered as indigent as defined by the City of Cape Town, which is equal to 70% of those categorised as being poor.

Although accurate data for the measurement of poverty trends are not available for the metropolitan areas, using Census data, poverty mapping methodologies and a multidimensional poverty index, Statistics South Africa reports a decline in the percentage of poor people between 2001 and 2011 from 7,4% to 3,9%, a similar trend to that observed in most of the other metropolitan areas.

To further reduce poverty, the City of Cape Town will need to promote inclusive economic growth coupled with greater efficiencies in the delivery of social services. Inclusive growth requires expanding both private sector investments in employment creating enterprises as well as growing a vibrant informal economy. More rapid delivery of social services will both improve the living conditions of poor households in the City, and access to such services have been linked to economic inclusion through a virtuous circle of better health, better educational attainment and more successful entrepreneurship.

Biography

Julian May obtained his doctoral degree in Development Studies University of the KwaZulu-Natal. He is the Director of the Institute for Social Development at the University of the Western Cape.

Between 1994 and 1998, Prof. May led the Poverty and Inequality Report, the first review of South Africa's poverty reduction policies in the post-apartheid era. Internationally, he has worked on an evaluation of the World Bank's social fund program in Jamaica, Nicaragua, Zambia and Malawi, bio-diversity studies in Mozambique and Namibia, poverty reduction strategy in Lesotho, Zambia and Uganda, on monitoring and evaluation in Mauritius, Maldives, Namibia, Swaziland and Zimbabwe, and ICT for development (ICT4D) in Kenya, Uganda, Tanzania and Rwanda.

He was the principal researcher for the KwaZulu-Natal Income Dynamics Survey (KIDS), a ten year panel study of poverty dynamics. He was awarded a South African research chair in applied poverty reduction assessment in 2009 and the directorship of a Department of Science and Technology/National Research Foundation centre of excellence in food security in 2014.

He has edited five books, published over 70 papers in books and academic journals, and produced more than 150 working papers, research reports and other publications. His research interests are poverty and inequality, agrarian reform, and food security.

To further reduce poverty, the City of Cape Town will need to promote inclusive economic growth coupled with greater efficiencies in the delivery of social services.

● EXPERT ANALYSIS

Social exclusion, youth identity and community development

Dr Khosi Kubeka,

Lecturer: Social Development
University of Cape Town

Young people in South Africa are considered to be among the most vulnerable groups in the country. They are transitioning to adulthood amidst socio-economic and socio-political challenges that put them at risk of social disintegration. In his recent budget speech of 2014, outgoing Minister of Finance Mr Pravin Gordhan stated that youth born after 1994 “represent the hope that millions struggled for, and for which so many paid the ultimate price. They are a generation whose future is brighter than their parents could have dreamed. They are better educated, better nourished, stronger and more resilient. But they also bear the burden of the challenges we have yet to resolve. Too many will struggle to find work. Too many live in poverty and want. Like their parents they can see the fault-lines that still divide our society. They can see the gap between rich and poor ...” (Gordhan, 2014:32).

In this statement, the Minister is alerting South Africans to the fact that our youth, though born free, still have to negotiate their way through an increasingly unequal society. Most are out of school and not participating in the labour market. They still grapple with socioeconomic challenges inherited from their parents’ experiences. This analysis engages with Minister Gordhan’s observation and provides insight into the implications of such challenges on youth developmental well-being, with the special focus on youth within the Western Cape province and Cape Town. In particular, a perspective on the link between youth alienation/exclusion, youth identity and community development is provided.

The National Youth Commission Act of 1996 broadly defines youth as individuals with ages ranging from 14 to 25 and from 25 to 35. This is because during the apartheid era, especially the 1980s, societal unrests directly affected the youth, thus interfering with their transition to adulthood. This era was also characterised by high unemployment among youth, making it difficult for many to be financially independent and secure and to get married and start their own homes (Mathoho & Ranchod, 2006). One of the major challenges facing youth in the country is high rates of unemployment among this group. The youth in the Western Cape are not immune to this problem. Most recent statistics show that the youth unemployment rate in the Western Cape has increased to up to 50% among those between 15 and 24 years of age. The city of Cape Town is said to have a larger youth unemployment problem estimated to be at 51,4% among individuals aged 15-24. Chances of finding employment are slim to none due to the fact that most of these young people (about 60%) have dropped out of school before completing Grade 12. They are “Not in Education, Not in Employment and Not in Training” (NEETs). They transition to adulthood without any work experience, and will therefore be able to secure no more than temporary, low-paying jobs (Draft Youth Development Strategy, 2013; City of Cape Town Youth Development Policy, 2013).

While this statistical information is valuable in depicting the trends and scope of the problems of youth unemployment, hardships and socio-economic vulnerability in the province, some qualitative findings have been useful in providing insights into the significant ways in which young people’s lives are affected by such difficult conditions. In their recent qualitative study, Booyens and Crause (2012) found that poverty and unemployment not only negatively affect young people’s living conditions, but severely suffocate their sense of self-efficacy, thus limiting their ability to make choices on issues that matter to them. In their interviews with the youth, the authors found that the latter are very much aware of the environmental forces that block their ability to succeed and are vocal about what they need. For instance, they value education, but feel educational opportunities are difficult to access if one does not have the financial means.

According to Bray et al. (2010), although these young people have more opportunities than their parents, the reality is that access to these opportunities is still restricted by their position in society due to inequalities that persist in poor communities in which most of these young people are reared. Lack of mobility is what many young people experience. They struggle to access social networks that can open doors for them to pursue and achieve their personal goals. Furthermore, the psychosocial impact unemployment has on the vulnerable youth has been highlighted in Briar’s (2010) work, suggesting that being unemployed leads to demoralisation. In essence, even though they may have ambitions for their future, they are forced to set those aside and focus on survival. These young people may believe in their ability to shape futures, but at the same time they may feel discouraged by their present circumstances that hinder their prospects (Briar, 2010).

Based on the insight gauged from existing studies on the state of vulnerable youth in the Western Cape, one may argue that these youth are, as per Amartya Sen’s (2000) assertion, socially excluded. Sen (2000) defines social exclusion as people’s inability to participate fully in society due to capability deprivation. In other words, social exclusion strips people of the ability to make decisions and choices that matter in the pursuit and realisation of their aspirations. The



“

Poverty and unemployment not only negatively affect young people’s living conditions, but severely suffocate their sense of self-efficacy, thus limiting their ability to make choices on issues that matter to them.

”

“
Promoting and encouraging youth inclusion needs to happen at community level. In other words, the extent to which young people are able to connect, navigate and are productive, is informed, in part, by their ability to develop and enact a solid sense of identity.”

loss or lack of income, Sen (2000) argues, can have the most devastating effect on young people's lives. It inevitably triggers other losses, including a loss of freedom, initiative, ability, self-reliance, and confidence, psychological and physical health. Therefore, social exclusion can severely damage young people's psychosocial functioning, including sense of identity, which according to Sen (2000) and Erikson (1968), forms a critical part of youth development, particularly during adolescence. Forming and nurturing a solid sense of self enables youth to effectively make critical life choices. Failure to attain a solid identity results in confusion, ambiguity about one's self concept and their role in the world. Young people who are socially excluded and therefore disempowered do not have the freedom to make critical life choices. This, in turn, may lead to a distorted sense of identity that is manifested in problems such as drug abuse, crime, risky sexual behaviour and depression, among other negative outcomes.

Research and public discourse indicate that the only way to deal with the social exclusion of youth is to promote and encourage youth inclusion. Increasing young people's options in terms of education and employment is key. Furthermore, this inclusion needs to happen at community level. In other words, the extent to which young people are able to connect, navigate and are productive, is informed, in part, by their ability to develop and enact a solid sense of identity. Such youth are more likely or better able to actively participate and contribute to the development of their communities. Therefore, a creation of youth inclusive networks at community level, as Booyens and Crause (2012) proposed, is the solution. There is a need to cultivate and raise capable youth, who are not just passive recipients of services, but who are active participants in their own communities, committed to and engaging in community development activities that will enable them to create value.

Booyens and Crause (2012) highlight some youth-focused community development strategies that should be promoted within communities. First, enhancing young people's ability to access, develop and nurture social networks through improvement in public transport services is crucial. Second, there should be an investment in the provision of recreational facilities and activities of which young people can take charge, thereby lessening the chances of engagement in peer-influenced risky behaviour. Third, enhancing access to formal and informal educational and training opportunities through further education and training colleges (FETs), the Expanded Public Works Programme (EPWP), and sectoral education and training authorities (SETAs) within communities, so as to create more options for youth with varying vocational interests, is also important. Fourth, the promotion of youth voluntary work in both the private and public sectors located within communities can equip youth with skills and experience, which can increase their chances of obtaining more employment opportunities, while at the same time significantly contributing to the upliftment of their communities.

In conclusion, viewing young people as resources, whose talents could be tapped into, is not only beneficial for youth development, but for the development of our communities as well. The youth today symbolise the great achievements of freedom and democracy. Greater investment in their development is therefore crucial. It begins with a shift in thinking that moves perceptions of young people as troubled and passive recipients of services, to capable and active members of communities, with skills and talents to contribute to community development.

References

- Booyens, M. & Crause, E. (2012). "Excluded from education and work: Perceptions of at-risk youth" *Social Work/ Maatskaplike Werk*, 48(3): 255-274.
- Bray, R., Gooskens, I., Kahn, L., Moses, S. & Seekings, S. (2010). "Growing up in the new South Africa: Childhood and adolescence in post-apartheid Cape Town." Cape Town: HSRC Press, 358 pages.
- Briar, E. M. (2010). "Township youth perceptions of poverty and unemployment in Cape Town, South Africa". A minor dissertation. University of Cape Town.
- City of Cape Town. (2013). "Draft Youth Development Strategy", City of Cape Town, Western Cape.
- City of Cape Town. (2013). "City of Cape Town Youth Development Policy" City of Cape Town.
- Erikson, E. (1968). *Identity: Youth and crisis*. New York: Norton.
- Gordhan, P. (2014). "Budget Speech 2014" Communications Unit National Treasury: Pretoria.
- Marindo, R., Groenewald, C. & Gaisie, S. (2008). *The state of the population in the Western Cape Province*, HSRC Press.
- Sen, A. K. (2000). "Social exclusion: Concept, application, and scrutiny", Development Paper, Asian Development Bank.

Biography

Khosi Kubeka is a lecturer in the department of Social Development at the University of Cape Town. She obtained her BSocSci Social Work degree from UCT and then completed an M.Phil in Social Research at Stellenbosch University. Thereafter she went on to complete an M.A and PhD in Sociology at Ohio State University. Her areas of research interest are in youth developmental well-being, community and social development, and substance abuse. She has done work with the School of Public Health at the Ohio State University in the Columbus Congregations for Healthy Youth (CoChy) project, a longitudinal study on religiosity and youth developmental wellbeing. Her teaching interests are in Social Research Methodology, Substance Abuse, Community Work, Social Development and Youth Development.

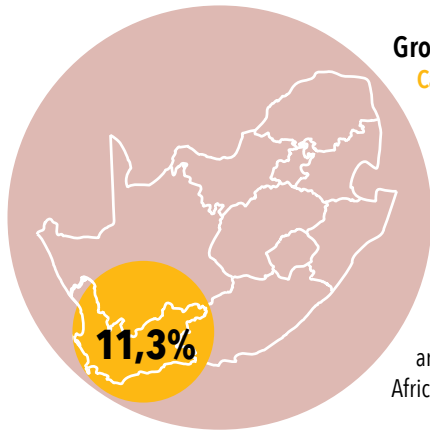








Cape Town's ECONOMY at a glance



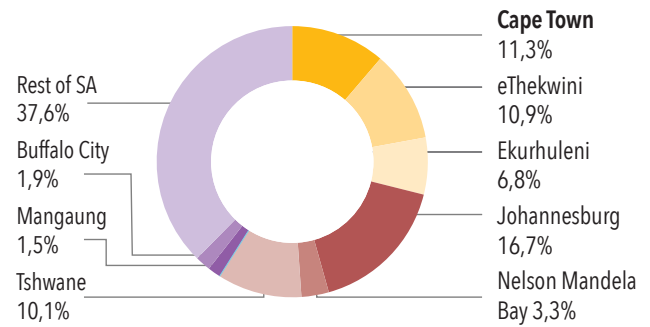
Gross domestic product (GDP)

Cape Town accounted for **11,3%** of South Africa's GDP in 2012, up from 10,4% in 1996.

78%

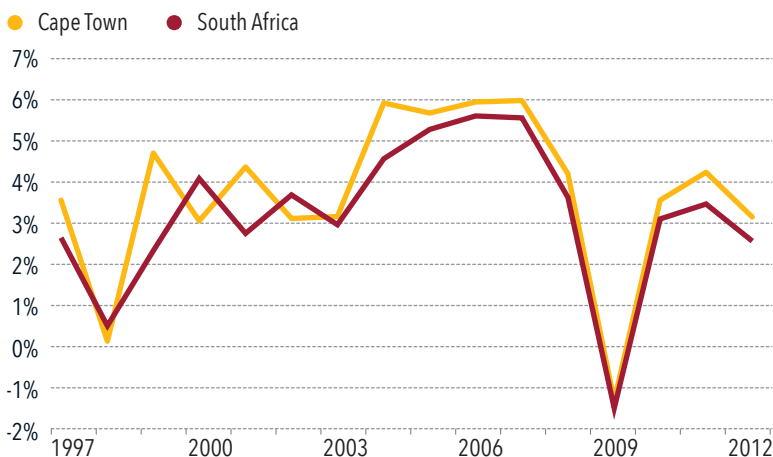
Cumulative growth

The cumulative growth of Cape Town's economy between 1996 and 2012 was **78%**, while South Africa's was 65%.

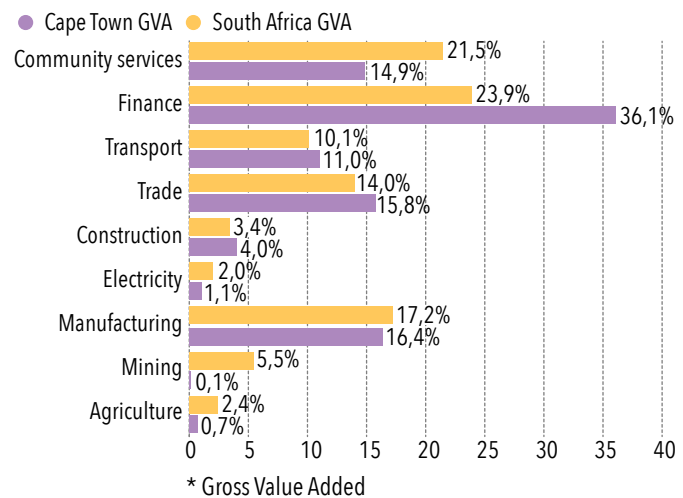


Cape Town's GDP relative to other metros and South Africa overall, 2012

GDP annual growth rates for Cape Town and South Africa, 1997-2012



Cape Town's GVA* versus South Africa's GVA 2012



Passenger movements

Of the **8 281 255** passenger movements through **South Africa's three international airports** during the fourth quarter of 2013, **2 246 248** were through **Cape Town airport**.

27,1%



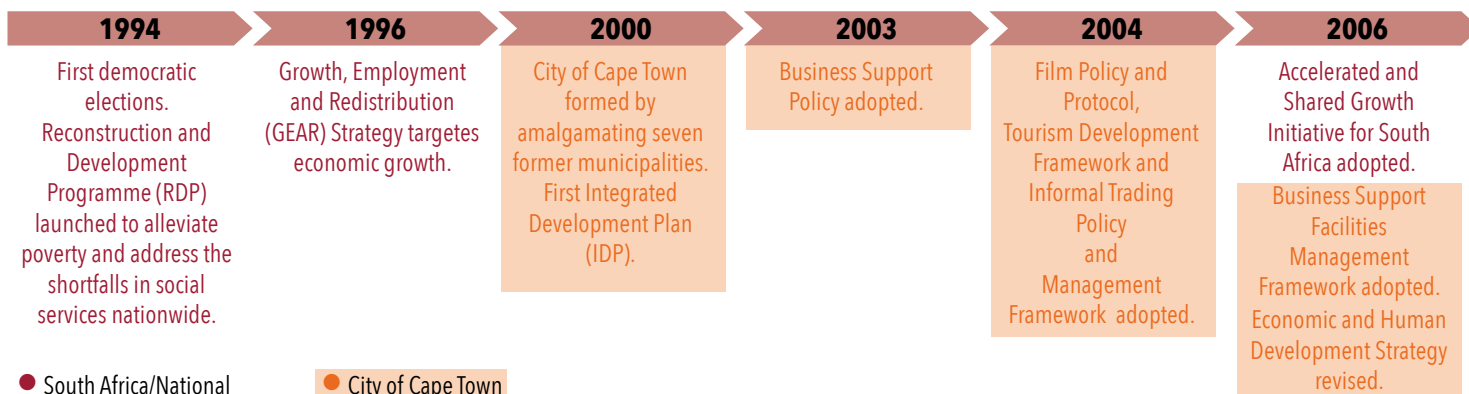
#1

Cape Town International Airport was voted the best airport in Africa in 2013.

Containers handled at ports

The **Port of Cape Town** handled **19%** of all containers through South Africa's ports (Q4, 2013).

19%

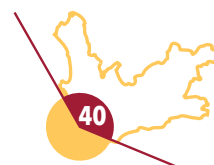


Global competitiveness 2012

Cape Town is ranked 73rd on the Economist Intelligence Unit's rating of city competitiveness, the second most competitive city in Africa, after Johannesburg (67). In the category of human capital – which takes into account location-specific factors such as population growth, working-age population, quality of education and entrepreneurship mindset – Cape Town is ranked 40th.



Human development index
Between 2005 and 2013 **the level of human development** – as measured by the Human Development Index (HDI) – rose from 0,69 to 0,72.



Population growth

Close to 40% of Cape Town's population growth between 2001 and 2011 comprised arrivals from outside the Western Cape

Comparative advantages



The industries in which Cape Town has the most pronounced comparative advantage compared to SA as a whole are **fishing, clothing and textiles, wood product manufacturing, electronics, furniture, hospitality, finance, and business services industries.**

Growth in industrial and commercial space

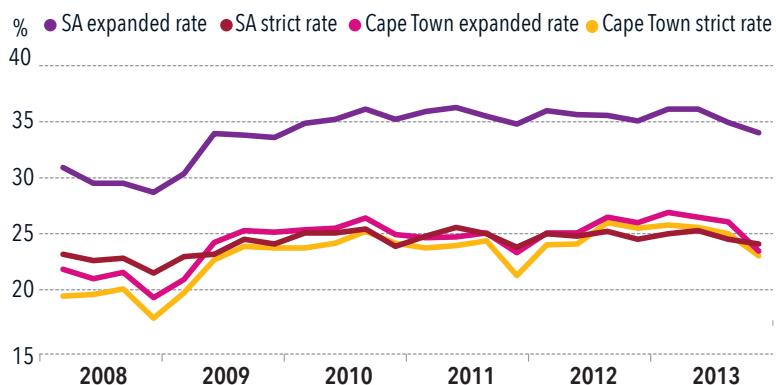
Between 2000 and 2011 gross internal **industrial floor space** increased by 3,6 million m², and 1,8 million m² of new **office and banking space**.



Since 2005, 65% of new office developments have been concentrated in four of the 41 office nodes across the city, namely **Century City** (25,5%), **Tygervalley** (21,8%), **Salt River** (10,7%) and the **CBD** (6,8%).



Strict vs expanded unemployment rates for Cape Town and South Africa



Visitor attractions

In the last quarter of 2013, tourists and residents made **7 879 000**

visits to Cape Town's six major attractions – Robben Island, the V&A Waterfront, Table Mountain Aerial Cableway, Kirstenbosch Botanical Garden, Boulders Beach and Cape Point.



Labour force

Employment in Cape Town increased by **238 915** jobs between 2005 and 2013.



Informal sector

8,7% of total employment is located in the informal sector (Q4, 2013).



Expanded unemployment rate

As labour force growth exceeded employment growth, the strict unemployment rate in Cape Town increased from **19,2%** to **24,9%** between 2005 and 2013.

2007

The National Industrial Policy Framework (NIPF) adopted by Cabinet.

Urban Agricultural Policy adopted.

2008

Events Policy and Events Bylaw adopted.

2009

Economic Development Strategy revised.

2010

New Growth Path (NGP), which identifies employment creation, and not economic growth, adopted.

Special Rating Areas Policy adopted.

2012

ONECAPE2040 and City of Cape Town City Development Strategy adopted.

2013

Special Economic Zones (SEZ) Bill gives Atlantis and Saldanha Bay SEZ status.

Economic Growth Strategy and Investment Incentives Policy adopted.

Sources: For detailed information regarding sources refer to the relevant chapter of the State of Cape Town Report 2014.



The effective performance of the local economy is central to improving the lives of the city's residents. The success of cities, especially those in developing countries such as South Africa, hinges on the economy's ability to distribute the benefits of economic growth to all its citizens. A city can only become a place of opportunity and inclusivity if the economy creates jobs and raises wage income, and if the returns from value-added production are re-invested in physical and social infrastructure. The performance of the economy also indirectly affects the relative safety and health of a city's people, as well as their ability to achieve full cultural expression. In many ways, therefore, the economy is the point of departure for assessing the state of urban development in a city.

This chapter examines Cape Town's economy over the last 16 years. As demographic and social trends have changed, so too has the structure of Cape Town's economy – sometimes as a result of change, at other times as the driver. Cape Town's economy does not exist in a vacuum, but rather in a highly inter-connected global landscape, which is why an understanding of the changes experienced by Cape Town's economy requires an understanding of global economic trends in the last two decades.

1. Global winds of economic change

In the South African context, Cape Town – along with Johannesburg – can be described as a primary urban centre in terms of its population size, economic strength and influence in the broader region. However, in the global context it can only be regarded as a mid-sized city. The Economist Intelligence Unit (EIU) defines mid-sized cities as having populations of between two and five million inhabitants.¹ Although investors have traditionally been attracted to developed-world cities and developing-world megacities (ten million or more inhabitants), it is the economies of mid-sized global cities that are growing the fastest. The top 30 cities in terms of economic strength

in the Economist Intelligence Unit's global city competitiveness index² comprise 21 mid-sized cities and only nine megacities. The projected economic growth rate of these mid-sized cities, at 8,7% for the period 2010-2016, is expected to outstrip that of megacities, which are expected to grow at 6,3% during the same period. The McKinsey Global Institute further predicts that middle-weight (200 000 – 10 million inhabitants) emerging-market cities will contribute 40% of global economic growth between now and 2025.³ This points to the shifting centre of economic gravity, away from developed markets, towards emerging markets – a pattern that has strongly characterised the last 20 years.

The EIU suggests that "the rise of a new middle tier of cities in the coming decade will require a shift in focus for many corporate leaders, many of whom primarily consider developed economies and emerging market megacities as their key growth targets".⁴ Indeed, there is already evidence of this shift taking place. According to the United Nations World Investment Report 2013, foreign direct investment (FDI) flows into developed countries in 2012 constituted only a third of their peak value reached in 2007, while FDI flows into developing countries in 2012 were very close to their peak value reached in the previous year.⁵ The relatively large decline in FDI to developed countries in 2012, and the relatively small decline in FDI to developing countries, resulted in developing countries for the first time overtaking developed countries, with a 52% share of FDI compared to a 42% share.⁶ While the United Nations analysis is of investment flows at a country level, it can be assumed that cities will be the largest recipients of FDI within the respective regions, and will have experienced the same shifts in FDI inflows.

The changing spatial pattern of inward FDI has been similarly tracked by a changing spatial pattern of outward FDI. While FDI flows from developed countries fell by \$274 billion in 2012, FDI flows from developing countries



In the South African context Cape Town is a primary urban centre, but in the global context it can only be regarded as a mid-sized city. Although investors have traditionally been attracted to world megacities, it is the economies of mid-sized global cities that are growing the fastest.

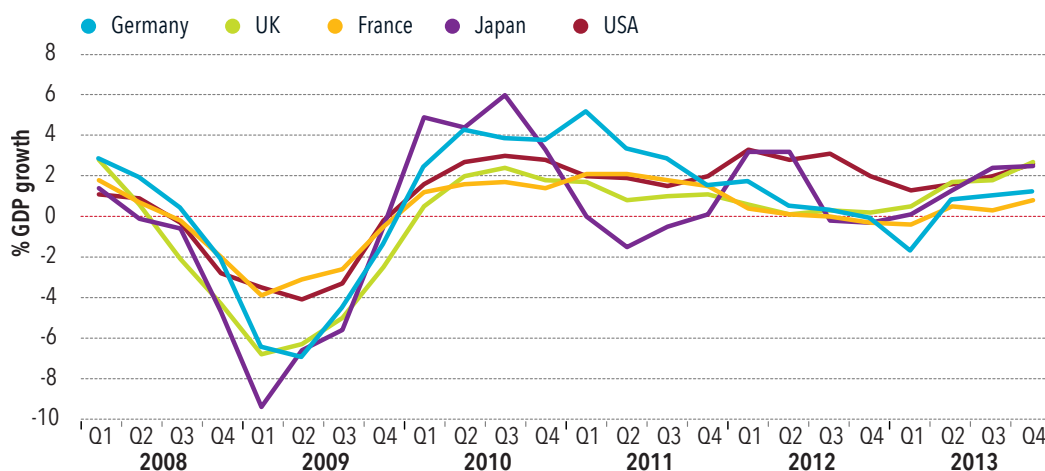


Figure 2.1: Economic growth trends in developed economies, 2008–2013

Source: Trading Economics, May 2014.

1. EIU, 2012:4.

2. Idem, p. 16.

3. McKinsey Global Institute, 2012:5.

4. EIU, 2012:16.

5. UNCTD, 2013.

6. The remaining 6% is comprised of FDI flows into transition economies – previously referred to as Second World economies.

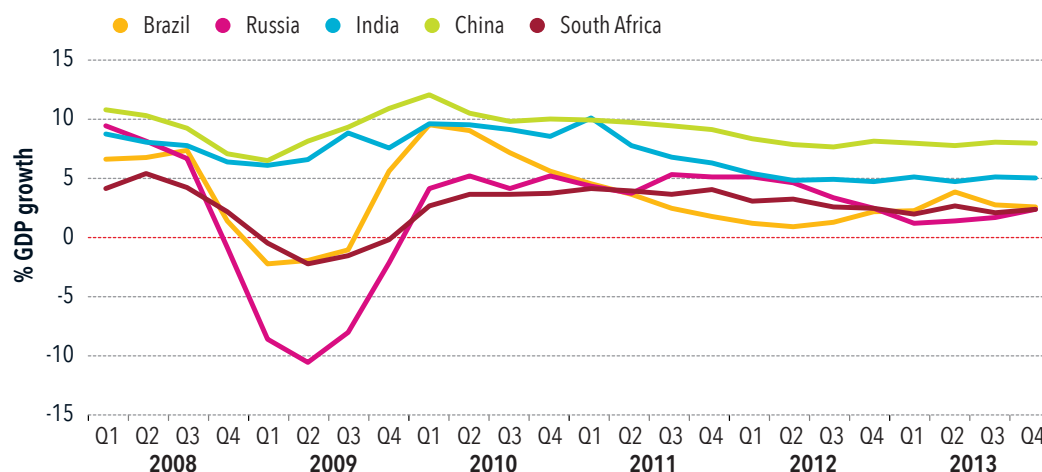


Figure 2.2: Economic growth trends in emerging economies, 2008-2013

Source: Trading Economics, May 2014.

● ● ●

The International Monetary Fund (IMF) expects developing economies to continue to lead global economic growth in 2014, with a forecast average growth rate of 5,1%. Sub-Saharan Africa is expected to be among the fastest-growing developing regions, with an average growth rate of 6,1% forecast for 2014.

rose by \$4 billion to a record share of 31% of total FDI flows. The changing global investment landscape in 2012 is a reflection of the disparity between economic growth rates achieved by developed countries and those achieved by developing countries from 2008 to 2013. These growth trends are detailed in figures 2.1 and 2.2.

Developed economies were badly affected by the economic recession from late 2008 through to the end of 2009, posting negative year-on-year growth rates during that period. In contrast, both China and India maintained growth rates in excess of 5%. Following the recession, most economies experienced a pronounced upswing in 2010, coming off the lower base in the previous years. While developing countries experienced a mild cooling of growth from 2011 onwards, growth in developed countries was dramatically stunted by the Euro-area sovereign lending crisis. The combination of the impact of these two economic shocks (the recession and the Eurozone crisis) on developed countries has profoundly shifted the economic centre of gravity to developing countries.

The International Monetary Fund (IMF) expects developing economies to continue to lead global economic growth in 2014, with a forecast average growth rate of 5,1%. Developed countries are expected to close the gap slightly in 2014, but will still lag behind with an expected growth rate of 2,2%. Sub-Saharan Africa is expected to be among the fastest-growing developing regions, with an average growth rate of 6,1% forecast for 2014.

It is clear that the global economy has changed markedly in the last five years, and even more so since the advent of democracy in South Africa in 1994. The world into which a new, democratic South Africa made its entrance 20 years ago has fundamentally and irrevocably changed.

The change in the global economy in the last 20 years has been characterised by the following four trends:

1. Global economic growth has been disproportionately comprised of developing-economy growth in the last

five years. These economies continue to outpace developed economies.

2. Mid-sized emerging cities, as opposed to developed-world cities or emerging megacities, are increasingly the drivers of economic growth among global cities.
3. Developing countries are now the largest destination for inward FDI, while they continue to constitute a larger proportion of outward FDI, increasing outward FDI at a time when developed countries saw a decline.
4. Africa is no longer a "bad neighbourhood" and is and contains some of the fastest growing economies in the world, according to the IMF.

2. Cape Town's global competitiveness

Currently Cape Town is ranked 73rd on the EIU's rating of city competitiveness, the second most competitive city in Africa, and ranked just below Johannesburg with a ranking of 67⁷. Cape Town's highest rankings in the sub-indices of the competitiveness index are in the areas of institutional effectiveness and human capital. The category of institutional effectiveness looks at South Africa as a whole, and takes into account elements such as electoral processes, fiscal autonomy and rule of law. As a result, Cape Town has the same ranking as both Durban and Johannesburg. The category of human capital, however, takes into account location-specific factors, including population growth, working-age population, quality of education and entrepreneurship mindset. Cape Town is ranked 40th in this category, outperforming the likes of Johannesburg (53rd), Rome (48th), Beijing (56th) and Tokyo (56th).⁸ Cape Town's strong performance in this category reflects its comparative advantage in attracting skilled labour, and is mainly derived from the four tertiary education institutions located in and around the city. However, human capital is but one of Cape Town's comparative advantage factors. Others include:

- having the second-busiest container port in South Africa;

7. EIU, 2012:26.

8. Ibid.



- having the second-busiest airport in South Africa;
- good public transport linkages in the city;
- strategic positioning on the west coast of Africa;
- servicing a vast agricultural hinterland, thus acting as a processing, trade and retail hub for agricultural products;
- having an established business culture and clustering of financial institutions;
- the city's scenic beauty and natural attractions, which appeal to domestic and international tourists alike and make Cape Town globally recognisable;
- being the first-choice destination for conferences in Africa, according to the International Congress and Convention Association; and
- having three major universities within the metro region.⁹

These comparative advantage factors enable Cape Town to compete as a major investment destination in the global economy. However, despite being a mid-sized open economy in a fast-growing world region, Cape Town is ranked poorly in terms of economic strength – coming in at 102 out of 120 cities.¹⁰ This is because Cape Town cannot easily decouple itself from the economic performance of South Africa at large, which has been subdued since the economic recession. The IMF projects that South Africa will only grow by 2,3% in 2014, which has recently been revised down from 2,8% and is far slower than the developing-country and sub-Saharan average. Essentially, Cape Town faces the challenge of being optimally positioned as a global-oriented mid-sized city with the potential to achieve high economic growth rates, and being located in a country in which economic growth is currently lower than optimal. Exploiting its global position and taking its lead from global emerging-market economic trends, rather than being tied to South Africa's currently low growth path, will be critical to Cape Town's future economic success.

The City of Cape Town's Economic Growth Strategy,¹¹ an integrated strategy recognising the role of all City departments in economic development, aims to position Cape Town as a globally competitive city and as a world-class destination for global investment. The strategy elements geared towards achieving this aim include making the city more investor-friendly through the development of an investor one-stop-shop, regulatory modernisation and the provision of investment incentives, and exploiting the city's potential competitive advantages by means of strategic partnerships and business clusters.

3. South Africa's economic policy response to internal and external dynamics

Understanding global economic trends in the last 20 years only provides a partial understanding of Cape Town's economic development, however. For a full understanding, one needs to be cognisant of national developments in macro-economic policy, which fundamentally affect Cape Town and shape the city's response to global economic trends. Recognising global economic shifts and the challenges of its own growth path, National Government's economic policy has steadily evolved in the last 20 years.

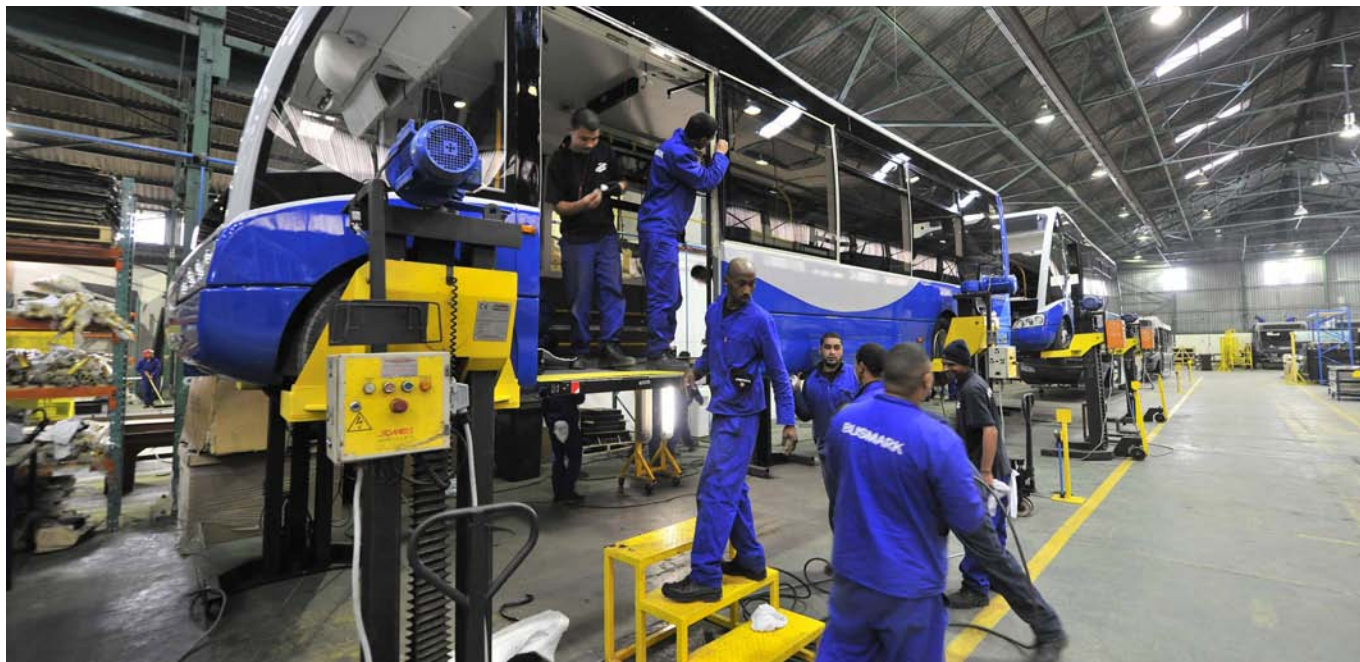
The end of apartheid and the advent of democracy in 1994 precipitated the articulation of a macro-economic policy that strongly focused on rebuilding the national economy and immediately redressing some of the income and services imbalances that had prevailed during the preceding decades. The Reconstruction and Development Programme (RDP) had as its focus redistribution of wealth and the creation of more equal economic outcomes among the country's people. This policy orientation was not to last long, however, as the rapid pace of globalisation and South Africa's increasing reliance on foreign investment laid the foundation for the adoption of more conservative, investor-friendly macro-economic policies. In this respect, the Growth, Employment and Redistribu-

● ● ●

Exploiting its global position and taking its lead from global emerging-market economic trends, rather than being tied to South Africa's currently low growth path, will be critical to Cape Town's future economic success.

9. City of Cape Town, 2014b.
10. EIU, 2012:26.

11. City of Cape Town, 2013a.



In order to ensure the fullest employment-creating benefits, strategic interventions are targeted at specific labour-absorbing sectors.

The manufacturing sector is recognised as being principal among these, and has therefore received substantial policy focus in the last four to five years.

tion (GEAR) Strategy targeted economic growth first and foremost, and assumed that the benefits of robust economic growth would trickle down to the poor in the form of increased job opportunities and higher incomes. Unfortunately, persistent structural imbalances in the economy reduced the efficacy of this trickle-down effect.

As such, strong economic growth in the period 1997-2008 did not, as had been expected, solve the unemployment or inequality challenges in South Africa. The National Planning Commission's (NPC) Diagnostic Overview¹² found that while the poverty rate dropped from 53% in 1995 to 48% in 2008, inequality – as measured by the Gini coefficient – remained largely unchanged and the unemployment rate hit its highest level (31%) in 2001. It is not that economic growth did not create employment in the 1997-2008 period, but rather that it created insufficient employment. For every 1% of GDP growth, employment expanded by 0,6% to 0,7%,¹³ which was faster than in most emerging economies. During the same period, however, the labour force grew at an even faster rate, as not only the working-age population grew but labour-force participation expanded greatly.

The seeming inability of growth-focused macro-economic frameworks such as GEAR to sufficiently reduce the triple challenge of unemployment, poverty and inequality led to the formulation of the Accelerated and Shared Growth Initiative for South Africa (ASGISA), which was launched in 2006. While ASGISA turned the spotlight back on the country's major challenges, it shared GEAR's market-based policy orientation.

More recently, a more pronounced shift in South Africa's dominant macro-economic paradigm has taken place with the adoption of the New Growth Path (NGP),¹⁴ which identifies employment creation, and not economic

growth, as the primary macro-economic objective of the country. The NGP marks a significant point of departure for economic policy in South Africa, and it is in this context that economic development in Cape Town must be considered.

Since 2010, when the NGP was adopted, national economic policy has been characterised by:

- the adoption of employment creation as the primary macro-economic objective;
- the importance of revitalising the manufacturing sector and a focus on promoting value-added exports;
- the recognition of the importance of infrastructure development for increased productive competitiveness; and
- the adoption of a long-term vision and goals for economic development, i.e. the National Development Plan.

3.1 A new growth path of employment creation

The New Growth Path recognises that the economy has not created sufficient employment opportunities over the past three decades:¹⁵ "Creating more and better jobs must lie at the heart of any strategy to fight poverty, reduce inequalities and address rural underdevelopment." Deriving from this problem statement, the NGP's principal aim is to "provide bold, imaginative and effective strategies to create the millions of new jobs South Africa needs".¹⁶ Macro-economic strategies often suffer from ambiguity and a muddling generality; the NGP, however, is very specific about its targets. Foremost among these is the creation of five million new job opportunities by 2020. Job creation cannot be achieved without economic growth, though, and in this respect, an average growth rate of between 5% and 7% is identified as a prerequisite to achieve

12. NPC, 2011.

13. Ibid.

14. National Department of Economic Development, 2010.

15. Idem, p. 3.

16. Idem, p. 1.



the job-creation target. In order to ensure the fullest employment-creating benefits at this level of growth, strategic interventions are targeted at specific labour-absorbing sectors. The manufacturing sector is recognised as being principal among these, and has therefore received substantial policy focus in the last four to five years.

3.2 The revitalisation of manufacturing

The National Industrial Policy Framework (NIPF) was adopted by Cabinet in January 2007, and sets out government's broad approach to industrialisation in the context of the prevailing ASGISA macro-economic framework at the time. The NIPF was subsequently expanded on with the development of editions 1, 2 and 3 of the Industrial Policy Action Plan (IPAP). These plans all focus on diversifying and growing exports, improving the trade balance, building industrial capability, and fostering technological development.¹⁷ One of the levers that IPAP aims to use to achieve its objectives is investment incentives for productive industries. This approach is most explicitly reflected in the recently adopted Special Economic Zones (SEZ) Bill.¹⁸

The SEZ Bill defines a special economic zone as "a geographically designated area/s of a country, set aside for specifically targeted economic activities which are supported through special arrangements, which may include laws and often support systems that are different to those applied in the rest of the country". It essentially seeks to regulate the designation, development, promotion, operation and management of special economic zones, and includes provision for regulatory measures and tax and business incentives to attract investment.¹⁹

The City, in conjunction with the Western Cape Govern-

ment, has proposed Atlantis as the location of a green technology park SEZ. The outcome of this proposal depends on the findings of a pre-feasibility study, which is to be conducted by the Department of Trade and Industry (dti). While the dti still needs to finalise the material extent of incentives offered by SEZs, the establishment of Atlantis as an SEZ would expand the scope of incentives that could be offered to businesses, and would have profound implications for the attraction of investors to the area. The SEZ and other dti incentives are complemented by a set of investment incentives approved by the City in 2013.²⁰

3.3 The National Development Plan and a focus on strategic infrastructure

The National Development Plan (NDP) was adopted by Cabinet in 2012, and articulates South Africa's long-term 2030 development vision, while identifying the measures, strategies and interventions that will help the country attain it. In line with the NGP, the NDP recognises that "to eliminate poverty and reduce inequality, the economy must grow faster and in ways that benefit all South Africans".²¹ This acknowledges that structural changes need to occur to the national economy if the benefits of faster growth are to include all. Unlike the NGP, however, in which the main focus is employment creation, the NDP identifies a combination of measures for raising the living standards of the country's people.²² These are increasing employment, higher incomes through productivity growth, a social wage and good-quality public services. These measures are also redefined into three priorities:²³

- Raising employment through faster economic growth
- Improving the quality of education, skills development and innovation

A critical factor in raising the living standards of the country's people is to support sectors that are both labour-intensive and have demonstrable long-term growth potential, by facilitating investment, enhancing competitiveness and promoting exports.

17. Kaplan, 2013.

18. Department of Trade and Industry, 2013.

19. Ibid.

20. City of Cape Town, 2013b

21. NPC, 2012:24.

22. Idem, p. 25.

23. Idem, p. 27.

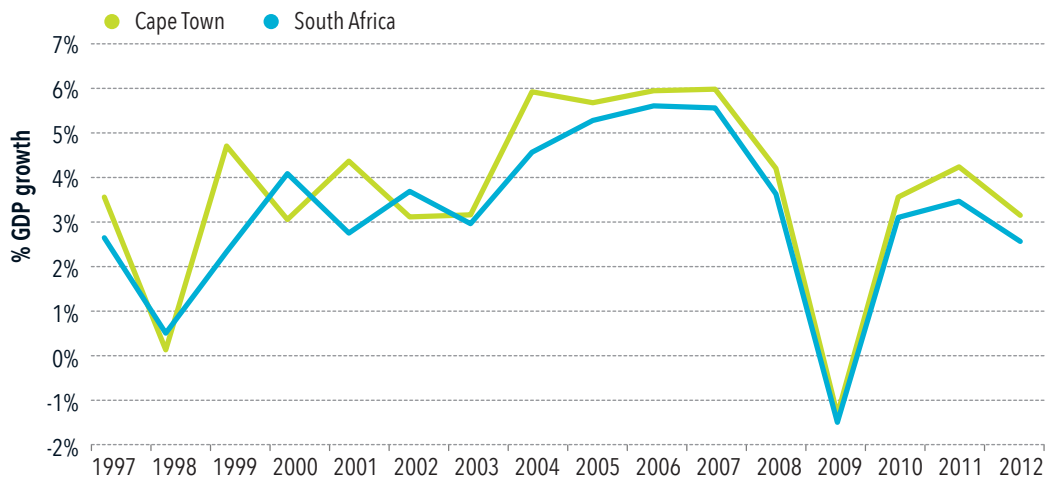


Figure 2.3: GDP annual growth rates for Cape Town and South Africa, 1997-2012

Source: City Economic Development Department calculations, based on Global Insight ReX Regional data, 2014.



While matching the direction of national growth trends from 1997 to 2012, Cape Town has, on average, grown faster during the period (3,7% compared to 3,2%).

- Building the capability of the state to play a developmental, transformative role

A critical factor in attaining these priorities is to support sectors that are both labour-intensive and have demonstrable long-term growth potential, by facilitating investment, enhancing competitiveness and promoting exports. Improvements in public infrastructure are recognised as a key enabler of private-sector investment; in this respect, public-infrastructure investment as a percentage of GDP is targeted to be increased to 10%. A number of large infrastructure projects are highlighted in the NDP for development. These projects form part of the 18 strategic infrastructure projects identified by the Presidential Infrastructure Coordinating Committee, and are considered to be critical to the enhancement of South Africa's productive capacity and global competitiveness.

While Cape Town continues to position itself as a global city that responds to economic trends and opportunities in the international arena, its economic prospects are nevertheless inextricably linked to South Africa's as a whole. As such, the city also needs to position itself to respond to the imperatives of national economic policy. This includes prioritising employment creation, facilitating investment in productive industries through the provision of incentives and the development of an SEZ, and advancing infrastructure development within the metro.

4. Cape Town's economic growth performance

The degree to which economic growth in Cape Town is tied to South Africa's economic growth rate is clearly reflected in figure 2.3, which plots Cape Town and South Africa's annual GDP growth rates for the period 1997-2012. For the most part, Cape Town's growth performance tracks that of the country, especially in the last five years. However, while matching the direction of national growth trends, Cape Town has, on average, grown faster during the period (3,7% compared to 3,2%). Cape Town's fastest economic growth came in the period 2001-2006, two years prior to the economic recession. During this period, the average annual growth rate of Cape Town's economy was 4,7,% compared to a national average annual growth rate of 4,4%. The greatest divergence from the national growth rate, however, came in the period 2006-2012, when Cape Town recorded an average annual growth rate of 3,3% and South Africa recorded only 2,8%. This would point to the greater resilience of Cape Town's economy during the recession period.

The cumulative growth of Cape Town's economy between 1996 and 2012 was 78%, while South Africa's was 65%. Naturally, this has resulted in Cape Town contributing an increasing share of South Africa's GDP. The growing national importance of Cape Town's economy is evident from figure 2.4.

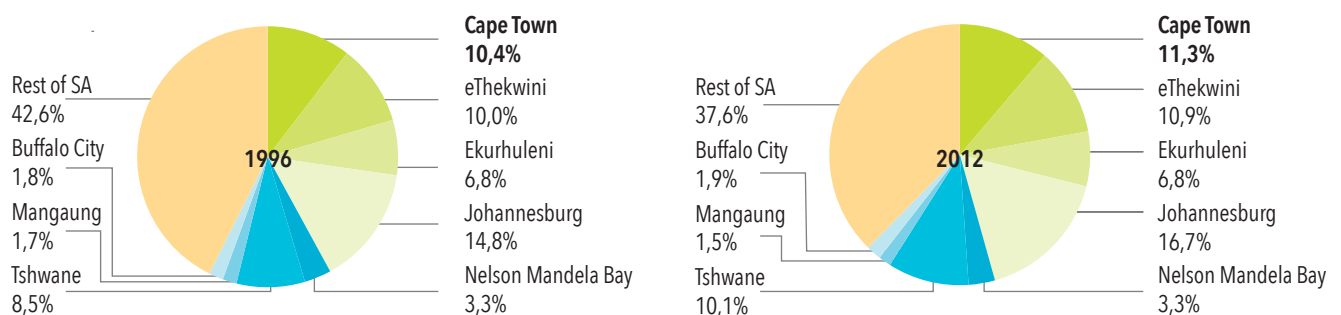


Figure 2.4: Comparison of GDP contributions: Cape Town and other South African metros, 1996 and 2012

Source: City Economic Development Department calculations, based on Global Insight ReX Regional data, 2014.



From 1996 to 2012, Cape Town's share of national GDP increased from 10,4% to 11,3%. This is in line with a broader trend, which saw metro areas increase their share of national GDP from 57,3% to 62,4% in the same period. Metro areas contributed even more strongly to growth in this period, accounting for 70,1% of South Africa's GDP growth, while Cape Town contributed 12,6% of national growth.

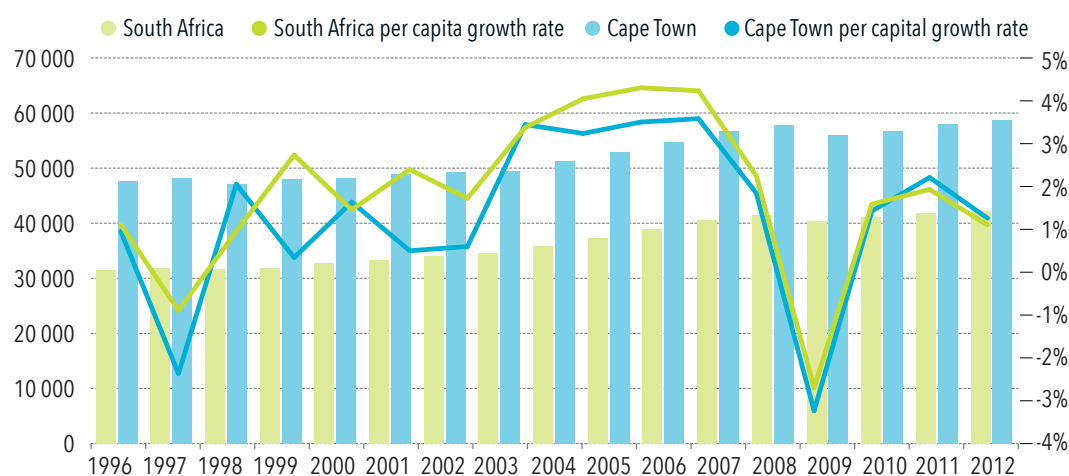
It is not surprising that economic growth in cities has been faster than in the rest of South Africa since 1996, as an ongoing process of urbanisation has also increased the number of people living in large cities. According to the 2011 Census, Cape Town in particular was one of the largest receiving areas of South African and international migrants, with close to 40% of the population growth in Cape Town between 2001 and 2011 comprising new arrivals from outside the Western Cape.²⁴ It is necessary, then, to ascertain whether economic growth in Cape Town simply reflects population growth in the city, or represents increased productivity and value addition. The

easiest way to do this is to control for the impact of population growth by analysing GDP per capita.

Cape Town's real GDP per capita in 2012 was R58 844, compared to a national figure of R37 404 and an average of R55 167 among South Africa's metros. This finding points to the greater productivity of Cape Town's economy, and lends credibility to the belief that cities are the growth engines of countries' economies and are essential to the "miracle of productivity", which has seen the rapid increase in the value of human production.²⁵ This can be attributed to the increased "scale and specialisation" that can be achieved in cities as a result of the densification and clustering of human settlements.²⁶

Cape Town's positive growth in GDP per capita would indicate that economic growth over the period 1996 to 2012 was not only an outcome of population growth, but also of increased productivity as a result of scale and specialisation. That said, Cape Town's GDP per-capita average annual growth rate of 1,3% between 1996 and 2012 was lower than South Africa's metro average, which was 1,56%.

Cape Town's positive growth in GDP per capita would indicate that economic growth over the period 1996 to 2012 was not only an outcome of population growth, but also of increased productivity as a result of scale and specialisation.



2.5: GDP per capita (Rand) and GDP per-capita growth rates (%) for Cape Town and South Africa, 1996 and 2012

Source: City Economic Development Department calculations, based on Global Insight ReX Regional data, 2014.

24. City of Cape Town, 2014a.

25. Centre for Development and Enterprise, 2014:18.

26. Ibid.

● ● ●

The finance and business services sector is by far the city's largest economic sector, contributing 36,1% to Cape Town's GVA, whereas it contributed only 23,9% nationally in 2012.

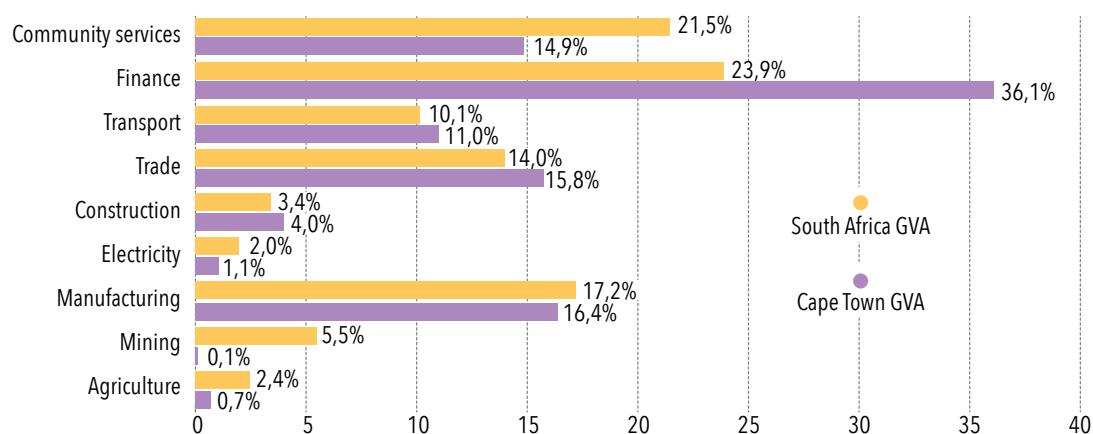


Figure 2.6: Cape Town's GVA versus South Africa's GVA 2012

Source: City Economic Development Department calculations, based on IHS Global Insight ReX Regional data, 2014.

5. The sectoral drivers of Cape Town's economy

Figure 2.6 compares the sectoral distribution of gross value added (GVA) for Cape Town's economy to that of the national economy in 2012. The distribution differs from the national economy predominantly in terms of the smaller relative size of the primary sector (agriculture and mining) and the greater relative size of the tertiary sector (particularly finance and insurance). The finance and busi-

ness services sector is by far the city's largest economic sector, contributing 36,1% to Cape Town's GVA, whereas it contributed only 23,9% nationally in 2012. At the other end of the scale, mining and quarrying contributes only 0,1% in Cape Town, compared to 5,5% nationally.

While the previous analysis shows the degree to which Cape Town's economy is structured differently to the national economy, it is not specific in terms of where Cape

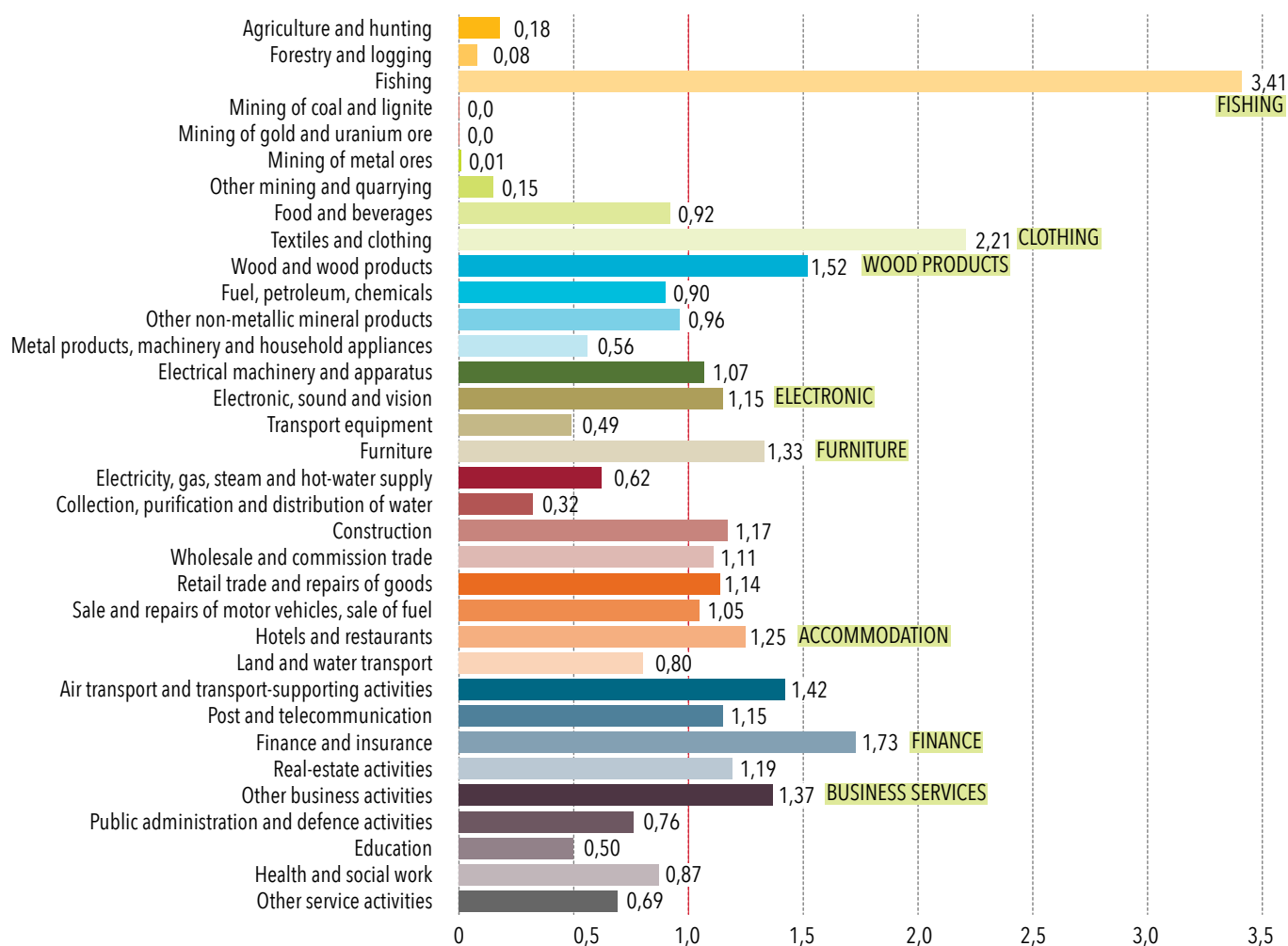


Figure 2.7: Location quotients for industries in Cape Town, 2012

Source: City Economic Development Department calculations, based on IHS Global Insight ReX Regional data, 2014.



Town's comparative advantage sectors lie. Figure 2.7 provides an indication of Cape Town's comparative advantages compared to South Africa's in 2012, using a location quotient analysis. A location quotient value of greater than 1 indicates that a sector has a comparative advantage.

The industries in which Cape Town has the most pronounced comparative advantage compared to the country as a whole are fishing; clothing and textiles; wood product manufacturing; electronics; furniture; hospitality; finance, and business services industries. These industries contribute relatively more to the city's economic output than they do at a national level to South Africa's economic output. While this analysis provides some idea of specific industries in which Cape Town has a comparative advantage, it remains a static and one-dimensional analysis, which fails to take into account the dynamic nature of the city's economy and how the relative importance of these sectors have changed over time.

5.1 Changing structure of Cape Town's economy

Figure 2.8 details the changing structure of Cape Town's economy. The city's economy has moved steadily away from the productive sectors – agriculture and manufacturing – towards specialised services sectors – finance and business services, and transport and logistics. In general, the primary and secondary sectors decreased their combined share of GDP from 26,0% in 1996 to 22,3% in 2012, while the tertiary sector increased its share from 73,1% in 1996 to 77,7% in 2012.

The diminishing importance of the productive sector is typical of a city's development path. In fact, manufacturing rarely "accounts for the bulk of economic activity in any city of any size, with the production and exchange of services usually employing more people and generating more value added in most cities than does manufacturing".²⁷ This, however, is not to say that manufacturing is not important in cities, and historical precedent suggests that

● ● ●

The industries in which Cape Town has the most pronounced comparative advantage compared to the country as a whole are fishing; clothing and textiles; wood product manufacturing; electronics; furniture; hospitality; finance, and business services industries. These industries contribute relatively more to the city's economic output than they do at a national level to South Africa's economic output.

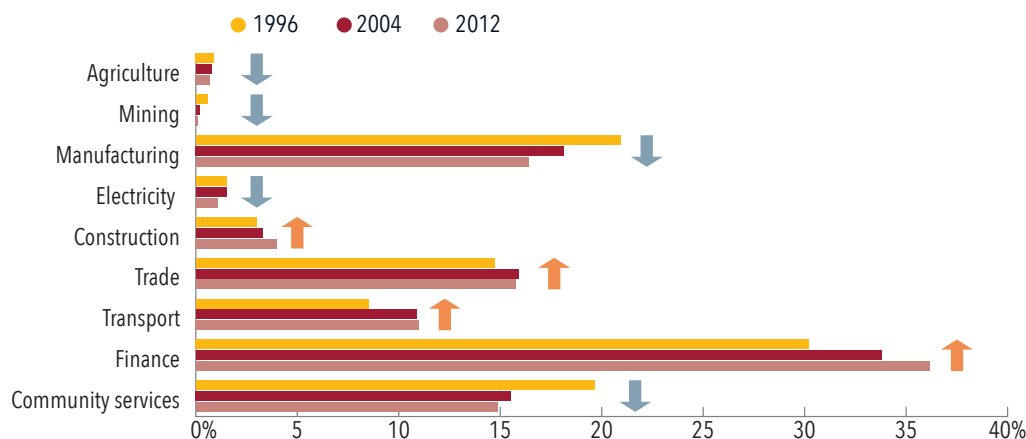


Figure 2.8: Cape Town's change in sector share of GDP over time, 1996, 2004 and 2012

Source: City Economic Development Department calculations, based on Global Insight ReX Regional data, 2014.

27. Centre for Development and Enterprise, 2014: 19.



● ● ●

A knowledge transition is required in order to provide the high-quality education and skills as well as the innovation capacity needed by firms to compete in the global and national economy, and an economic access transition is required to enable the development of an innovation-driven economy with high levels of productivity and entrepreneurial activity.

urban development is most often accompanied by rapid industrialisation. So, while the relative proportion of manufacturing is not particularly important, growth in the manufacturing (secondary) sector is a key driver of value-added economic activity in the tertiary sector.

In terms of GVA growth, manufacturing in Cape Town grew at an average annual rate of 2,2% over the period 1996 to 2012, and at only 1,7% since 2006. This is significantly slower than the growth of the city's economy as a whole (3,7%), and also slower than the country's manufacturing sector average growth rate of 2,6% in the 1996-2012 period. In contrast, the finance and business services sector in the city grew by 5,0% per annum, albeit also marginally slower than the national average of 5,2%. Although off a smaller base, transport and communications, at 5,5%, grew faster than finance and business services in the city, and faster than transport and communications nationally (5,1%).

As table 2.1 suggests, Cape Town's five largest contributors to economic growth in the period 1996-2012 were all industries located in the tertiary sector. Finance and insurance (excluding real-estate and other business activities) contributed significantly to economic growth during the period, accounting for 31,9% of economic growth, despite having constituted only 19,9% of the economy in

2012. This analysis reveals both Cape Town's strengths and vulnerabilities. When consumer confidence is high and these industries are growing, Cape Town's economy flourishes. However, when consumer confidence dips as a result of deteriorating domestic or international conditions, these industries slow down, and weaken Cape Town's economy in the process.

Predicting the economic sectors that will be the source of future growth and job creation is difficult and complex. However, it is possible to identify key factors that will enable the impact of future growth and development to be maximised. Two particularly critical areas are highlighted in the Western Cape long-term strategy, ONECAPE2040, and developed further in the City's Economic Growth Strategy.

Firstly, it is recognised that a knowledge transition is required in order to provide the high-quality education and skills as well as the innovation capacity needed by firms to compete in the global and national economy. Secondly, an economic access transition is required to enable the development of an innovation-driven economy with high levels of productivity and entrepreneurial activity. Progress in both these areas remains a challenge, although the Economic Growth Strategy provides a solid basis for growth to take place.

Table 2.1: Cape Town's growth drivers, 1996-2012

Highest percentage contribution to total GVA growth					
1996-2004		2004-2012		1996-2012	
Finance and insurance	26,3%	Finance and insurance	35,6%	Finance and insurance	31,9%
Other business activities	1,8%	Post and telecommunications	7,7%	Other business activities	8,9%
Retail trade and repairs	11,6%	Other business activities	6,9%	Post and telecommunications	8,7%
Post and telecommunications	10,2%	Construction	5,9%	Retail trade and repairs	7,1%
Real estate	6,6%	Wholesale trade	5,8%	Wholesale trade	5,1%

Source: City Economic Development Department calculations, based on Global Insight, 2014.



6. Cape Town's labour market²⁸

Economic growth, as measured by GDP or GVA, is one measure of economic performance, but is insufficient for understanding the broader impact of economic performance. GDP represents the volume of value-added production that takes place in an economy, but provides no indication of how the benefits of this production are distributed. The primary mechanism by which the benefits of economic production are distributed is the creation of jobs.

Employment in Cape Town grew steadily from 2005, when it was around 1,2 million, peaking at 1,5 million in the fourth quarter of 2011 (refer to figure 2.9). The average annual growth rate of employment during the 2005-2013 period was 2,4%, while the corresponding GDP growth rate was 3,7%. This indicates a certain capital in-

tensity of growth, as well as growth in labour productivity, necessitating fewer labour inputs to produce output units.

On average, in the period 2005-2013, employment growth was not sufficient to accommodate the growth in the number of new labour market entrants, which could have been the reason for the relatively slow growth in GDP per capita shown in the previous section. As labour force growth exceeded employment growth, the strict unemployment rate in Cape Town increased from 19,2% to 24,9%²⁹ between 2005 and 2013. The increase in the unemployment rate in this period must be seen in the light of adverse global economic conditions, particularly in 2009, in which millions of jobs were lost across the globe, and total job losses in South Africa amounted to almost one million.



Cape Town's labour market conditions, including its labour force participation and unemployment rate, improved markedly in 2013. However, if Cape Town is to achieve its objective of being an opportunity city, employment growth must be at the forefront of improving labour market outcomes.

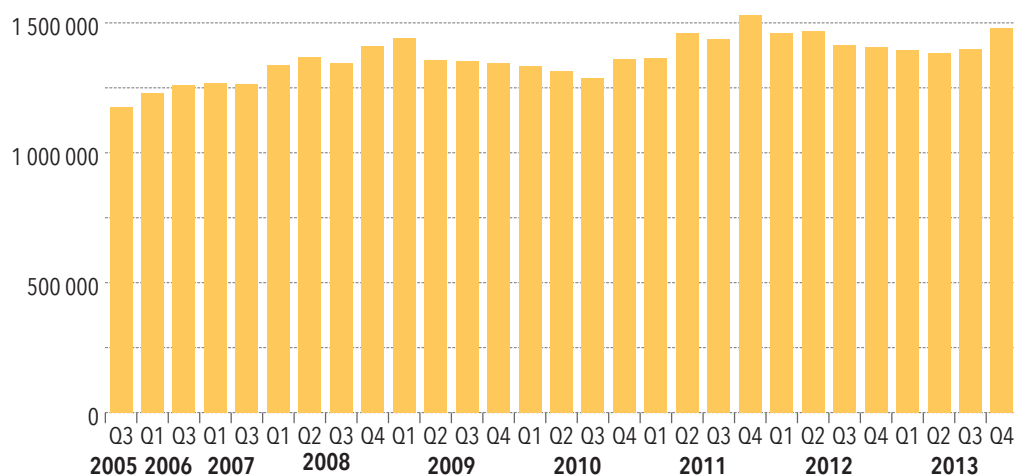


Figure 2.9: Employment levels in Cape Town, 2005-2013

Source: City Economic Development Department, based on Stats SA quarterly labour force survey, 2014.

28. While labour market indicators, as provided by Stats SA's quarterly labour force survey at a metro level, are among the most up-to-date economic indicators available, they do not date back very far. This is because the

labour force survey (as it was known at the time) did not report on metro-level statistics prior to 2005.

29. Annual average of the unemployment rate for the four quarters.



● ● ●

In Cape Town, labour force participation remained at relatively high rates of around 68% for the majority of the period, while South Africa's labour force participation rate dropped substantially to 57,1% in the fourth quarter of 2013.

Although South Africa's strict unemployment rate increased less dramatically (from 22,5% to 24,7%) than Cape Town's, this must also be viewed in light of the broad dynamics of the labour market. In Cape Town, labour force participation remained at relatively high rates of around 68% for the majority of the period, while South Africa's labour force participation rate dropped substantially to 57,1% in the fourth quarter of 2013. This is on account of the increasing numbers of discouraged work seekers in South Africa. Discouraged work seekers account for almost a third of all broadly unemployed individuals in South Africa.

6.1 Discouraged work seekers in Cape Town

For one of South Africa's major metropolitan regions, Cape Town accounts for a comparatively small percentage (0,23%) of the country's total number of discouraged work seekers. To understand why Cape Town has so few discouraged work seekers, one needs to know precisely what is understood by the term "discouraged work seekers". A discouraged work seeker "is a person who was not employed during the reference period, wanted to work, was available to work/start a business but did not take active steps to find work during the last four weeks, provided that the main reason given for not seeking work was any of the following: no jobs available in the area; unable to find work requiring his/her skills; lost hope of finding any kind of work".³⁰ Bearing in mind this definition, there are a number of possible reasons for the lower rate of discouragement in Cape Town.

Likely reasons for the lower incidence of discouraged work seeking in Cape Town include the following:

- Metro areas such as Cape Town provide more job opportunities. The greater probability of finding a job in

a metro area compared to non-metro areas is likely to sustain a prolonged period of active job searching.

- Job search costs are lower in Cape Town, particularly compared to non-metro areas. The density of settlement in a metro area is conducive to more efficient and cost-effective job searching. In particular, Cape Town's public transport system may be more effective than in other areas of the country, thereby enabling more sustained active job search.
- Many unemployed job seekers in Cape Town are migrants from other provinces.³¹ Individuals who have relocated in search of jobs are likely to search more intensively and for longer than non-migrant job seekers.
- Cape Town offers no viable substitutes for work. Cape Town has fewer opportunities to engage in non-return, subsistence activities, such as collecting firewood, water, etc, which may serve as substitutes for work in rural areas.

By excluding discouraged work seekers, the strict rate of unemployment does not always reflect the labour market's true ability to absorb those individuals desiring to work. It is thus revealing to present both the strict and expanded rates of unemployment for Cape Town and South Africa over the period 2008-2013. As illustrated in figure 2.10, the two rates of unemployment for Cape Town remained relatively close over this period, with the expanded rate an average of 0,92% higher than the strict rate. Both rates declined in the fourth quarter of 2013, and were also lower than what they were the previous year.

Cape Town's strict unemployment rate largely kept pace with the national strict unemployment rate, but dropped below the national rate in the fourth quarter of 2013. This disparity is far more pronounced, however, if one uses the expanded rate of unemployment, as South

30. Stats SA, 2014: xx.

31. As indicated in preliminary research work done by the City, up to 40% of the population growth in Cape Town between 2001 and 2011 comprised

new arrivals from outside the Western Cape. Most of these migrants can be expected to have been seeking work.

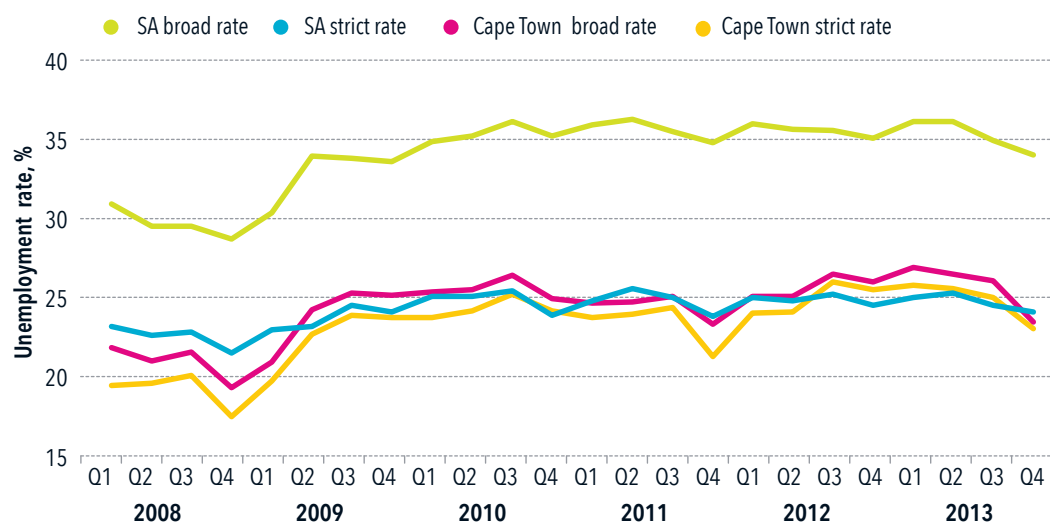


Figure 2.10: Strict vs expanded unemployment rates for Cape Town (Quarter 1, 2010 to Quarter 1, 2014)

Source: City Economic Development Department, based on Stats SA quarterly labour force survey, 2014.

Africa's expanded and strict rates of unemployment are widely divergent (as depicted in figure 2.10). South Africa's expanded unemployment rate in the fourth quarter of 2013 was 34%, compared to Cape Town's expanded rate of 23,44%. On this basis, Cape Town's labour market can be considered to be better-performing and more inclusive than the national labour market.

6.2 Recent improvements in Cape Town's labour market

Cape Town's labour market conditions, including its labour force participation and unemployment rate, improved markedly in 2013. However, if Cape Town is to achieve its objective of being an opportunity city, employment growth must be at the forefront of improving labour market outcomes. Encouragingly strong employment creation in 2013 absorbed more people than what the labour force increased by, thereby driving the de-

crease in the unemployment rate in this period. In order to ensure greater opportunities for people to actively participate in the local economy, Cape Town needs to exploit the employment-creation potential of key strategic industries (see figure 2.11).

6.3 Employment-creating sectors

The main sectoral drivers of employment creation between 1996 and 2012 largely corresponded with the main drivers of GVA growth during the same period. Employment growth was strongly driven by the tertiary sector, in particular finance and business services, retail and wholesale trade, and community services. Manufacturing experienced alarming job losses in both the 1996-2004 and 2004-2012 periods, declining at an average annual rate of 0,8%. This finding reflects not so much the diminishing importance of the manufacturing sector, as other sectors grow faster, but rather the de-industrialisation of Cape Town.

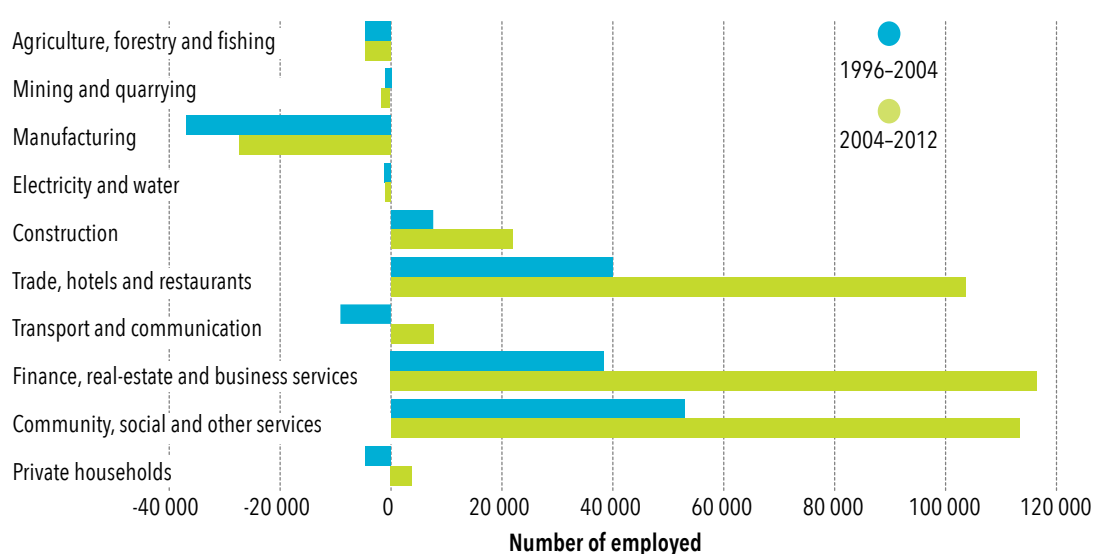


Figure 2.11: Sectoral change in employment levels over time in Cape Town, 1996-2012

Source: City Economic Development Department calculations, based on Global Insight ReX Regional data, 2014.



The City recognises the existence and importance of the informal economy in providing a livelihood for the city's urban poor.

Traditionally, the administration approached the informal economy from a regulatory point of view, especially in its interactions with informal trading. However, there has been a recent shift towards a developmental approach, which sees the informal economy as a non-transient and important source of employment.

6.4 The informal economy as a key absorber of labour supply

The informal economy is a significant employer in Cape Town, and according to the City's calculations based on Census 2011 data and the 2013 Quarterly Labour Force Survey, informal-economy employment constitutes between 9% and 11% of the total number of employed people within the city.³²

Labour economists commonly refer to the informal economy as the "employer of last resort", as it absorbs the excess supply of labour that cannot always be absorbed by formal-sector employment. Thus, in a city such as Cape Town, or any major city in South Africa in which severe unemployment remains a persistent problem, the informal economy can be viewed as vital to efforts to reduce unemployment. Indeed, studies on the informal economy in South Africa have found strong correlations between unemployment and informal-economy participation.³³ This finding indicates that many South Africans utilise informal work as an alternative to unemployment.

This was confirmed by the Quarterly Labour Force Survey for the fourth quarter of 2013, which found that 16,1% of the employed in South Africa – some 2,4 million people – worked in the informal sector.³⁴ In Cape Town, the informal sector constitutes a smaller portion of total employment in the city, with only 8,7% of total employment located in the informal sector in the fourth quarter of 2013. This was down from 9,8% in the previous quarter. Although more formal jobs may be available in Cape Town

than in other regions of the country, the city's high unemployment rate (compared to other emerging cities) means that the informal economy should be playing an important role as an employer in the local economy.

As a key area for job creation, the informal economy differs from the formal economy in two important respects. Firstly, employment in the informal economy is seemingly more resilient than in the formal economy. During the economic recession, employment in the informal economy declined by only 1,5%, compared with a decline of 3,5% in the formal economy.³⁵ Secondly, due to its high degree of localisation in low-income residential areas and relatively low entry barriers, the informal economy is better able to, in the short term, directly reduce the vulnerability of the poorest members of society – individuals who are sometimes too isolated to benefit from formal-sector opportunities. This implies that informal-economy employment can be used as a tool to broaden economic inclusion and combat poverty.

The City recognises the existence and importance of the informal economy in providing a livelihood for the city's urban poor. Traditionally, the administration approached the informal economy from a regulatory point of view, especially in its interactions with informal trading. However, there has been a recent shift towards a developmental approach, which sees the informal economy as a non-transient and important source of employment within Cape Town. This approach may radically change the way in which local government interacts with and perceives the informal economy in the near future.

32. City of Cape Town, 2014b.

33. The South African LED Network, 2013.

34. Stats SA, 2014.

35. SALGA, 2012:8.

7. Minding the gap – managing growth in low labour-intensive, high skills-intensive sectors

The traditional urban development growth path of most developed-world cities has seen them experience rapid industrialisation, and then gradually move to post-industrial, service-oriented economies. However, globalisation and the consequent increases in cross-border transfers of capital, knowledge and labour have enabled emerging economies to undergo this change much faster: "China's economic transformation resulting from urbanisation and industrialisation is happening at 100 times the scale of the first country in the world to urbanise – the United Kingdom – and at ten times the speed."³⁶ Some countries, however, would seek to leapfrog the industrial phase altogether. This is particularly true of the Gulf countries, who are utilising their oil wealth to create large cities that are competitive in specific niche industries.

While Cape Town had a strong industrial base in the past, it cannot be said to have experienced the kind of large-scale industrialisation typical of the urban development of developed-world cities. It is clear, however, that over the past 16 years (2008–2013), Cape Town's economy increasingly re-oriented itself towards the tertiary sector. In terms of value, the manufacturing sector grew considerably slower than the city's average economic growth rate during this time, and continued to shed jobs. Although this is typical of the new wave of urban development occurring in emerging mid-sized cities around the world, it is debatable whether Cape Town can afford to leapfrog this important phase of urban development.

The manufacturing sector, specifically some of the manufacturing industries that are prominent in Cape Town such as clothing and textiles, is labour-intensive. These industries are also considered to be absorbers of

semi-skilled labour. The challenge for Cape Town lies in the fact that, although its labour market is more inclusive than the country's at large, it still has a high unemployment rate by developing-country standards (especially among the youth) and a high proportion of people with relatively low skills in its labour force. As such, Cape Town needs growth in sectors with a high labour absorption of low-skilled labour. The fastest-growing sectors in Cape Town's economy, however, are more capital-intensive than labour-intensive, and mostly demand workers who are highly skilled. Robust economic growth in sectors such as the finance and business services sector will generally have lower employment multiplier impacts than those associated with the manufacturing or agricultural sectors. While this certainly constitutes a challenge for the city's economy, there are nevertheless opportunities for specialisation in specific industries within the finance and business services and other tertiary industries that offer higher employment multiplier impacts.

Figure 2.12 plots the degree of labour intensity on the vertical axis (>0 indicates a labour-intensive sector, while <0 indicates a capital-intensive sector). Average economic growth in the sector is plotted on the horizontal axis (>0 implies that the sector is growing at a faster-than-average rate for Cape Town's economy over a ten-year period). The size of the bubble is the relative size of the sector as measured by GVA.

The importance of the tertiary sector is strongly reflected in the figure, with the four largest bubbles being finance and insurance, business services, retail trade and real-estate activities. A number of these tertiary sectors are also the fastest-growing industries in the city, with finance, business services, hospitality, air transport and transport-supporting activities, and post and telecommunications growing above the average rate. According to



The manufacturing sector, specifically some of the manufacturing industries that are prominent in Cape Town such as clothing and textiles, is labour-intensive. These industries are also considered to be absorbers of semi-skilled labour.

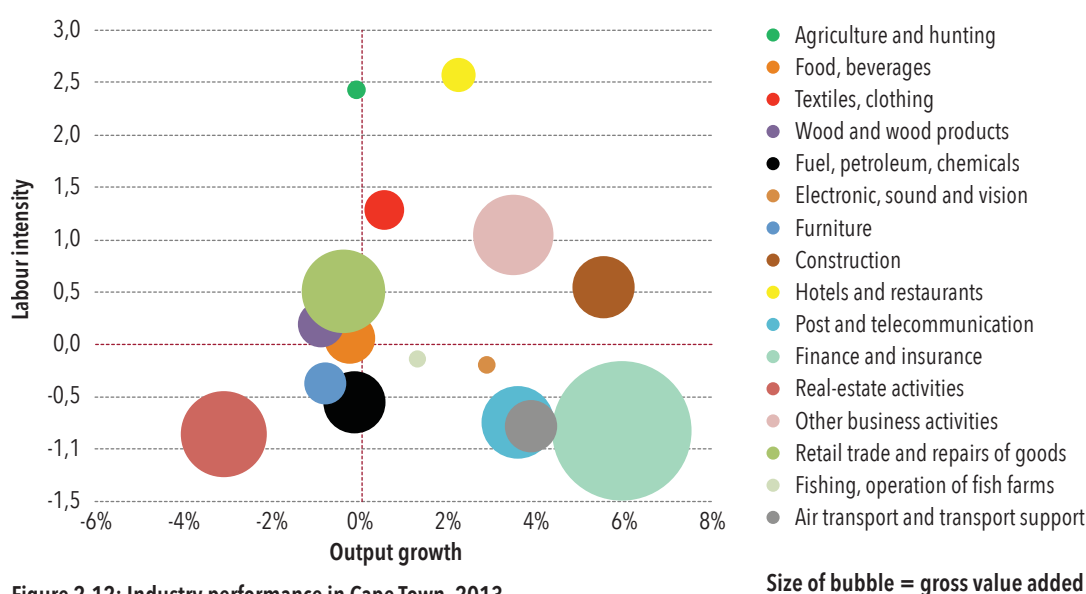


Figure 2.12: Industry performance in Cape Town, 2013

Source: City Economic Development Department calculations, based on Global Insight ReX Regional data, 2014

36. McKinsey Global Institute, 2012:3.



The City formulated an Investment Incentives Policy in 2013. This policy aims to incentivise private-sector employment creation through new investments or the expansion of existing investments in the city.

To be eligible for incentives, these investments must be in a sector that enhances the value-added production capacity. The policy is explicit in targeting manufacturing-sector investment: "The proposed investment (except where otherwise stated in the priority sector list) should be located in the manufacturing sector."

FDI Intelligence,³⁷ the Cape Town industry that had the largest number of projects receiving FDI from 2003 to 2013 was business services, with 34 projects, while the communications industry recorded the highest value of FDI (R8 billion) in that period. This attests to the attractiveness of these industries, and explains their above-average growth rates.

Unfortunately, a number of the fast-growing industries are below 0 on the y-axis in figure 2.12, indicating that they are capital-intensive as opposed to labour-intensive. This is true of post and telecommunications as well as finance and insurance. Industries that are both fast-growing and labour-intensive – and therefore offer good opportunities for employment creation – are construction, business services (especially business process outsourcing), and hotels and restaurants (a good proxy for tourism). While these industries, particularly business process outsourcing and tourism, may be labour-intensive, they nevertheless require a higher level of skills (particularly "soft skills") than certain manufacturing industries. As such, in order to harness the full employment-creating potential of these sectors, Cape Town needs to broaden its skills base. Investing in skills and targeting fast-growing and labour-intensive tertiary industries should help Cape Town negotiate the gap that has emerged between its high-skilled tertiary-sector growth path and its excess supply of low-skilled labour.

Another approach to the apparent de-industrialisation occurring in Cape Town, and its employment-related implications, is to revitalise the manufacturing sector through strategic investments in infrastructure (which will be discussed in the next section) as well as through direct incentivisation. With regard to the latter, and in line with the

Economic Growth Strategy, the City formulated an Investment Incentives Policy in 2013. This policy aims to incentivise private-sector employment creation through new investments or the expansion of existing investments in the city. To be eligible for incentives, these investments must be in a sector that enhances the value-added production capacity. The policy is explicit in targeting manufacturing-sector investment: "The proposed investment (except where otherwise stated in the priority sector list) should be located in the manufacturing sector."³⁸ The focus of the policy is on the incentive levers within the City's constitutional mandate. These relate to reduced approval times, simplified application processes, single-point development facilitation, the provision of investment information, as well as a limited range of indirect financial incentives, including reduced electricity tariffs.

The implementation of this policy in the industrial area of Atlantis already seems to be yielding tangible results. The uptake of the electricity tariff subsidy incentive has been over R3,8 million since the implementation of the policy over a year ago, and has enabled businesses to avoid laying off staff despite challenging economic conditions. The implementation of the policy in this area has also generated significant investment interest in the region.

While some successes have been recorded at the local level, it remains to be seen whether national and local policies that lean against the global trend of urban de-industrialisation will generate blue-collar employment at a scale commensurate with the energy and resources directed towards this effort. Furthermore, it also remains to be seen whether the current policy emphasis on ever-deepening industrial incentives will act as a panacea for a highly regulated and unpredictable labour environment.

37. Financial Times Ltd, 2014.

38. City of Cape Town, 2013b.

8. Leveraging strategic infrastructural assets

Attracting renewed investment to the manufacturing industry requires a holistic facilitative approach, which goes beyond mere incentive provision or investment promotion. One crucial component of this approach is the development and maintenance of world-class infrastructure. Manufacturing businesses base their location decisions in part on the ease with which they can get their products to the market. This includes an efficient rail system, well-maintained and high-capacity highways, fast broadband connectivity, an effective sea port and a well-connected airport. The state of these assets and South Africa's infrastructure more broadly has been a key focus of the National Development Plan, and has also resulted in the identification of 18 strategic infrastructure projects aimed at harnessing economic growth through infrastructure development. The City's Economic Growth Strategy also notes the relationship between infrastructure and economic growth, and recognises that "the City's approach to future infrastructure development will be a critical component of its objective of achieving an Opportunity City".³⁹

Over the last 20 years, the City has been actively involved in securing and developing its economic assets. Since 1994, key economic assets such as the Cape Town International Convention Centre (CTICC), the Cape Town Film Studios and an extensive broadband network have been developed in collaboration with strategic partners. These economic assets have underpinned growth in some of the city's key sectors, and enhanced the city's ability to attract investment. In addition to supporting the development of the meetings, conventions, conferencing and exhibitions industry as well as the film industry, the CTICC and the film studio play an important role in show-

casing Cape Town both in general and as an investment destination. The broadband network is especially important in terms of the development of the business process outsourcing (BPO) industry, which, with its low barriers to entry in terms of skills requirements, has a key role to play in alleviating youth unemployment.

However, it is the port and airport that are particularly critical to the efficient and effective functioning of Cape Town's economy in its current form. The following two sections examine how these two pieces of key infrastructure have performed in the last 20 years.

8.1 The Port of Cape Town

The capacity of sea ports to handle increasing container traffic is a crucial factor in creating a competitive location for manufacturing-sector investments. While raw commodities are typically exported as bulk or break-bulk cargo, value-added manufactured products are exported in containers. As such, manufacturing-sector investors will be drawn to locations that are situated close to efficient, cost-effective container-handling ports. This is particularly relevant in the context of the rising consumer demand for products. It is estimated that the capacity of ports will have to increase by more than 2,5 times from the current level to handle projected future container-handling volumes.⁴⁰ This will require \$200 billion worth of investment in capacity expansion at ports by 2025, 85% of which will be in emerging markets.

The Port of Durban is South Africa's main container-handling port, and contributed more than half (60%) of the total containers handled in South African ports in the fourth quarter of 2013 (figure 2.13). Although the Port of Cape Town is the second-busiest container-handling



● ● ●

The capacity of sea ports to handle increasing container traffic is a crucial factor in creating a competitive location for manufacturing-sector investments. While raw commodities are typically exported as bulk or break-bulk cargo, value-added manufactured products are exported in containers.

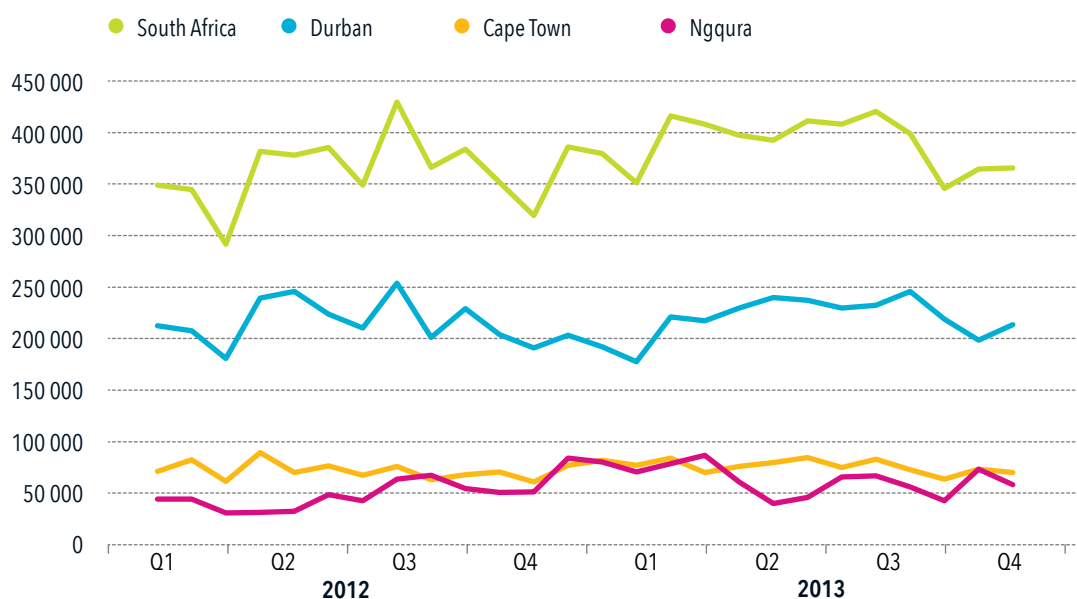


Figure 2.13 Total containers handled (twenty-foot equivalent units) – South Africa and Cape Town, 2012-2013

Source: Transnet National Ports Authority, May 2014.

39. City of Cape Town, 2013a.

40. McKinsey Global Institute, 2012:8.



● ● ●

Cape Town International Airport, voted the best airport in Africa in 2013,⁴¹ is South Africa's second-busiest airport, but the relative lack of international connections at Cape Town International affects the city's ability to be a truly globally fluent city.

port in the country, it handles far fewer containers than Durban, and accounted for only 19% of all containers handled in South African ports in the fourth quarter of 2013. Over the past few years, the Port of Cape Town has appeared to be losing some ground to the Port of Ngqura (located between Port Elizabeth and East London), which has recorded a large increase in containers handled. As an indication of this, the number of containers handled by the Port of Ngqura over the past year grew by a robust 38,2%, compared to a moderate 7,9% growth for the Port of Cape Town. As a large, relatively new and purpose-built port, Ngqura may overtake the Port of Cape Town with regard to container handling in the near future due to capacity constraints in the Port of Cape Town. This may in turn lead to a shifting of manufacturing industries to the Port Elizabeth area. Therefore, the City needs to engage with Transnet to ensure that capacity constraints in the Port of Cape Town do not hamper growth in the manufacturing sector within the city and its region.

The nearby Port of Saldanha has recently been designated as an industrial development zone (IDZ), which will soon be converted into a special economic zone with a specific focus on the oil and gas industry. While the most of the heavy engineering associated with the maintenance and repair of rigs will take place in Saldanha, a number of oil and gas companies have located their administrative office in Cape Town itself. A second IDZ focused on the development of green technology is in the process of being established in Atlantis. Although the manufacturing activity expected to take place as a result of this will initially be targeted at the domestic market, it is well located for future export activities through the Port of Saldanha.

8.2 Cape Town International Airport

In a globalised economy, connectivity with the rest of the world is paramount for investors in all types of industries. In this regard, international airports are increasingly important strategic assets for cities. The number of international connections from a region's airport is a critical competitiveness factor for a region, and is seen as one of the traits of a globally fluent city.⁴¹

Cape Town International Airport, voted the best airport in Africa in 2013,⁴² is South Africa's second-busiest airport, and recorded 2,25 million total passenger movements in the fourth quarter of 2013, compared to 4,89 million passenger movements at OR Tambo and 1,14 million at King Shaka International (Durban) during the same period (refer to figure 2.14 for total passengers). The disparity between OR Tambo and Cape Town international airports is a result of ACSA's strategy of using OR Tambo as the international hub airport for South Africa. Consequently, international arrivals to Cape Town International constituted only 19% of the airport's total passenger arrivals in 2013. In contrast, in the same period, OR Tambo's international arrivals constituted 49% of its total passenger arrivals. The relative lack of international connections at Cape Town International affects the city's ability to be a truly globally fluent city. In particular, Cape Town's two labour-intensive comparative advantages, namely tourism and BPO, require excellent international connectivity. Other sectors important in the economy of Cape Town's rural hinterland, such as agriculture, also require well-functioning air links, particularly with regard to time-sensitive export products. For Cape Town to truly exploit its potential as a global city, it needs to attract more international flights, which will require ongoing discussions with ACSA regarding its international hub strategy.

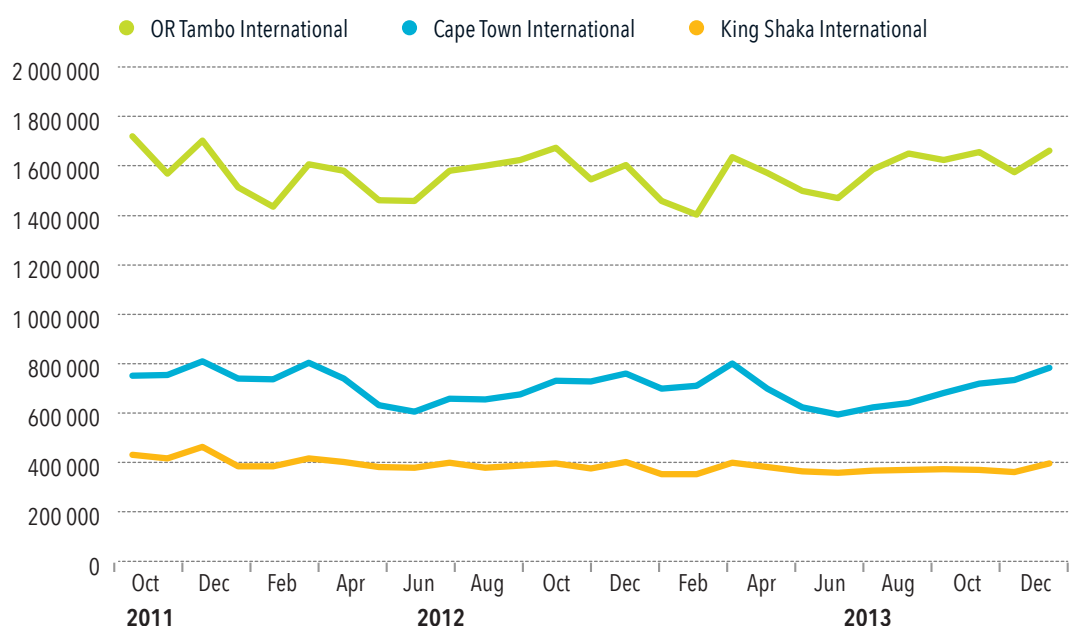


Figure 2.14: Total passengers at South Africa's major airports, 2011-2013

Source: ACSA, May 2014.

41. Clark & Moonen, 2014:33.

42. Airports Company International, 2013.

9. Spatial characteristics of Cape Town's economy

While the previous sections dealt with Cape Town's place in the national and global economy, submetro economic dynamics are another important consideration when reflecting on how the city's economy has grown, changed and developed since 1994.

The City of Cape Town tracks the performance and potential of 59 business precincts in its area of jurisdiction. Of these 59 precincts, 23 are exclusively commercial, 18 are exclusively industrial, and 18 exhibit a combination of industrial and commercial activities. Approximately 90% of non-residential building development has occurred in these business precincts since 2005.⁴³ The following review of submetro dynamics is based on data collected as part of this development process.⁴⁴ Figure 2.15 below illustrates the location of these precincts.

9.1 City-wide trends before 2000

At the turn of the 20th century, industry in Cape Town clustered around the central business district (CBD), followed by Woodstock and Salt River. With the increasing scale of manufacturing plants in the mid-century, the search for larger, cheaper even led to the opening up of specialised industrial areas in Maitland, Paarden Eiland, Epping and, later on, the eastern edge of the city in Brackenfell and Blackheath Industria. Due to the largely industrial nature of this development, rail access was an important determinant of location. The Atlantis area was also developed in the 1970s as a social engineering intervention, which provided residential and industrial op-

portunities for the Coloured population. The 1980s were dominated by rapid growth of Montague Gardens, followed by development of smaller industrial hives, such as Blackheath and Elsies River Industria.

The 1990s saw continued yet slow growth in demand for larger manufacturing sites in specialised peripheral estates, such as Brackenfell and Blackheath, which were characterised by cheaper land and good road access. Growth in warehousing and storage facilities took place near the international airport, and built on rapid light-industrial growth in nearby industrial areas with a high level of road access, such as Montague Gardens and Kilarney Gardens. Meanwhile, the northern metropolitan region attracted high-tech, specialised and niche industries requiring specialised premises.

9.2 Citywide trends since 2000

Building development growth and economic growth have largely tracked each other, as figure 2.16 (overleaf) suggests. This makes sense, as growth in firms creates a demand for space. Between 2000 and 2011, Cape Town's industrial GVA grew by R9,3 billion,⁴⁵ R5,6 billion of which was in manufacturing and R3,672 in transport and storage. This growth in industrial activity corresponded with the completion of an additional 3,6 million m² of gross internal floor space. This increase in floor space is roughly equivalent to the addition of an industrial area three times the size of Montague Gardens.

During the same period, economic sectors that are largely office-based, including finance, insurance, real-estate and business services; personal services, and gen-



The growth in industrial activity corresponded with the completion of an additional 3,6 million m² of gross internal floor space. This increase in floor space is roughly equivalent to the addition of an industrial area three times the size of Montague Gardens.

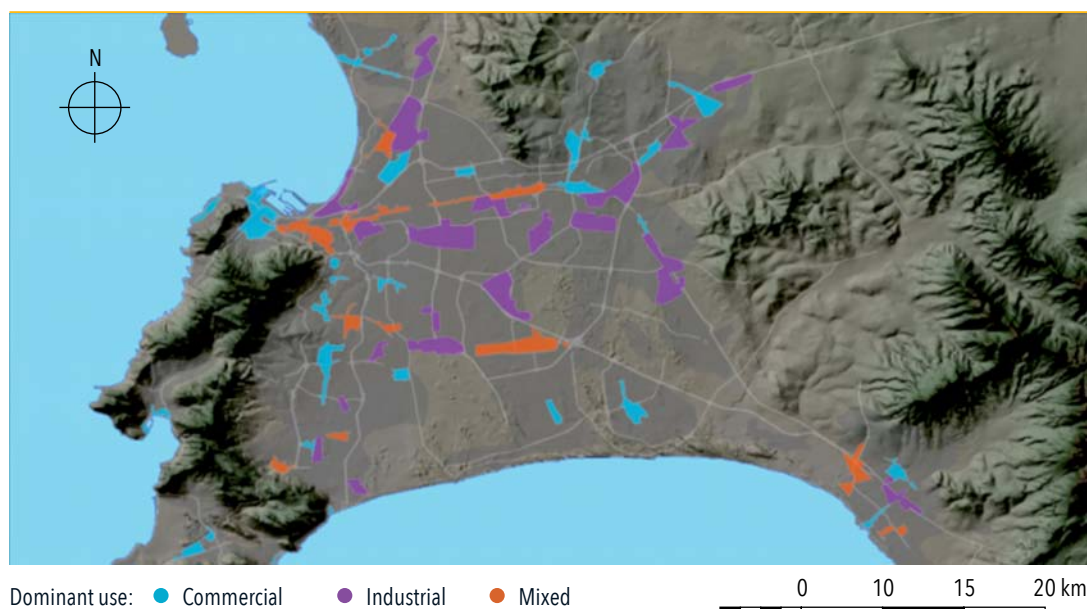


Figure 2.15: Business precincts by dominant use⁴⁵ in Cape Town, 2014

Source: City of Cape Town Economic Areas Management Programme, 2014c.

43. With the exception of retail, which is more geographically dispersed.

44. A note on sources: Uneven data quality over time precludes a comprehensive longitudinal analysis of spatial economic trends for the entire period under review (1994-2014). In order to explore the development of Cape Town's spatial economy, the following City documents are mainly relied on: pre-1993 – "Survey of Industrial Activities

in the Cape Metropolitan Area"; 1993-2003 – "Review of the Metropolitan Spatial Development Framework", and 2005 – data from the Economic Areas Management Programme spatial information platform.

45. Derived from split in internal floor space.

46. Constant 2005 prices.

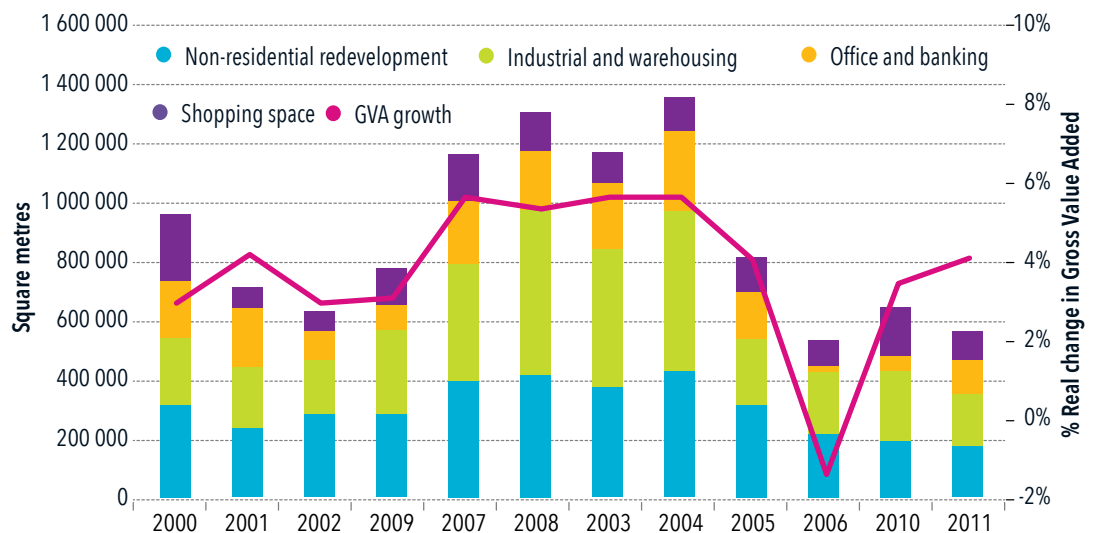


Figure 2.16: Economic growth and building development in Cape Town, 2000-2011 – Gross internal floor space added

Source: City of Cape Town Economic Areas Management Programme.

● ● ●

An analysis of market performance and urban growth indicates that unprecedented growth of low-income households in the south-east metro has not stimulated significant inward investment in formal economic activity.

eral government grew by a total of R36,9 billion. This growth corresponded with the completion of 1,82 million m² of new office and banking space since 2000. This increase is roughly equivalent to the addition of three Bellville CBDs to the city's urban fabric. As highlighted earlier, this attests to the growing importance of the tertiary sector to Cape Town's economy.

9.3 Overall performance and urban growth

Property market performance (such as low vacancies, strong rental growth, building development and sales churn) is driven by a number of locational factors, including economic agglomeration and visitor spend (such as in the CBD), access to regional gateways (such as Airport

Industria, Blackheath and Brackenfell) and growing middle-income consumer markets (such as Century City, Tygervalley, Durbanville, and Somerset Mall).

However, an analysis of market performance and urban growth (figure 2.17) indicates that unprecedented growth of low-income households in the south-east metro has not stimulated significant inward investment in formal economic activity. In addition, business precincts located in established middle-income residential areas exhibit only moderate performance. Further quantitative research into the size and geographic distribution of informal and home-based economic activity remains essential for a more nuanced understanding of the urban economic system.

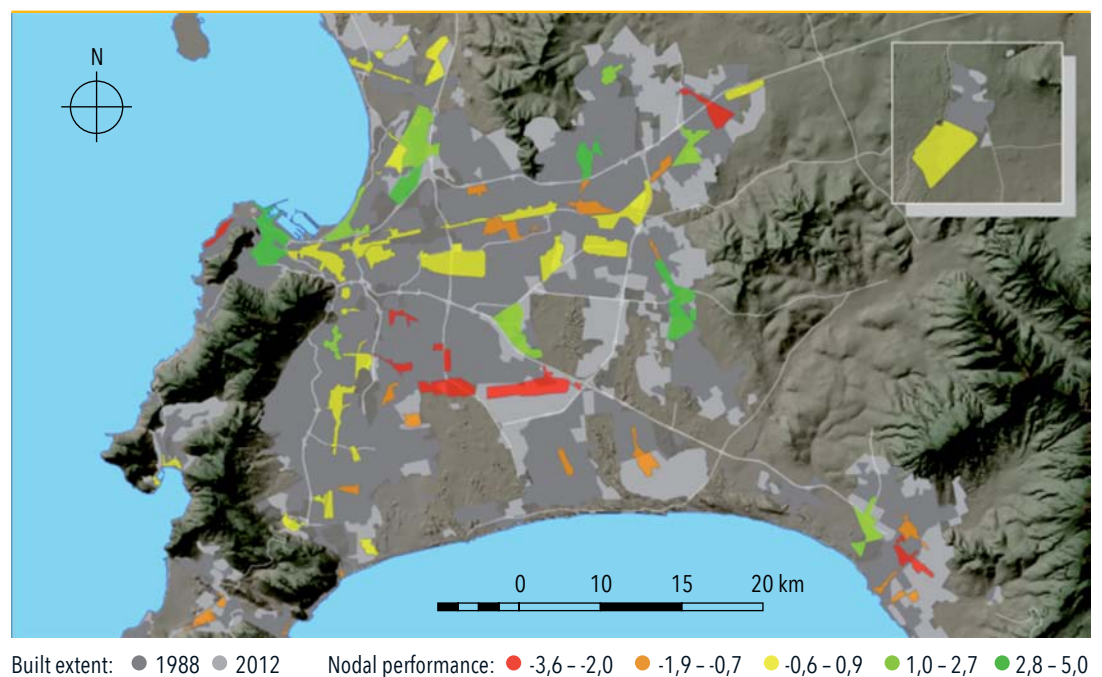


Figure 2.17: Property market performance and urban growth⁴⁷ in Cape Town, 1998 and 2012

Source: City of Cape Town Economic Areas Management Programme, 2014c.

47. Composite performance is derived from a weighted combination of rental, vacancy, building development and property sales indicators.

9.4 Industrial growth

Two thirds of the over 2 million m² of industrial space added in Cape Town since 2005 are concentrated in nine of the 36 industrial and mixed-use nodes. More than a third (36%) of overall industrial development occurred in only three nodes, namely Blackheath (16%), Brackenfell (13%) and Airport Industria (7%) (figure 2.18). It may be said that these fast-growing nodes are challenged by their own success, in that further growth along the eastern periphery of the metropolitan region and around the airport is increasingly constrained by mounting infrastructure challenges.

On the other end of the spectrum, very high levels of vacancy and limited private-sector investment persist in industrial areas perceived as inaccessible (Atlantis) or dangerous (Philippi). It is too soon to assess whether a combination of cheap and extensive vacant land, coupled with area-based City initiatives aimed at stimulating investor interest in these areas, will translate into a more spatially balanced pattern of industrial development.

On the back of technological improvements in logistics, the consolidation and vertical integration of distribution networks, the modal shift from rail to road, and transport cost factors, the restructuring of the regional freight logistics system since 1994 has led to the proliferation of warehousing and transport-related development, coupled with the displacement of productive industrial activities. This is also reflected in the rapid GVA growth recorded for the transport, storage and communications sector (5,5%) between 1996 and 2012. However, there is concern that well-located industrial areas, which are seen as the drivers of blue-collar employment creation, are in fact growing whilst shedding jobs: the employment density of new warehouses has declined to

as low as 80m² per employee, while mechanisation in light manufacturing has seen employment densities decline from 32m² to 47m² since 2001.⁴⁹

Furthermore, industrial areas are experiencing intrusion from commercial and retail functions. This tendency is particularly noticeable in highly accessible areas such as Salt River, Paarden Eiland and Marconi Beam. This dynamic drives up rentals and the cost of land to the point where marginal and job-intensive manufacturing activities are displaced, while simultaneously aggravating congestion, which may encourage even the more profitable industrial firms to relocate elsewhere.

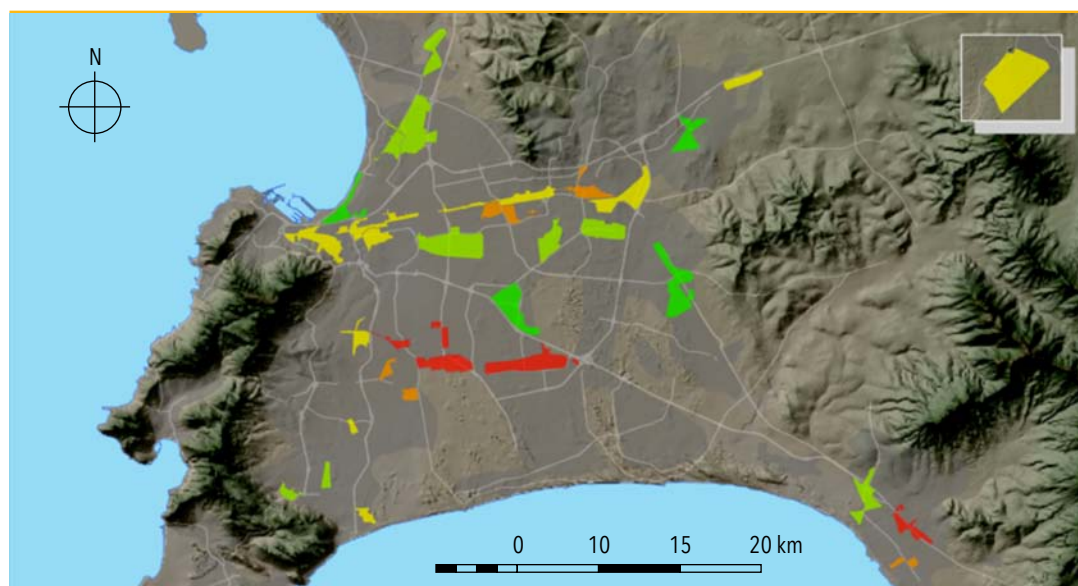
9.5 Commercial growth

Whereas varying degrees of sensitivity to land prices have pushed land-extensive forms of industrial activity to the eastern and northern periphery of the city, commercial building development shows a much greater sensitivity to amenity, a safe physical environment and proximity to skilled workers. These locational requirements contribute to greater spatial concentration in a limited number of nodes. Since 2005, two thirds (65%) of new office developments have concentrated in only four of the 41 office nodes across the city, namely Century City (25,5%), Tygervalley (21,8%), Salt River (10,7%) and the CBD (6,8%)⁵⁰ (figure 2.19 overleaf).

The fact that the so-called decentralised nodes (i.e. Century City, Tygervalley) are surpassing the CBD in terms of new office development reflects a long-term shift towards a polycentric city, and raises challenging yet exciting questions about re-imagining the future role of the CBD as a high-density mixed-use precinct. These fast-growing decentralised nodes are not only responding to

● ● ●

The fact that the so-called decentralised nodes (i.e. Century City, Tygervalley) are surpassing the CBD in terms of new office development reflects a long-term shift towards a polycentric city, and raises challenging yet exciting questions about re-imagining the future role of the CBD as a high-density mixed-use precinct.



Composite score: ● -3,6 – -2,0 ● -1,9 – -0,8 ● -0,7 – 0,3 ● 0,4 – 1,6 ● 1,7 – 3,6

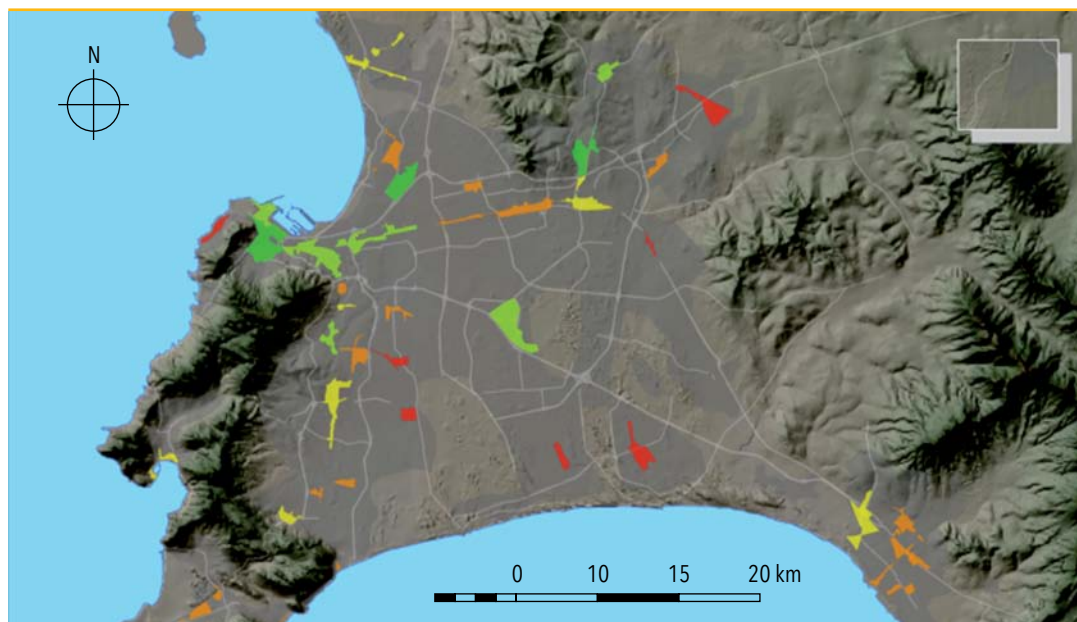
Figure 2.18: Performance of industrial property market in Cape Town, 2005-2013⁴⁸

Source: City of Cape Town Economic Areas Management Programme, 2014c.

48. Industrial performance is derived from a weighted combination of industrial rentals, industrial building activity, industrial vacancy and industrial land sales.

49. Arup Economics and Planning, 2001; Central City Improvement District, 2012.

50. As measured by internal floor area. See City of Cape Town, 2014c.



Composite score: ● -2,4 - -1,5 ● -1,4 - -0,4 ● -0,3 - 0,6 ● 0,7 - 2,3 ● 2,4 - 5,0

Figure 2.19: Performance of commercial property market in Cape Town, 2005-2013⁵¹

Source: City of Cape Town Economic Areas Management Programme, 2014c.

It is anticipated that the city's commercial nodes will become ever more important as drivers of employment growth, especially in light of the broader long-term structural transition away from conventional manufacturing towards services.

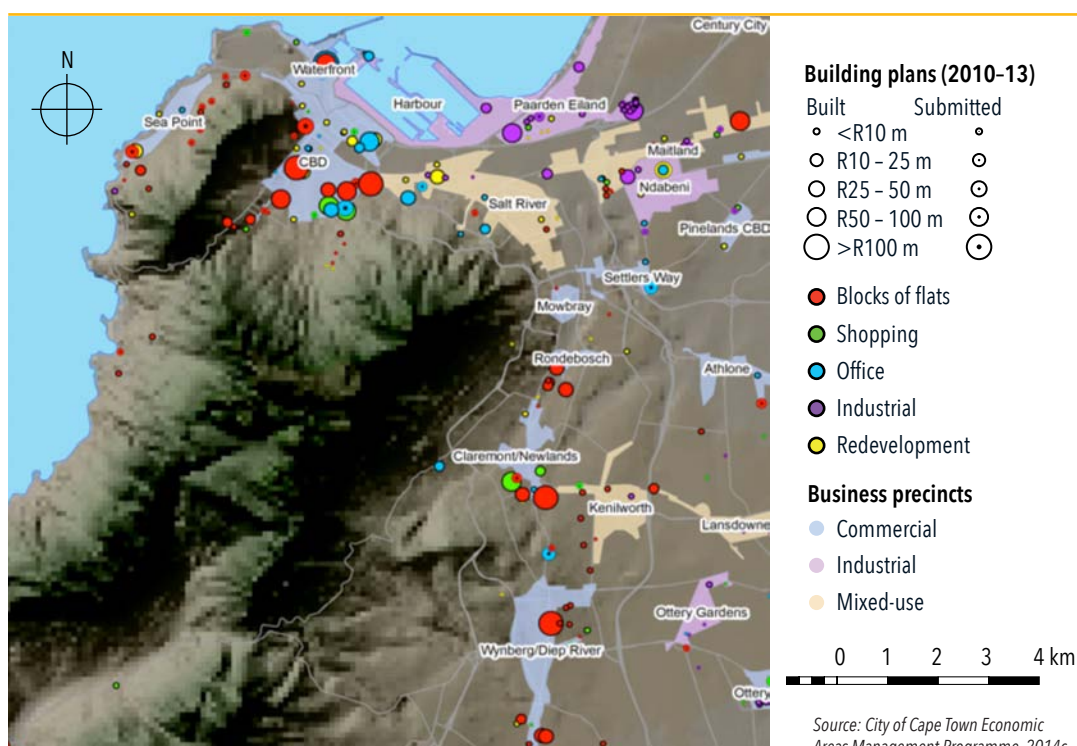


Figure 2.20: Residential intensification in established office nodes in Cape Town, 2010-2013⁵²

newly created demand for office space, but – amid lacklustre economic conditions – are displacing demand from more established nodes, such as the CBD and Claremont. This shift, coupled with a global trend towards denser, transit-oriented residential living, is creating interesting possibilities from an urban sustainability perspective.

Figure 2.20 suggests a recent uptick in medium-density to high-density residential development in areas that were formerly geared exclusively towards office functions. This transition towards mixed-use living is not limited to the CBD, but also extends southwards along the passenger rail corridor.

51. Commercial performance is derived from a weighted combination of office rentals, office and banking building activity, office vacancy and non-residential property sales.

52. Includes building plans completed and building plans submitted between 2010 and 2013.



Whereas employment densities in industrial areas are declining due to structural and technological change, employment densities in office nodes have risen by as much as 25% in new buildings (from 23 m² to 16 m² per employee).⁵³ This probably reflects the increase in labour-intensive business services, such as BPO, and the uptake of the increasingly popular practice of office-sharing. As suggested in the ONECAPE2040 vision, it is therefore anticipated that the city's commercial nodes will become ever more important as drivers of employment growth, especially in light of the broader long-term structural transition away from conventional manufacturing towards services. However, the challenge remains to equip the large pool of unskilled labour with the skills to participate in this new economy.

10. Continuity and change: Cape Town's economic outlook

From an economic development perspective, Cape Town has a good story to tell in respect of the last 16 to 20 years. The city's economy has grown faster than the national average over this time, while GDP per capita remains significantly higher than the national figure, and continues to grow. Employment also increased by 238 915 jobs between 2005 and 2013, which in turn raised the level of human development (as measured by the HDI) from 0,69 to 0,72. In some ways, however, Cape Town has been a victim of its own success: Strong economic and employment growth continues to fuel inward migration of job seekers, swelling the size of the labour force.

As in the rest of the country, the inability of employment growth in Cape Town to accommodate this increase

in the labour force, has resulted in an increase in the unemployment rate. While Cape Town's labour market may generally be significantly more inclusive than that of the rest of the country, it is not currently on par with Cape Town's emerging-city peers. In order to increase economic opportunities in Cape Town, the City needs to take a strategic approach in developing its comparative and competitive advantages, especially in its labour-intensive sectors.

A dampened level of consumer confidence, as forecast by the Bureau of Economic Research,⁵⁴ is likely to have a negative effect on Cape Town's economy, which is heavily invested in tertiary-sector industries, in the short to medium term. However, achieving a suitably higher future growth trajectory for Cape Town will depend on the city's ability to increasingly realise the opportunities associated with the industries in which it has some comparative advantages – namely tourism, finance and business services, agro-processing, creative industries, and oil and gas – and to effectively attract new investment to these industries. One also needs to be mindful of the gap between a large and increasing low-skilled pool of excess labour, and the demands of skills-intensive, fast-growing services industries. Two labour-intensive yet fast-growing industries within Cape Town are BPO and tourism. Both are externally focused, and therefore have the potential to benefit from improving global conditions and a weak rand. The City needs to implement supportive strategies to help create an enabling environment for the growth of these and other comparative-advantage industries in the city.

A key characteristic of a globally fluent city is its responsiveness and adaptability to changing global dynamics.

● ● ●

Achieving a suitably higher future growth trajectory for Cape Town will depend on the city's ability to increasingly realise the opportunities associated with the industries in which it has some comparative advantages – namely tourism, finance and business services, agro-processing, creative industries, and oil and gas – and to effectively attract new investment to these industries.

53. Cape Town Central City Improvement District, 2012.

54. BER, 2014.



● ● ●

Cape Town has been described as one of three international cities (the others being Sydney and Barcelona) who have become destination cities for global talent due to their strong scenic and lifestyle appeal and a pronounced sense of place.

These cities “manage (and often embrace) rather than resist change, believing their ability to adapt and evolve will keep them at the forefront of the global economy”.⁵⁵ In this respect, Cape Town’s ability to exploit the following opportunities will differentiate it from other South African metros as an investment destination, and will contribute to it becoming one of the emerging mid-sized city pace-setters in the global economy:

- Exploiting a favourable export climate brought about by the weakening of the rand and a recovery by the city’s European trading partners
- Diversifying its export markets and more intentionally targeting the emerging African consumer through the export of high value-added consumer products
- Investing in fast-growing labour-intensive service industries, and matching the demand for skills emanating from these industries with the supply of skills among the labour force
- Leveraging its tertiary institutions and lifestyle appeal to attract global talent and head-office investments. Cape Town has been described as one of three international cities (the others being Sydney and Barcelona) who have become destination cities for global talent due to their strong scenic and lifestyle appeal and a pronounced sense of place.⁵⁶ The city needs to exploit this global reputation to increasingly attract investment and human capital.
- Positioning itself as a hub for the downstream servicing of the oil and gas industry, which is rapidly expanding along the west coast of Africa
- Attracting investors through targeted investment incentives and increased regulatory efficiency
- Ensuring that the physical environment in which businesses operate is conducive to re-investment and growth by ensuring and maintaining a minimum level of economic infrastructure, including bulk infrastruc-

ture, roads and public transport, street lighting, landscaping and safety features

An analysis of the submetro economic dynamics in Cape Town highlights the growing spatial divergence between dispersive public-sector investment and agglomerative private-sector investment. This means that while private-sector investment and the concomitant employment growth have increasingly concentrated in a handful of existing nodes, the public sector’s attempts to duplicate these conditions for similar investment have had limited success and have been at the expense of maintaining and managing existing assets.

This phenomenon suggests that the future of large cities such as Cape Town is to a large extent linked to the future of existing business precincts. Therefore, all stakeholders – those making policy as well as those executing it – need to identify and leverage private-sector investment off existing location potential, whilst ensuring that new employment opportunities are accessible to job seekers through universal services (such as quality education and basic services) and affordable public transport that connects thriving business nodes with the rest of the city.

The 20 years since the advent of democracy have seen Cape Town grow and develop in response to a wide range of economic dynamics and influences. The city has had to find its economic role in relation to its own comparative advantages as well as those of eThekweni and the Gauteng cluster of metros. National policy has also influenced the choices and options available in terms of Cape Town’s economic development. Last but not least, global events such as 9/11 and the sub-prime crisis in the United States, which had precipitated the 2008 recession, have also left their mark on the Cape Town economy. In facing these challenges along with the opportunities they present, the city finds itself well positioned to continue to grow and develop for the benefit of all its citizens.

55. Clark & Moonen, 2014:27.

56. Idem, p. 47.



Chapter 2 reference list

- Airports Company International. 2013. Available at <http://www.aci.aero/Airport-Service-Quality/ASQ-Awards/2013-Winners/Best-Airport-By-Region/Africa>.
- Airports Company South Africa (ACSA). 2014. Passenger Movements.
- Arup Economics and Planning, 2001. "Employment Densities: A Full Guide." London.
- Bureau of Economic Research (BER). 2014. 2013 Q4 GDP Growth.
- Cape Town Central Improvement District, 2012. "Central City Employment Density Survey Feedback Report". Cape Town.
- Centre for Development and Enterprise (CDE). 2014. Cities of Hope: Young People and Opportunities in South Africa.
- City of Cape Town. 2013a. Economic Growth Strategy. Cape Town. Available at <http://www.capetown.gov.za/en/IDP/Documents/EconomicGrowthStrategy.pdf>
- City of Cape Town. 2013b. Investment Incentives Policy. Cape Town. Available at http://www.capetown.gov.za/en/Planningportal/Documents/Policy_Investment_Incentives_Policy_Aug_2013.pdf
- City of Cape Town. 2014a (forthcoming). Census 2011 – Cape Town Migration – New Arrivals. Cape Town
- City of Cape Town. 2014b. EPIC – Economic Performance Indicators for Cape Town, 4th Quarter 2013. Cape Town.
- City of Cape Town. 2014c. Economic Areas Management Programme (ECAMP) data platform. Cape Town.
- Clark, C. & Moonen, T. 2014. The 10 Traits of Globally Fluent Metro Areas in Global Cities Initiative. Brookings Metropolitan Policy Program. Available at http://www.brookings.edu/~media/research/files/reports/2013/06/26-global-metro-traits/the_10_traits_of_globally_fluent_metro_areas.pdf
- Department of Trade and Industry. 2013. Special Economic Zones Bill. Government Gazette No 36203, 1 March.
- Economist Intelligence Unit (EIU). 2012. Hot spots: Benchmarking global city competitiveness. The Economist Intelligence Unit Limited 2012.
- Financial Times Ltd. 2014. Foreign Direct Investment [FDI] Intelligence. London. Available at www.fdimarkets.com.
- Grant Thornton. 2014. Research on the Monitoring of Trends on the Economic Value of Tourism in Cape Town. Commissioned by the City of Cape Town. Cape Town.
- IHS Global Insight. 2014. ReX regional data. ReX Regional Explorer.
- International Monetary Fund (IMF), 2014, World Economic Outlook Update: April 2014, Washington DC
- Kaplan, D. 2013. Policy Gridlock, in CDE Focus. The Centre for Development and Enterprise: Johannesburg.
- McKinsey Global Institute. 2012. Urban world: Cities and the rise of the consuming class. Available at http://www.mckinsey.com/~media/McKinsey/dotcom/Insights%20and%20pubs/MGI/Research/Urbanization/Urban%20world%20-%20Rise%20of%20the%20consuming%20class/MGI_Urban_world_Rise_of_the_consuming_class_Full_report.ashx
- National Department of Economic Development. 2010. New Growth Path. Pretoria. Available at <http://www.economic.gov.za/communications/publications/new-growth-path-series/download>
- National Planning Commission (NPC). 2011. Diagnostic Overview. Department of the Presidency: Pretoria.
- National Planning Commission (NPC). 2012. National Development Plan 2030: Our future – make it work. Department of the Presidency: Pretoria.
- SALGA (South African Local Government Association) 2012. Making the Informal Economy Visible. In Municipal Guidelines for Informal Economic Policy. Available at <http://ledna.org/links/making-informal-economy-visible-municipal-guidelines-informal-economy-policy-south-africa>
- Statistics South Africa. 2014. Quarterly Labour Force Survey – 4th Quarter 2013. Pretoria.
- The South African LED Network. 2013. Informal Economy. Available at <http://led.co.za/topic/informal-economy>.
- Trading Economics, 2014, accessed at: <http://www.tradingeconomics.com>
- Transnet National Ports Authority of South Africa. 2014. Transnet Port Terminals: Port Statistics.
- United Nations Conference on Trade and Development (UNCTD). 2013. World Investment Report: Global Value Chains: Investment and Trade for Development. United Nations: Switzerland

● EXPERT ANALYSIS

The business vision – Cape Town as Africa's leading city

Chris Whelan

Chief Executive Officer
Accelerate Cape Town

The vision of Cape Town's business community is to transform the Cape into Africa's leading city of innovation and inspiration. To this end, corporate firms are working actively to help enhance the 'city vitals' (CEOs for Cities, 2012), or globally acknowledged imperatives for successful cities, namely talent, connectedness, innovation and distinctiveness. Business also constantly builds mutually beneficial relationships with small and medium enterprises, the public sector and higher education. At all times, these efforts are underpinned by Cape enterprises' significant economic contribution.

Equally important is the combined impact of corporate firms' sustainability programmes and social investment initiatives. Enterprise sustainability strategies are starting to extend beyond electricity savings and green building projects to social stewardship and responsible governance, for example. The majority of the Cape's financial services firms have implemented, or are in the process of implementing, responsible insurance and/or investment policies. Going forward, sustainability reports are expected to focus less on what's been done and more on the quantifiable outcomes achieved.

Talent

One of the 'city vitals' to which Cape enterprises actively contribute is that of education, skills transfer and capacity building. When considering the role of business in helping to grow a robust, sustainable and skilled city, it is important to remember that all the Cape's development goals are growth-dependent. Business generates wealth through profit growth, as primary consumers of services and by enabling capacity building and skills transfer. Its contribution to skills development also significantly strengthens Cape Town's capability for innovation, without which the city will remain unable to reach its growth potential.

The Cape's business community – with its unique ability to demonstrate that the city is "open for business" and the ideal location in which to base South African and African operations, whether commercial, research and development-focused or other – further plays a critical role in attracting new multinational corporations (MNCs) to the Cape. Additionally, by 2012, 55% of South African government revenue was derived from corporate firms in the way of profits and taxes (Kantor & Holland, 2014). The same applies in Cape Town, and this contribution, which is largely applied to development programmes, is immediately limited by the rate of economic growth. In other words, enabling "corporate Cape Town" to pursue vigorous growth and profit targets is good for both business and society simultaneously.

High education standards and relevant education programmes are key to addressing the jobs/skills mismatch and to achieving the inclusive growth needed to help ensure better living standards. For this reason, larger firms typically offer attractive study incentives, run progressive internship and coaching programmes, etc. Of critical importance is the need to promote and measure social mobility, or the ability to climb the social ladder and for employees to earn more than their parents. As weak social mobility can signal a lack of equal opportunities as well as constrained productivity, both of which curb economic growth, it is essential to accurately track and measure this indicator. Upward social mobility depends on a range of factors, including individual ability, family and social environments, networks and attitudes. Crucially, however, public action – particularly education – can play a key role in helping people to achieve and grow.

Innovation

Cape Town is Africa's most innovative city (Innovation Cities Programme, 2013a, 2013b) and also the 2014 World Design Capital. To monetise its capabilities, an opportunity exists for the city to transform itself into a 'living lab' in which African solutions are developed – and commercialised – to address African health and other problems. Already in progress are UCT's H3-D drug discovery lab, which is focused on pharmaceutical innovation; CPUT's satellite application for the agricultural sector; and exciting private sector efforts in the generation and storage of renewable energy. Such initiatives are not only meaningful in their own right, but also act as strong attractors of rare talent to aid skills development. Given that governments do not create jobs or value, it is essential to create an environment in which the business community can monetise local innovation and encourage global FDI inflows.



●

The Cape's business community – with its unique ability to demonstrate that the city is "open for business" and the ideal location in which to base South African and African operations – further plays a critical role in attracting new multinational corporations.

●

Connectedness

Being globally oriented and connected is crucial to success in a globalised world. The National Development Plan (NDP) specifically speaks to urbanisation and globalisation. To leverage these trends, corporate Cape Town promotes connectedness through, among others, international and inter-Africa trade. It is central to business strategies designed to meet market needs and supports what should be one of Cape Town's foremost goals: to become Africa's leading digital, knowledge-dense and service-rich city. To this end, public-private partnerships that, among others, introduce "free-to-consumer" wifi broadband access would be particularly effective and the planned investments in fibre-optic cable and broadband for the Square Kilometre Array are visionary and strongly supported by the business community.

The Cape's major commercial nodes host MNCs and corporate industry-leaders in many fields, from retail to the creative industries, technology, finance and more. The metro is an important manufacturing base for a number of "known brand" MNCs that contribute meaningfully to job creation and regional GDP.

Distinctiveness

Cape Town's sea port, its easy access to continental markets via Cape Town International Airport, lifestyle benefits, excellent universities and solid infrastructure all lend it a distinct advantage over other African cities. The Cape is also a vibrant knowledge and services hub, exporting 22.5% of South Africa's services (Stats SA), and Africa's asset management centre. According to the International Congress and Convention Association (2013), Cape Town is still the number one destination for conferences in Africa. Together with its various representative and supporting bodies like Accelerate Cape Town, large enterprises have an important role to play in championing the city as Africa's 'business destination of choice'.

Corporate Cape Town plays a fundamental role, as it works to translate the Cape's commercial hope into reality and to establish the metro as a leading continental city.

References

- CEOs for Cities. 2012. City Vitals 2.0. <http://www.ceosforcities.org/city-vitals/research/city-vitals-2.0-2012>.
- Kantor, B & Holldan, D. 2014. "Without growth there would be no wealth to distribute", *Business Day*, 29 April. <http://www.bdlive.co.za/opinion/2014/04/29/without-growth-there-would-be-no-wealth-to-distribute>.
- Innovation Cities Programme. 2013a. Innovation Cities Emerging Index 2012-2013. <http://www.innovation-cities.com/innovation-cities-emerging-index-2012-2013/7245>.
- Innovation Cities Programme. 2013b. "Cape Town in South Africa was the top placed African city". Innovation Cities Indexes 2012-2013 media release. <http://www.innovation-cities.com/2012-innovation-cities-index-classification-ranking-of-city-innovation/7256>.
- Stats SA. www.statssa.gov.za.

Biography

Chris Whelan is the CEO of Accelerate Cape Town, a business think tank. Chris has extensive skills and experience as a management consultant and business strategist. He has worked both locally and internationally in the areas of strategic thinking, strategy development and business transformation. Before returning to South Africa to lead Accelerate Cape Town, Chris was chief knowledge officer for EY Knowledge (Asia Pacific). He specialises in the use of systems thinking, scenario planning and foresight development in performance improvement. He is also engaged in leadership development, business relationship building and advocacy in the focus areas of connectedness, innovation, talent attraction and retention, distinctiveness, and sustainability. Chris is vice-chairman of World Design Capital 2014, and sits on the Western Cape's Trade and Promotions Agency (Wesgro) board.

● EXPERT ANALYSIS

The Cape Town informal sector – size, contribution and good practice models

Caroline Skinner

Senior researcher

African Centre for Cities, University of Cape Town and Director: Urban Policies Programme, Women in Informal Employment: Globalising and Organising (WIEGO)¹



The size and contribution of the informal economy globally

According to a recent compilation of international statistics, informal employment in developing regions accounts for between 45% (in the Middle East and North Africa) and 82% (in South Asia) of non-agricultural employment (Vanek et al. 2014:i). City-level statistics are harder to come by, but available data suggest that in some developing cities, as much as 80% of those who work, work in the informal economy (Herrera, et al. 2012). Although individual incomes of informal workers are often low, cumulatively informal activities contribute significantly to gross domestic product (GDP). Further, the informal economy provides low-cost inputs, goods and services to both formal and informal enterprises, as well as to the public, especially the poorer sections. At the household level, informal activities are often what sustain families living in poorer parts of cities and towns. This suggests that urban informal work is significant to alleviating poverty and to growing local economies. Furthermore, informal workers often use less space and fewer resources, and leave a smaller carbon footprint than their formal counterparts. Certain worker groups like waste pickers are playing an important role in climate change mitigation. This has led some to argue that the informal economy should be considered part of the green economy agenda.

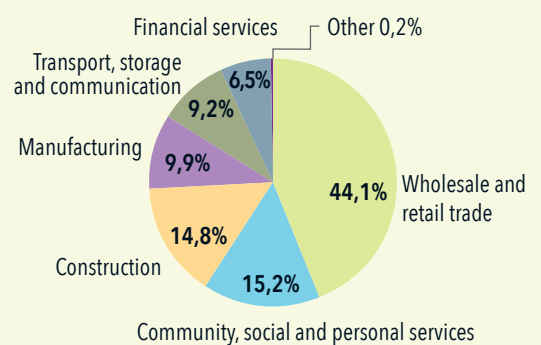
The informal economy and sector in South Africa, the Western Cape and Cape Town

When it comes to the size of the informal economy, South Africa is frequently cited as an unusual case. Vanek et al. calculate the comparative figure of informal employment as a proportion of total employment at 33% (2014:i). This reflects those working with little or no security or social protection. The size of the informal sector (defined as enterprises employing less than five people and not registered for VAT purposes) is 18%. Compare this to two countries in the region – Tanzania's informal sector is 52% of non-agricultural employment, while Zambia's is 65% (ILO, 2013:10). Provincial comparisons are also revealing. Analysis of this data suggests that the Western Cape has a particularly small informal sector. Skinner and Goemans (forthcoming) find for example that the informal sector only constitutes 11% of the non-agricultural workforce. In the October–December 2013 quarterly labour force survey, only 196 000 people reported working in the informal sector in the whole province, which is down from 222 000 in the January–March 2013 survey (Statistics South Africa, 2014:29). Given the high unemployment rate, the abiding question is what are the barriers to entry to the informal sector? This is an important question in the Western Cape and Cape Town, where the informal sector is not only particularly small, but seems to be getting smaller in both relative and absolute terms.

The notion of the 'informal sector' disguises a lot of diverse economic activities. With respect to designing appropriate policy, industry breakdown is important. Figure 1 below, drawing on Statistics South Africa's quarterly labour force surveys, reflects industry data. These figures suggest that the South African informal sector is dominated by wholesale and retail trade, followed by services, construction and manufacturing.

These are figures for the informal sector for the whole country. The sample sizes are not big enough to do this kind of fine-grained analysis even at provincial level. The Sustainable Livelihood Foundation's census and survey of informal-sector activities in select townships helps fill this gap. Charman and Petersen (forthcoming) reflect on their findings from micro-enterprise censuses conducted in five Cape Town settlements – Delft South, Brown's Farm, Sweethome Farm, Vrygrond and Imizamo Yethu. Liquor retailers, spaza and house shops together comprised of 46% of all identified micro enterprises. Other frequently observed businesses were hair care services, mechanical services, green grocers, businesses engaged in recycling, child-minding, health care (traditional medicine practitioners) and construction (Charman & Petersen, forthcoming, 11-12). What

1 South Africa informal-sector employment – industry breakdown



Source: Goemans and Skinner, forthcoming.

¹ WIEGO is a partner in the Inclusive Cities project, a consortium of largely membership-based organisations of the working poor. For further

information on the cases cited in this article, see www.wiego.org or www.inclusivecities.org.

is striking about these findings is the significant variation by settlement. This micro-enterprise census data suggests that these settlements are not economic 'dead zones', as they are sometimes portrayed. There is a dearth of city-level information that reflects the size and diversity of the informal sector, but especially its contribution to city economies. This is critical for appropriate policy design. It is positive that the City of Cape Town has recognised this gap and initiated research on Cape Town's informal economy.

Good practice in supporting livelihoods

The global action research policy network Women in Informal Employment: Globalising and Organising (WIEGO) documents policy approaches and/or organisational practice that have resulted in securer livelihoods for the urban poor. Some examples are:

Home-based workers

- The Self-Employed Women's Association (SEWA) in India, a union of over 1,9 million members, provides a range of support services to home-based workers and other worker groups.
- The Mahila SEWA Housing Trust in India has improved slum conditions through innovative partnerships in basic service delivery.

Street vendors

- After decades of struggle by SEWA, the National Association of Street Vendors of India, and others, the Street Vendors Act was adopted by India's Parliament in February 2014. This national law recognises, regulates and protects the livelihoods of street vendors.
- Bangkok has a vibrant street economy due to progressive laws and regulations in the city, particularly pertaining to licensing, vendor locations, schemes for credit and social protection.
- Asiye eTafuleni, a non-governmental organisation in Durban, South Africa, has long worked with street vendors and the local authority to develop pioneering approaches to urban design and management of street vending.

Waste pickers

- Belo Horizonte in Brazil and Pune in India have integrated waste pickers with municipal waste management schemes. In both cases, strong cooperatives of waste pickers have tirelessly negotiated access to waste materials, the establishment of sorting/processing facilities, and better prices for the waste their members collected.

These can be downloaded from <http://www.inclusivecities.org/research/good-practices/>. In all of these examples, workers are organised and act collectively. And in most instances, they have the proactive support of either a national or local government that is willing to intervene. Together, these factors are powerful forces for change. What's most significant is that these cities are working with the reality of informality today, rather than aspiring to a northern image of 'cityness' that denies it.

Six priorities for inclusive cities

There is no single prescription that will address all categories of informal work across all urban contexts. However, the experience of our WIEGO partners of membership-based organisations of workers and WIEGO policy research suggest six priority policy issues.

First, with one third of the urban population in the developing world living in slums, the acceleration of the delivery of basic services is widely acknowledged as a priority. Delivery of these services, however, often fails to recognise that homes are also either the primary work place or used for preparation and storage of goods. In selecting the location for and designing new low-cost housing developments, as well as in in-situ upgrading, built environment professionals need to consider how existing livelihoods can be strengthened. City-wide, the provision of basic services, including affordable transport, must be seen as an economic priority.

Second, different worker groups have additional infrastructure needs. For example, street traders' goods will perish less quickly if they have shelters; they can increase their stock levels if they have access to storage facilities, and there will be fewer health issues for traders and their customers if everyone has access to water and public toilets. In cases of good practice of integrating waste pickers with municipal solid waste systems, like in some Brazilian cities, local governments have provided tailor-made facilities to sort, process and store recyclables. Small-scale manufacturing units – with reliable access to services like affordable electricity – allow home-based workers to work more productively and facilitate collective action like bulk-buying of inputs and negotiating improved rates for piece work.

Third, there is a need for fundamental legal reform informed by the reality of informality. WIEGO research has shown that over-regulation, deregulation and lack of regulation can all be detrimental to different groups of informal workers. A more appropriate approach is to identify what legal rights and regulations would lead to securer livelihoods for different groups of informal workers. For street traders, the right to trade is fundamental, and for waste pickers, the right

There is a need for fundamental legal reform informed by the reality of informality. WIEGO research has shown that over-regulation, deregulation and lack of regulation can all be detrimental to different groups of informal workers.

to access waste or bid for municipal waste contracts can be transformative. Local government regulations and ordinances – zoning schemes, building codes and health and safety regulations among others – often date back to the colonial era and are used as instruments for exclusionary practices.

Fourth, informal workers need access to support services to increase productivity and incomes. Surveys with informal workers consistently identify access to financial services (not just credit) as a priority intervention. Training, if appropriately delivered, can enhance productivity. This should be complemented by better understanding of where informal workers fit in the chain of activities from product inception to final consumption – identifying the most effective point along the value chain for organisations of informal workers or the state to intervene.

Fifth, privatisation of services as well as state assets such as land often poses a threat to informal workers' livelihoods. Privatisation is a missed opportunity, as was aptly captured by a Brazilian waste picker leader, who noted that local authorities are faced with the choice of placing a "lot of money in a few people's hands or some money in a lot of people's hands".² Good-practice documentation by WIEGO and others (for example McDonald and Ruiters, 2012) show there are many alternatives to privatisation that include informal workers, and that can result both in efficient service delivery as well as more equal distribution of gains.

Finally, and perhaps most importantly, urban informal workers should be integrally involved in the decisions that impact on them and in implementation of development projects. WIEGO's monitoring of good planning practices that support livelihoods shows that they all share a common element: Workers and their representatives are integrally involved. It is a matter of planning with rather than planning for informal workers.

Conclusion

Given the high levels of unemployment in Cape Town, growing the informal sector is a critical challenge to policy-makers. Proactive intervention from the state is needed. This brief input hopes to have furnished a framework to do so.

References

- McDonald, David & Greg Ruiters. 2012. Alternatives to privatization, public options for essential services in the global south. Cape Town: HSRC Press.
- Charman, Andrew & Petersen Leif. Forthcoming. Informal self employment in a residential township context: A study of Cape Town localities. SALDRU Working Paper, University of Cape Town.
- Herrera, Javier, Mathias Kuépié, Christophe Nordman, Xavier Oudin & François Roubaud. 2012. Informal sector and informal employment: Overview of data for 11 cities in 10 developing countries. WIEGO working paper (statistics) No. 9.
- International Labour Organization. 2013. Women and men in the informal economy: A statistical picture. International Labour Organization: Geneva.
- Ligthelm, A.A. 2006. Size estimate of the informal sector in South Africa, Southern African Business Review, volume 10, number 2.
- Skinner, Caroline & Goemans, Simon. Forthcoming. What does the Quarterly Labour Force Survey tell us about South Africa's informal sector? SALDRU Working Paper, University of Cape Town.
- Statistics South Africa. 2014. Quarterly Labour Force Survey, Quarter 4 2013. Statistics South Africa: Pretoria
- Vanek, Joann, Martha Alter Chen, Françoise Carré, James Heintz & Ralf Hussmanns. 2014. Statistics on the informal economy: Definitions, regional estimates & challenges. WIEGO working paper (statistics) No. 2.
- Wills, Gabrielle. 2009. South Africa's informal economy: A statistical profile. WIEGO Working Paper (Statistics) No. 6.

Biography

Caroline Skinner is a Senior Researcher at the African Centre for Cities at the University of Cape Town and Urban Policies Programme Director of the the global action-research-policy network Women in Informal Employment: Globalizing and Organizing (WIEGO). WIEGO is a partner in the Inclusive Cities Project, a consortium of largely membership based organizations of the working poor. For further information on the cases cited in this article see www.wiego.org or www.inclusivecities.org.

Caroline is also Urban Policies Programme Director for the global action-research-policy network Women in Informal Employment: Globalizing and Organizing (WIEGO) and a Senior Researcher at the African Centre for Cities (ACC) at the University of Cape Town. For over 15 years, Skinner's work has interrogated the nature of the informal economy with a focus on informing more appropriate policy responses and has published widely on the topic. She has been involved in policy and advocacy work at a local, provincial, national and international level. Since 2009 she has been managing the research component of a Gates Foundation funded global project - Inclusive Cities. Among other responsibilities, she has overseen the commissioning of over 100 publications (see <http://wiego.org/publications-resources>).

Training, if appropriately delivered, can enhance productivity. This should be complemented by better understanding of where informal workers fit in the chain of activities from product inception to final consumption.

1 See http://www.inclusivecities.org/wp-content/uploads/2012/09/Global_Strategic_Workshop_WastePickers_Pune2012.pdf.





3

NATURAL WEALTH

INTRODUCTION

SUMMARIES

SOCIAL

ECONOMY

NATURAL WEALTH

URBAN GROWTH

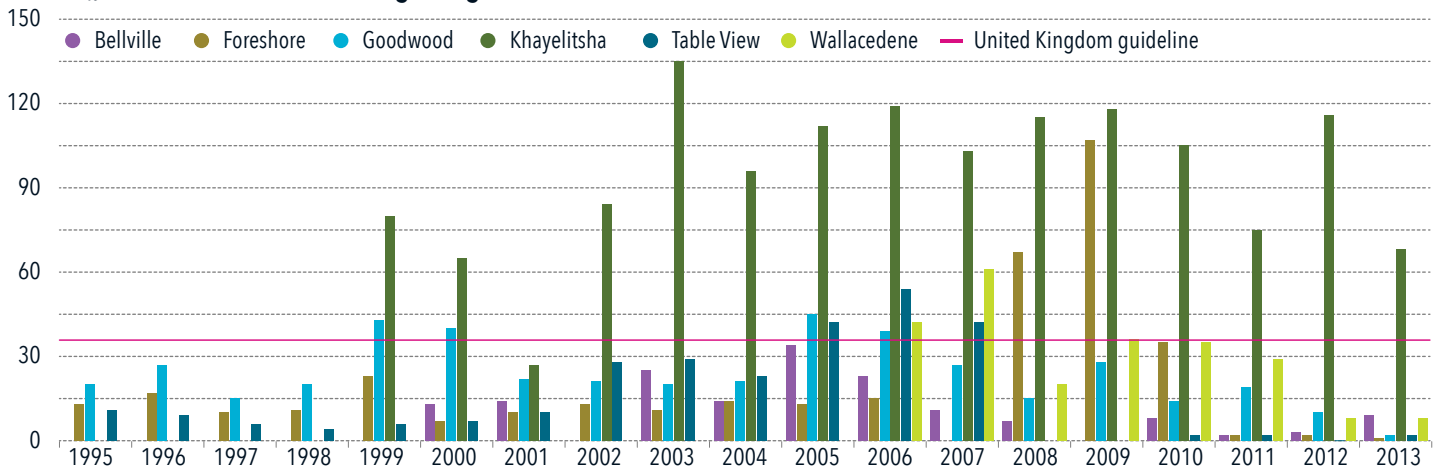
URBAN GOVERNANCE

CONCLUSION



Cape Town's NATURAL WEALTH at a glance

PM₁₀ exceedances of United Kingdom guideline, 1995-2013



Source of PM₁₀ particles

In summer, PM₁₀ pollution in Khayelitsha primarily consists of dust from unpaved roads and verges as well as unvegetated open spaces. In winter, vehicle emissions and smoke from cooking and heating fires are the primary source.



Energy use

Cape Town's total annual energy use in 2007 was around 128 million GJ (gigajoule), which constituted approximately 5% of South Africa's total energy demand.



Cape Town's electricity use accounts for 64% of its carbon footprint. The residential and commercial sectors account for 83% of electricity use and 54% of carbon emissions (2007).



CO₂ emissions per person

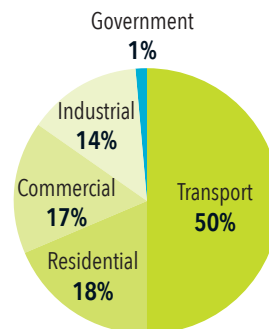
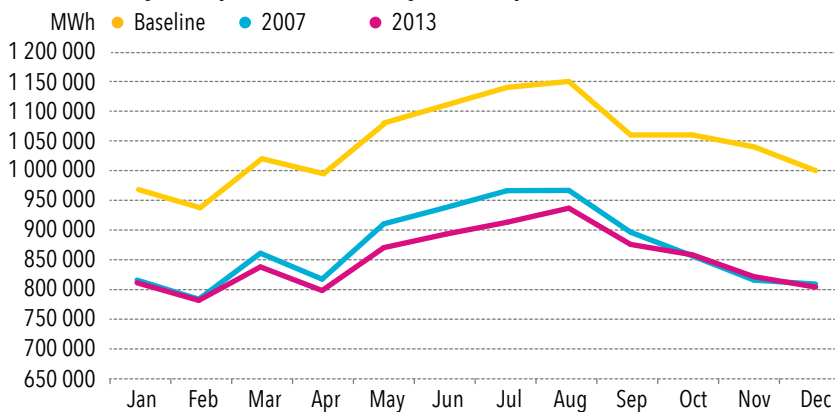
In the 2007 baseline year, Cape Town's per-capita emissions were 7,8 tonnes CO₂ per person.



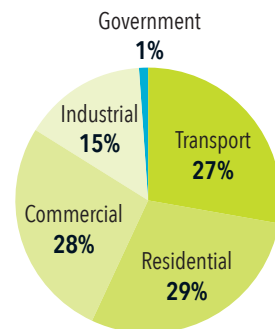
CO₂ emissions per tonne

In South Africa, 85% of electricity is generated through burning coal. Coal is highly carbon-intensive (and water-intensive), with 2,4 tonnes of CO₂ emitted per tonne of coal (2007).

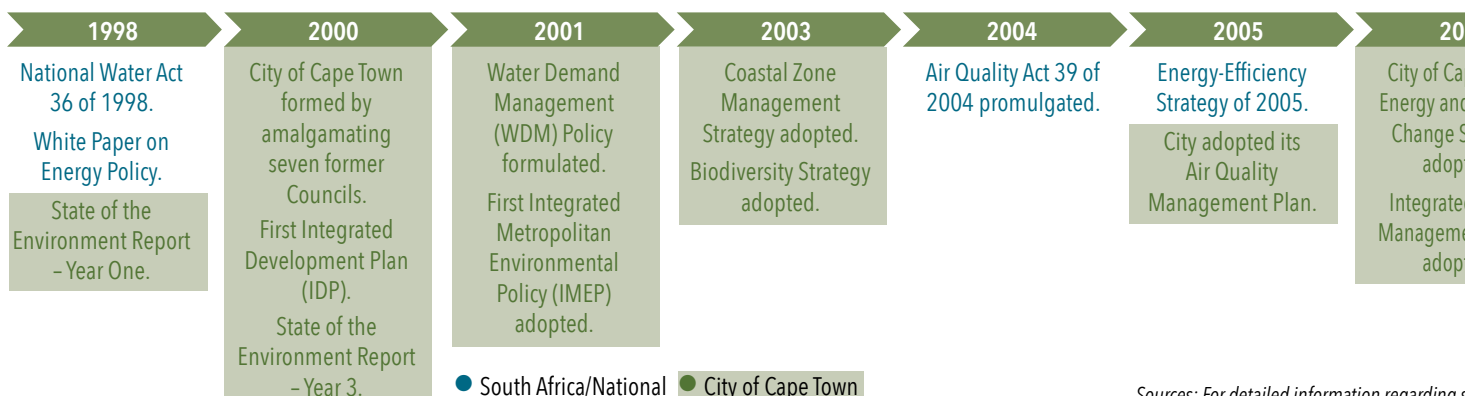
City of Cape Town electricity consumption



Energy use by sector, 2007

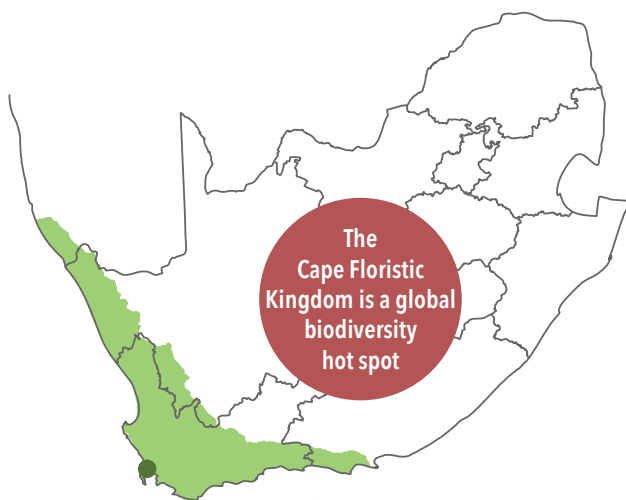


CO₂ emissions by sector, 2007



● South Africa/National ● City of Cape Town

Sources: For detailed information regarding...



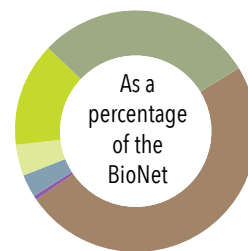
Cape Floristic Region

78 555 km², with **9 600** plant species – **69%** of which are endangered
There are **6** endemic vegetation types in Cape Town, and over **300** of Cape Town's plant species are threatened with extinction.

Conserved land within Cape Town, 2014

As a percentage of the Biodiversity Network (BioNet):

● SANParks reserves	24 850 ha	29,2%
● City nature reserves in process	11 850 ha	13,9%
● Existing City nature reserves	3 504 ha	4,1%
● CapeNature reserves	2 664 ha	3,1%
● Perpetuity stewardship agreements	497 ha	0,5%



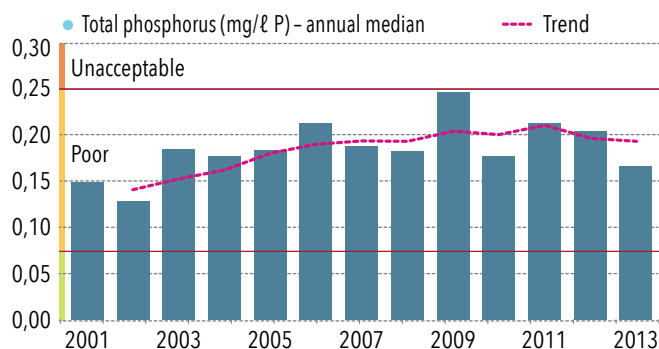
Critical in Cape Town

Of the 21 South African critically endangered vegetation types, 52% are found in Cape Town – and 13 plant species are already extinct (2011).



Over 60% of the original extent of Cape Town's natural vegetation has been lost, including 85,5% of Cape Flats Sand Fynbos, 91% of Swartland Shale Renosterveld, and 55% of Cape Flats Dune Strandveld.

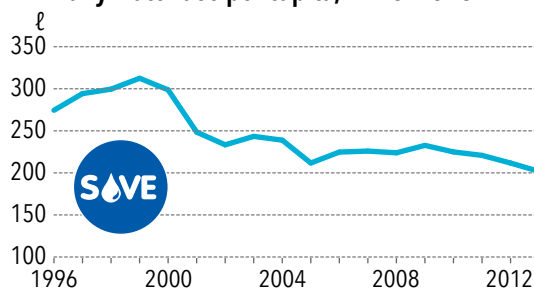
Percentage compliance with DWA's 80th percentile coastal recreational guideline for False Bay and Atlantic coastline beaches, 2001–2013



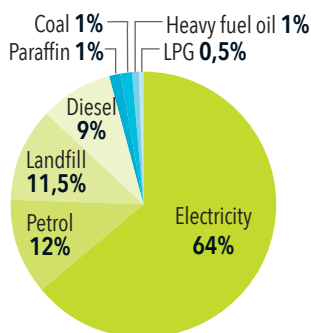
98%

Drinking water quality compliance with DWA Blue Drop standards (2012).

Daily water use per capita, 1996–2013



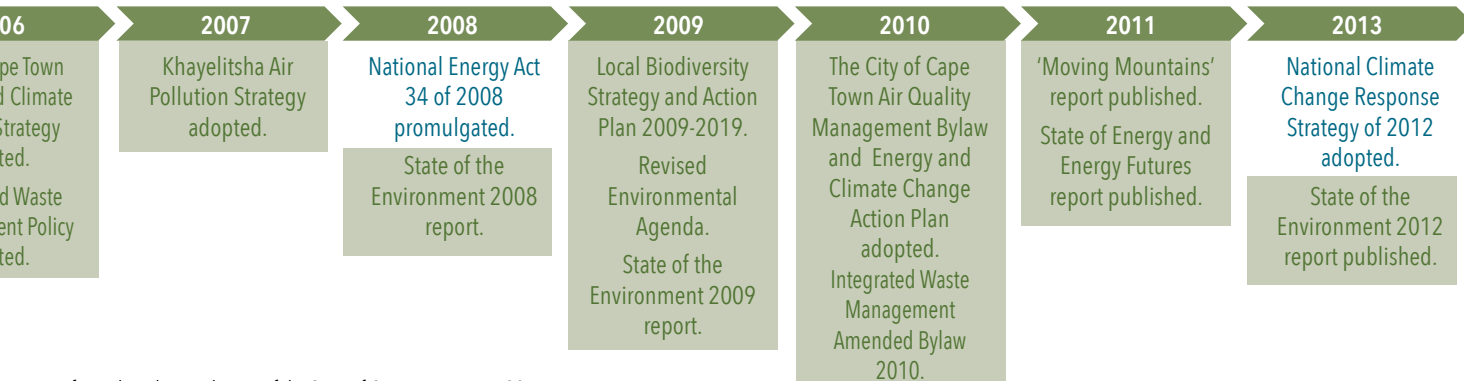
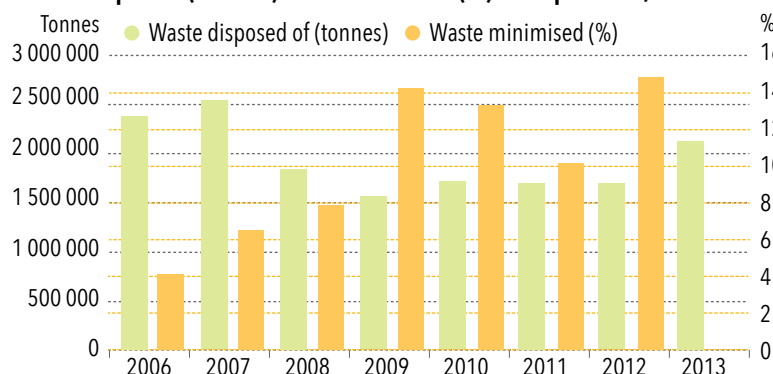
Annual water usage increased from 250 000 megalitres (Mℓ) in 1996 to 284 000 Mℓ in 2013, with highs of around 305 000 Mℓ in 1999 and 2009. However **per-capita water use has declined** from a high of approximately 312 ℓ per capita per day in 1999 to just over 200 ℓ per capita per day in 2013.



CO₂ emissions by energy/fuel type, 2007

Waste disposal at the City's three landfill sites reached a high of around 2,5 million tonnes, or **730 kg of waste per person**, in 2007, followed by a sharp drop in volume from 2007 to 2012. Around 12% of the municipal waste stream is diverted from landfill through the City's waste minimisation programmes and 18% is diverted through private-sector programmes.

Waste disposed (tonnes) and minimised (%) in Cape Town, 2006–2013



Sources refer to the relevant chapter of the State of Cape Town Report 2014.





1. Introduction

Successful cities provide stimulating environments for their inhabitants, without imposing unsustainable demands on natural resources and ecosystems. Such cities meet multiple goals, including living and working environments that promote health and well-being, and support a prosperous economic base. These cities also work to ensure a sustainable relationship between the demands of consumers and businesses, and the resources and ecosystems on which they depend. Their achievement requires an understanding of the links between the city's built environment, the physical environment in which it is located (including soils, water resources and climate) and the biological environment (including local flora and fauna), and how these are changing. Such an understanding is essential if environmental hazards are to be minimised, and environmental capital not depleted.¹

The City currently has several significant environmental challenges, including climate change, waste and pollution, resource depletion and biodiversity loss. Urban environmental problems should be understood as a threat to present or future human well-being, resulting from human-induced damage to the physical environment that originates or is experienced in urban areas. Such problems include the following:

- Localised environmental health problems, such as inadequate household water and sanitation, and indoor air pollution
- City-regional environmental problems, such as ambient air pollution, inadequate waste management and

pollution of rivers, lakes and coastal areas

- Extra-urban impacts of urban activities, such as ecological disruption and resource depletion in a city's hinterland, and emissions of acid precursors and greenhouse gases
- Regional or global environmental burdens that arise from activities outside a city's boundaries, but which will affect people living in the city

This chapter reviews Cape Town's environmental challenges within the scope of the above definition of urban environmental problems, while also considering the history of ecological and resource challenges affecting the city.

Cape Town's natural assets and biological diversity are part of what makes the city a unique and desirable place in which to live, work and play.² However, wetlands, watercourses, beaches, high-potential agricultural areas, cultural landscapes and scenic views are all being degraded by rapid and uncontrolled urbanisation.³

Climate change effects pose further challenges through the risk of rising sea levels and associated impacts on low-lying urban and coastal environments. Climate change further contributes to changing rainfall patterns and temperature extremes, which have a negative effect on water resources and biodiversity as well as food security.⁴ The increasing frequency and intensity of extreme weather events due to climate change cause significant storm damage in both the province and the city, and result in significant infrastructural damages and economic losses.^{5,6}



The City currently has several significant environmental challenges, including climate change, waste and pollution, resource depletion and biodiversity loss. Urban environmental problems should be understood as a threat to present or future human well-being.

1. Hardoy, Mitlin & Satterthwaite, 1992.

2. City of Cape Town, 2012a.

3. City of Cape Town, 2011a.

4. Oxfam, 2014.

5. Midgely et al., 2005.

6. For a more detailed account of extreme weather impacts in the Western Cape, see DiMP, 2010.



Between 2004 and 2013, the 1-in-100-year flood occurred three times in various parts of the city. Extreme weather events are expected to become even more frequent and intense as a result of climate change.

For example, table 3.1 presents impacts from extreme weather events in the province from 2003 to 2008. A more extensive significant storm register for Cape Town, covering the period from 1899 to 2013, has also been developed by the City of Cape Town.⁷ This storm register draws on various sources, including newspaper articles, publications and observations, and is updated regularly. The storm register suggests that the 1-in-100-year flood occurred only once in Cape Town between the period 1899 and 2003. However, between 2004 and 2013, the 1-in-100-year flood occurred three times in various parts of the city. Extreme weather events are expected to become even more frequent and intense as a result of climate change.

Some historical challenges facing Cape Town's natural environment include the following:

- Rapid urbanisation, with a growing number of households who need access to basic municipal services amid growing resource constraints

- Encroachment on natural environments, and biodiversity loss
- Development pressure and the threat this poses to unique cultural landscapes and productive land (for urban agriculture)
- Increased environmental pollution, including carbon emissions from the increasing number of vehicles on the city's road network, and water pollutants from industrial waste, wastewater, human settlements and stormwater discharge
- Water insecurity arising from changing rain patterns and, in some cases, droughts
- Energy insecurity arising from global energy price shocks and the potential for electricity shortages
- The looming prospect of food insecurity as climate change affects agricultural output, coupled with the inevitable rise in food (and other commodity) prices as the cost of transport increases together with the oil price.⁸

Table 3.1: Extreme weather-event impacts in the Western Cape, 2003-2008

Dates	Event type	Area affected (district, municipality, metropole)	Social impacts	Direct damage costs
March 2003	Cut-off low	Cape Winelands, Eden and Overberg District	2 000 people evacuated three deaths in Hermanus and Knysna	R212,4 m
August 2004	Two large cold fronts preceded by gale-force winds and severe rainstorm	City of Cape Town	20 000 informal residents flood-affected	R6,5 m
December 2004	Cut-off low	Cape Winelands, Eden and Overberg District	3 700 homes and 40 business premises damaged	R54,9 m
April 2005	Cut-off low	Cape Agulhas Municipality	Residents of Kleinbegin flood-affected	R8,9 m
August 2006	Two cut-off low systems	Cape Winelands, Eden, Overberg and Central Karoo District	1 200 people displaced	R510,5 m
November 2006	Hailstorm	Haarlem	Seven farms: 389 ha of fruit trees damaged 35 small traders, 194 permanent and 160 temporary workers unemployed	R9,4 m
June 2007	Two rainfall events: A cut-off low followed by a mid-latitude cyclone	West Coast and Cape Winelands District	People from low-cost housing, informal settlements and farms evacuated	R128,3 m
November 2007	Cut-off low associated with black south-easter	Cape Winelands, Overberg, Central Karoo and Eden District	Over 300 people from low-cost housing, informal settlements and farms either provided with relief or evacuated; two fatalities	R957,6 m
July 2008	Cut-off low and strong south-easterlies	West Coast District		R71,7 m
August 2008	Severe storm	City of Cape Town	Coastal property damaged and extensive flooding of areas with inadequate drainage	R4,9 m
November 2008	Cut-off low associated with black south-easter	Overberg, Cape Winelands and Eden District		R996,0 m

Source: Adapted from DiMP, 2010:2.

7. City of Cape Town, 2014a

8. City of Cape Town, 2011a.

2. Air quality

Clean air is a basic requirement for human and environmental well-being; yet, air pollution poses a significant threat worldwide. Air pollution can be defined as the introduction of chemicals and other substances into the air, which has a harmful effect on the environment and living creatures, including humans. Air pollution comprises a number of different pollutants, and measuring these becomes a technical and expensive activity. In this context, key pollutants termed "criteria pollutants" are often chosen as indicators of general air pollution. Criteria pollutants are related to certain activities, such as fuel emissions and wood burning, which again produce other pollutants. Therefore, the presence of one is an excellent indicator of the presence of the other.

The South African National Environmental Management: Air Quality Act 39 of 2004 requires three main criteria pollutants to be measured and reported, namely particulate matter smaller than ten microns in size (PM₁₀), sulphur dioxide (SO₂) and nitrogen dioxide (NO₂). This report will focus on PM₁₀ due to its significant impact on human health.

PM₁₀ is a mixture of suspended microscopic solid particles and liquid droplets, which could consist of a number of inorganic or organic materials, such as ammonia, sodium chloride, water, sulphates, mineral dust, soil, dust or pollen. PM₁₀ can be the product of a variety of activities. In Cape Town, the most common sources of PM₁₀ pollution are diesel vehicle emissions, wood and fuel burning, and dust from construction activities as well as unpaved roads and verges.

PM₁₀ particles are microscopic in size (one tenth of the diameter of a human hair), which cause them to be inhaled easily. PM₁₀ can cause lung irritation and aggravate existing lung disorders and diseases, such as asthma and tuberculosis (TB). It is also linked to cardiovascular problems.

Air quality guidelines specify both short-term and long-term standards.⁹ Air pollutant concentrations are measured against an acceptable average annual level, as well as against an acceptable daily or hourly level of the pollutant. Each pollutant is also assigned a "frequency-of-exceedance value", which denotes the maximum number of times the level may be exceeded at each measuring site, both daily and annually.

In 2009,¹⁰ the South African Department of Environmental Affairs released the National Ambient Air Quality Standards, which contain guidelines on acceptable levels of pollutants. The new South African standards are very similar to the United Kingdom standards – which had been used until then – with only the PM₁₀ standard being significantly different.

It is difficult to set a definitive guideline for PM₁₀, as different places have different conditions and individuals respond differently to particulate substances in the air. Therefore, the process of setting standards needs to be contextual and take into account situational factors, public health priorities as well as capabilities and constraints.

The guidelines and standards for PM₁₀ are as follows:

- a) South African ambient air quality standards
 - Annual average: no more than 50µg/m³
 - Daily average: no more than 120µg/m³
 - Annual limit of exceedances of daily average: four per site
- b) UK standards and World Health Organisation (WHO)¹¹ guideline
 - Annual average PM₁₀ level (WHO guideline): no more than 20µg/m³
 - Daily average (UK standard): no more than 75µg/m³
 - Annual limit of exceedances of daily value (UK standard): 35 per site

2.1 Policy environment 1994-2014

Air quality in South Africa is regulated by the Air Quality Act 39 of 2004, which aims to protect the environment by providing reasonable measures for the prevention of pollution and ecological degradation. It also provides a framework for national standards pertaining to air quality monitoring, management and control by all spheres of government.

In 2005, the City adopted its Air Quality Management Plan, which contains the City's vision for air quality within Cape Town, and sets out a number of objectives that will contribute to meeting that vision – to be the city with the cleanest air in Africa. These objectives include monitoring criteria pollutants, improving air quality in informal settlements, enforcing air quality legislation, controlling vehicle emissions, and putting in place education and communication campaigns.

In 2009, the Department of Environmental Affairs released the South African National Ambient Air Quality Standards as a schedule to the Air Quality Act. These standards provide specific levels with which local authorities must comply. In some cases, most notably PM₁₀, interim standards (2009-2014) were also provided in order to give local authorities sufficient time to put in place monitoring and control measures before the introduction of stricter standards in 2015. In 2010, the City adopted the City of Cape Town Air Quality Management Bylaw, which regulates emissions of atmospheric pollutants within Cape Town, and puts in place licensing and penalty systems, among others.



Key, or 'criteria' pollutants are related to certain activities, such as fuel emissions and wood burning, which again produce other pollutants. Therefore, the presence of one is an excellent indicator of the presence of the other.

9. This distinction is important, as both short-term acute exposure to high levels of pollutants and long-term chronic exposure to lower levels of pollutants are potentially harmful to human health.

10. Prior to 2009, the City of Cape Town measured air quality according to the United Kingdom air quality standards, as set by their Department of Environment, Food and Rural Affairs (DEFRA). The City now continues to monitor and report against both the UK and the South African national

standards for PM₁₀, as this provides a useful basis for both international comparison and comparison with levels of previous years.

11. The World Health Organisation (WHO) guideline for PM₁₀ is also presented in this report for comparison purposes. The WHO guideline is based on the level of pollution at which it has been determined that the health effects of PM₁₀ become negligible or immeasurable. This WHO guideline should not be seen as a mandatory standard, but regarded as something to strive towards.

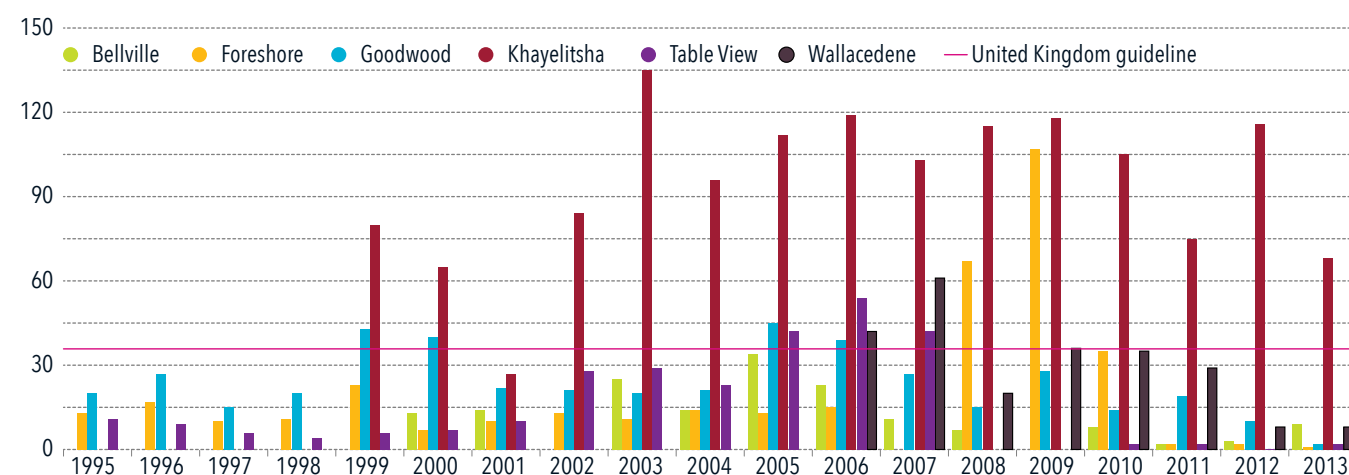


Figure 3.1: PM₁₀ exceedances of United Kingdom guideline, 1995-2013

Source: City of Cape Town Environmental Health Department.

● ● ●

Spikes in air pollution concentrations in a particular year can generally be attributed to specific events, such as a large fire or significant construction activity near the monitoring station, or the influence of local weather conditions.

2.2 Air quality data, trends and analysis

It is difficult to determine general trends for the city, as air pollution is often seasonal and localised, and can fluctuate significantly at each site. Generally, most sites in Cape Town meet the South African national standard for PM₁₀ levels, with only Khayelitsha exceeding it in some years. However, almost all sites have exceeded the WHO guideline in almost all years since 1995, showing that there is significant room for improvement. It is important to note that the WHO guideline should be seen as a value to strive for, as most large cities around the world struggle to meet it.

In terms of the number of days on which the daily PM₁₀ South African standard is exceeded, Cape Town generally performs well. Since 2011, no station failed to comply with the limit of no more than four exceedances of the 120µg/m³ daily standard. This is down from a high of nine exceedances in 2010.

When measured against the 50µg/m³ UK daily standard, since 2008 only Khayelitsha and the Foreshore ex-

perienced significantly more than the limit of 35 exceedances (figure 3.1). The foreshore's exceedances in 2010 were attributed to construction dust from the construction of an apartment block adjacent to the monitoring station. These results are thus not representative of ambient air quality. Since the completion of this construction project, only two exceedances in 2011 and 2012 and one in 2013 have been experienced at this site.

Spikes in air pollution concentrations can generally be attributed to specific events, such as a large fire or significant construction activity near the monitoring station, or the influence of local weather conditions (figures 3.2 and 3.3).

Meeting the PM₁₀ standards continues to be a challenge. While it is important that all forms of air pollution remain under control, the City is especially concerned about the levels of particulate matter pollution, especially in the poorer suburbs of the city. The relatively high level of TB infection in poorer areas is a significant public health concern.¹² The Khayelitsha Air Pollution Strategy

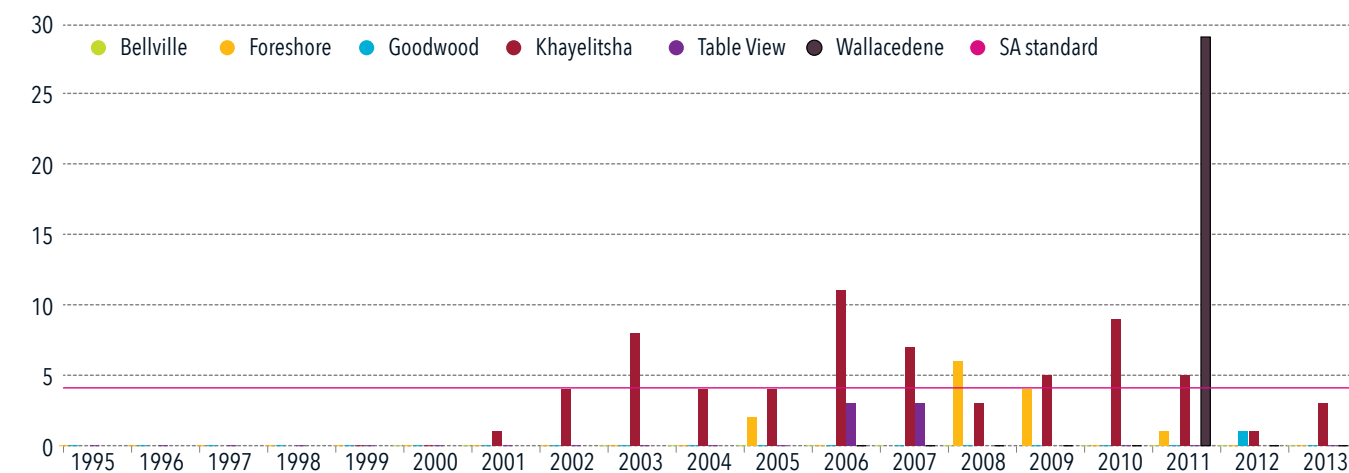


Figure 3.2: PM₁₀ exceedances of South African standard, 1995-2013

Source: City of Cape Town Environmental Health Department.

12. Although PM₁₀ does not cause TB, it can aggravate the condition in infected individuals. In the summer months, PM₁₀ pollution in Khayelitsha primarily consists of dust, which is exacerbated by unpaved roads and verges as well

as unvegetated open spaces. In the winter months, vehicle emissions and smoke from cooking and heating fires are the primary source of PM₁₀. Similar sources also affect other informal settlements in the city.

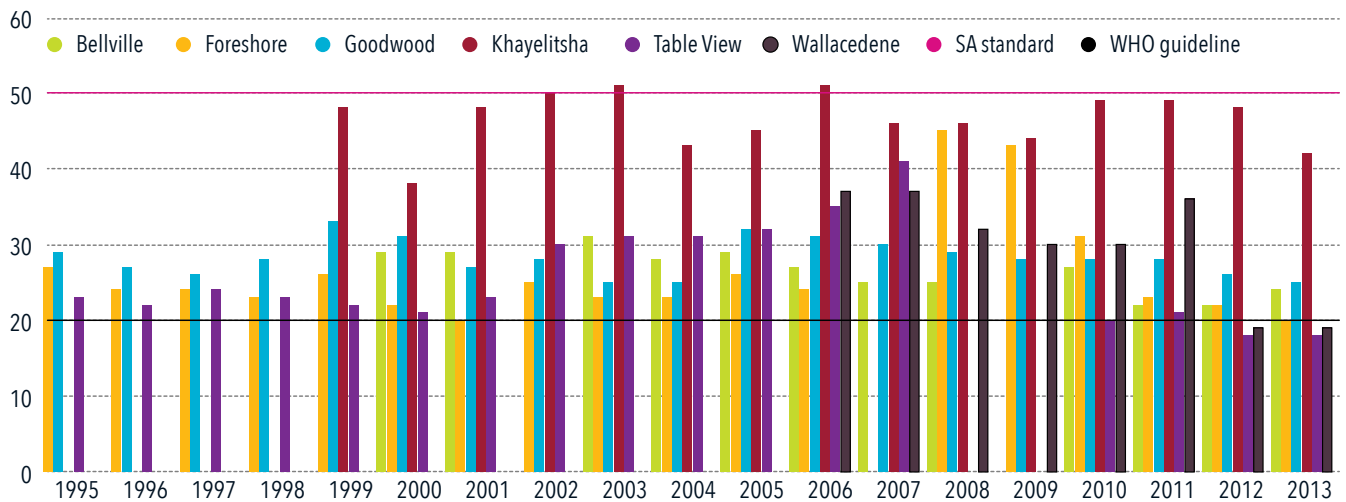


Figure 3.3: PM₁₀ averages, 1995-2013

Source: City of Cape Town Environmental Health Department.

(2007) was therefore established to address specific challenges in this area. Interventions in the areas of urban renewal and infrastructure upgrades appear to be having a positive impact which may become more evident over time.

2.3 Emerging debates on air quality, and implications for Cape Town

Since April 2010, the licensing of listed activities and ensuring their compliance with the minimum emission standards set by the Department of Environmental Affairs has been devolved to local authorities. These emission standards need to be met by listed activities by 1 April 2015 with further reductions by 2020. It is anticipated that this will have a positive impact on ambient air quality.

The recently promulgated fuel specifications and standards regulations require compliance with fuel formulations by July 2017, and will reduce harmful vehicle emissions. It will also stop for the import of low quality fuels and allow for greater access to new vehicle technology which will impact positively on ambient air quality.

The transport sector has a significant impact on the city's ambient air quality. Increasing vehicular activity and associated traffic congestion all negatively impact on ambient air quality. This trend is being mitigated through the provision of an effective public transport service which has the potential to offset increased emissions from private vehicles.

3. Energy¹³

In response to the global challenge of climate change, cities around the world have begun to realise the importance of reducing their CO₂ emissions. As almost all aspects of daily life in cities are linked to the burning of

fossil fuels, the transition towards creating a low-carbon city requires enormous commitment from all actors: citizens, private business and government.

Cape Town's total annual energy use in 2007 was around 128 million GJ (gigajoule), which constituted approximately 5% of South Africa's total energy demand. Cape Town's energy-use profile, which has prominent residential and commercial sectors, differs significantly from South Africa's total-use profile, where industry and mining account for a greater share of total energy use.¹⁴

In the 2007 baseline year, Cape Town's per-capita emissions were 7,8 tonnes CO₂.¹⁵ Although lower than the national average, Cape Town's CO₂ footprint is high compared to those of developing cities with similar economies, and even higher compared to many developed cities, primarily due to the fact that almost all electricity used in the city is derived from national coal-generated power.

In South Africa, 85% of electricity consumed is generated through burning coal. Coal is highly carbon-intensive (and water-intensive), with 2,4 tonnes of CO₂ emitted per tonne of coal. Cape Town's electricity use accounts for 64% of its carbon footprint. Cape Town's residential and commercial sectors are jointly responsible for the largest share of the city's carbon emissions, accounting for 83% of electricity use and 54% of carbon emissions. It is worth noting that although the transport sector consumes 50% of Cape Town's energy, it is responsible for only 27% of the associated carbon emissions.

Cape Town confronts multiple and interconnected energy challenges, including a comparatively high carbon footprint, national electricity supply insecurity, rising and volatile energy costs, widespread energy poverty, and poor dormitory residential areas with challenges regarding access to energy services. As with the rest of South

Cape Town's energy-use profile, which has prominent residential and commercial sectors, differs significantly from South Africa's total-use profile, where industry and mining account for a greater share of total energy use.

13 References for this section include City of Cape Town, 2011b, and City of Cape Town, 2011c.

14 In 2011, the City produced a State of Energy and Energy Futures report, using data from the base year 2007. The State of Energy report provided

source material for this section, supplemented with annual City of Cape Town electricity consumption data.

15 This indicator is not updated annually, as data are onerous to obtain. The City is currently updating its datasets, using the 2012/13 base years.



● ● ●

In 2011, the City published the Moving Mountains report, which demonstrates its commitment to meeting these challenges through its comprehensive Energy and Climate Change Action Plan. In 2014, Cape Town beat 163 other cities to win the Global Earth Hour Capital award for its energy and climate efforts.

Africa, all sectors of Cape Town's society have been very energy-inefficient in their practices due to a history of cheap and abundant electricity. The above challenges have created an urgent need to improve energy efficiency, diversify energy supply, and work with other spheres of government to improve Cape Town's energy security.

Local government's role is to support this commitment through local policies and action plans. In order to gauge the effects of any mitigation actions, it is important to understand the carbon emissions profile and carbon footprint of the city – how big it is and which sectors contribute to it. This informs strategic planning and appropriate responses. In 2011, the City published the Moving Mountains report, which demonstrates its commitment to meeting these challenges through its comprehensive Energy and Climate Change Action Plan. In 2014, Cape Town beat 163 other cities to win the Global Earth Hour Capital award for its energy and climate efforts.

3.1 Policy environment 1994–2014

The national energy policy environment has been very active, and has over the last 20 years (or close) generated a number of frameworks and legislation. The earliest of these, the White Paper on Energy Policy of 1998, was intended to provide the framework for the Integrated National Electrification Programme and Free Basic Electricity Policy, and connected millions of poor households in cities and rural areas alike. The main objectives of the White Paper on Energy Policy were to increase access to affordable energy services, improve energy governance, stimulate economic development, secure diversity of supply, and manage the health and environmental impacts related to energy.

Important policy developments since 1998 include the following:

- The Integrated Energy Plan of 2013, which seeks to

balance energy demand with supply resources congruent with safety, health and environment considerations. It acts as a framework within which specific energy development decisions can be made.

- The National Energy Regulator Act 40 of 2004, which established the independent National Energy Regulator of South Africa (NERSA) in order to regulate the electricity, piped-gas and petroleum pipeline industries.
- The Integrated Resource Plan (IRP) for Electricity 2010–2030, which was promulgated in May 2011, seeks to determine the long-term electricity demand, and details how this demand should be met in terms of generating capacity, type, timing and cost. The IRP is also required to consider various constraints and risks, such as reducing carbon emissions, security of supply and water usage.
- The implementation of the IRP allocation of a renewable-energy generation component of 3 725 MW, which is to be procured through a competitive bidding process known as the Renewable-Energy Independent Power Producer Procurement Programme (REIPPPP). Thus far, altogether 2 459,4 MW of utility-scale renewable-energy projects have been awarded preferred-bidder status.
- The National Energy Act 34 of 2008, which mainly aims at ensuring uninterrupted supply of energy, promoting diversity of supply of energy, and facilitating effective energy demand management and conservation. It further covers issues such as energy research promotion, energy standards and specifications development, facilitating comprehensive data collection on supply and demand, regulation of health, safety and environmental aspects related to energy, and facilitating energy access and affordability.
- The policy for energy-efficiency and demand-side management (EEDSM), which intends to stimulate energy efficiency through enabling regulations and institu-

tional governance structures, and introducing targeted financial incentives (largely through the standard offer programme). In addition to making tariff determinations and promulgating a standard offer, the policy covers the development of energy-efficiency resource standards, the funding of EEDSM, cost recovery mechanisms and reporting frameworks for EEDSM programmes.

- The Energy-Efficiency Strategy of 2005 (updated in 2013), which sets a national target of 12% energy-efficiency improvement by 2015. The strategy incorporates eight energy-efficiency goals relating to social, environmental and economic sustainability. These include improving health, job creation, alleviating energy poverty, reducing environmental pollution and CO₂ emissions, and enhancing energy security.
- The Electricity Regulation Act 4 of 2006, which established a national regulatory framework for the electricity supply industry, and made NERSA its custodian and enforcer. It also provides for licences and registration as the mechanisms through which generation, transmission, distribution, trading and the import and export of electricity are regulated.
- The National Environmental Management: Air Quality Act 39 of 2004, which is intended to protect the environment and enhance the quality of ambient air for the sake of securing an environment that is not harmful to the health and well-being of people.
- The National Climate Change Response Strategy of 2012, which sets out the country's climate-change re-

sponse objectives. These include making a fair contribution to the global effort to stabilise CO₂ concentrations in the atmosphere at a level that prevents dangerous anthropogenic interference with the climatic system, and adapting effectively to and managing unavoidable and potential damaging climate change impacts through interventions that build and sustain South Africa's social, economic and environmental resilience and emergency response capacity. Local government's role is fairly clearly identified in recent updates of this strategy.

- The National Carbon Policy Paper of 2013, which proposed – for comment – a carbon tax range of R120 to R240 per tonne of carbon emitted.
- The National Building Regulations Amendment Act (Part XA): Energy Usage in Buildings, which details the energy-efficiency building regulation and associated standards (SANS 204 and SANS 10400), and provides for mandatory energy-efficiency interventions for all new buildings and appropriate extensions and renovations.¹⁶

3.2 Cape Town energy trends and analysis¹⁷

Cape Town's electricity use increased steadily between 2001 and 2007 in line with the city's population and economic growth, and reached a high of approximately 12 250 GWh in 2007 (3 430 kWh per capita).

However, there has been a marked decrease in electricity consumption since 2007, with total consumption having declined year on year since 2010. In 2010, total

There has been a marked decrease in electricity consumption since 2007, with total consumption having declined year on year since 2010.

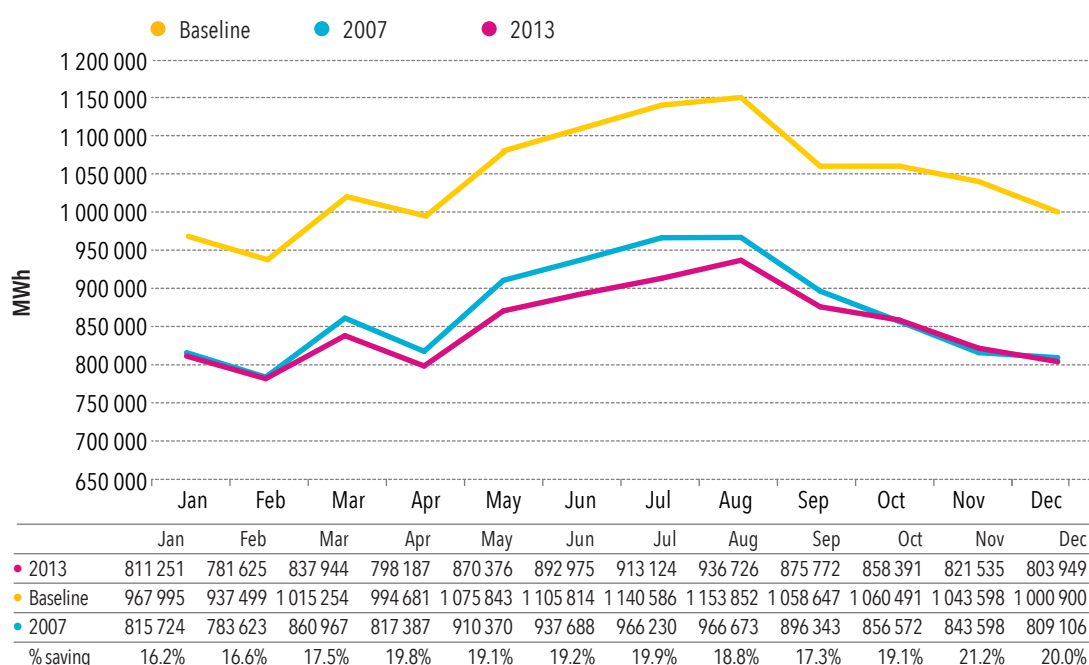


Figure 3.4: Electricity consumption for Cape Town (2013)

Source: City of Cape Town, Electricity Services Department, May 2014.

16. These criteria include heat loss-gain criteria (thermal resistance of a material), fenestration and double glazing, shading, the building envelope, insulation (of floors, ceilings and walls), natural lighting, ventilation and hot-water technologies. In terms of the regulation, 50% of water must be heated by a solar water heater or heat pump.

17. It is important to note that these figures do not include Eskom distribution areas due to the unavailability of Eskom data. The total Cape Town electricity-use figures outlined in this section are accordingly not comprehensive, but still provide a sound indication of electricity-use trends in Cape Town.

annual electricity consumption was 10 556 GWh. Since then, it has reduced to 10 488 GWh in 2011, 10 431 GWh in 2012 and 10 200 GWh in 2013. Over the period April 2013–April 2014, consumption remained consistently 20% (2 446 GWh) below the business-as-usual baseline (projected at 3,3% annual increase on 2006), and is now even below the 2007 consumption figure (figure 3.4).

Independent research¹⁸ suggests that the City of Cape Town's energy-efficiency and behaviour change programmes and projects have played a significant role in reducing electricity use, although it is difficult to disaggregate the City's role in electricity consumption reduction from the effects of electricity price increases and other electricity-efficiency drives (by Eskom, for example).

a) Cape Town's energy breakdown by sector

Cape Town's energy breakdown by sector (figure 3.5) indicates that energy use is dominated by transport, which consumes approximately 50% of total energy, followed by the residential (18%), commercial (17%), industrial (14%) and local government (1%) sectors. However, although the transport sector consumes the largest share of energy (50%), it is responsible for only 27% of CO₂ emissions, while residential and commercial sectors produce comparatively higher CO₂ emissions. This is due to the carbon intensity of coal-based electricity generation.¹⁹

Residential sector: Cape Town's residential sector accounts for 18% of total energy use and 43% of total electricity use.²⁰ The residential sector predominantly uses electricity as a fuel source. Paraffin, liquid petroleum gas (LPG) and wood are also used, although chiefly in lower-income households. The amount and types of energy consumed by households vary according to income level. Low-income households, which make up 44% of all households, contribute only 24% of total residential energy use. Conversely, high-income or very high-income households, which make up only 24% of total households, account for 43% of all residential energy use. This reflects Cape Town's energy inequality: Many households

and communities live in energy poverty, with limited access to and ability to afford basic energy services, while high-end residential users consume a significant proportion of Cape Town's total energy.

Industrial sector: The industrial sector's share of energy use in Cape Town (14%) is considerably smaller than the rest of South Africa's industrial use (up to 41% in some areas). This is due to the fact that the city's economy is less dependent on the primary sector. Cape Town's economy is largely service-oriented, with a large contribution from tertiary-sector services, including financial and insurance services, real estate, government and social services. While Cape Town has some nodes of light industrial activity, it has very little heavy industry.

Transport sector: Half of Cape Town's total energy is consumed by the transport sector, which, in comparison with the rest of the country (28%), accounts for a far greater proportion of Cape Town's energy use. However, despite high private-vehicle usage among Capetonians, the transport sector is responsible for only 27% of Cape Town's total carbon emissions, as petroleum fuels have lower carbon intensity than coal-based electricity. Currently, private vehicles dominate passenger transport, comprising 48% of the total passenger kilometres travelled in Cape Town. Extending and promoting affordable and sustainable public transport is therefore a key priority for reducing Cape Town's transport-related carbon footprint.

Local government: The local government sector (the City of Cape Town) accounts for only 1% of total energy consumed in Cape Town, and 1% of carbon emissions. However, local government – as a single organisation – is the single largest user of energy. The City has started to take measures to reduce its own energy consumption through its Energy and Climate Change Action Plan (ECAP).

Commercial sector: The commercial sector²¹ accounts for 16% of energy use, of which 96% is electricity. As with the residential sector, the commercial sector's dependency on coal-based electricity as its primary energy source accounts for its high carbon intensity: It is responsible for 28% of total carbon emissions (figures 3.6 and 3.7).

● ● ●

Half of Cape Town's total energy is consumed by the transport sector, which is dominated by private vehicles. Extending and promoting affordable and sustainable public transport is therefore a key priority for reducing Cape Town's transport-related carbon footprint.

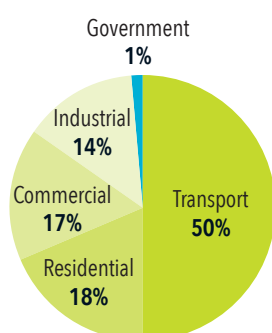


Figure 3.5: Energy use by sector (2007)

Source: City of Cape Town Environmental Health Department.

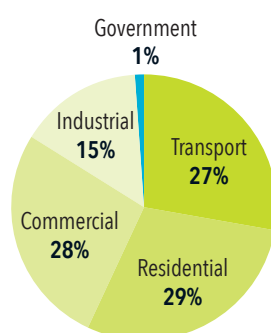


Figure 3.6: CO₂ emissions by sector (2007)

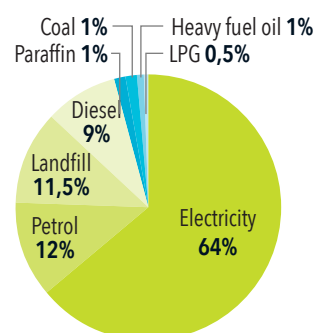


Figure 3.7: CO₂ emissions by energy/fuel type (2007)

18. Sustainable Energy Africa (SEA), 2013.

19. A more detailed analysis of this breakdown is provided in City of Cape Town, 2011c.

20. This amounts to an annual use of 23 486 363 GJ.

21. The commercial sector includes retail and office buildings, tourism activities, education facilities, hospitals and other non-industrial activities.



3.3 Emerging energy debates and implications for Cape Town

At the national level, there are a range of significant policy debates relating to national energy policy, including the desirability of nuclear power; the price of carbon emissions and revenue recycling of the proposed national carbon tax; the establishment of an independent systems and market operator; the means to rationalise the electricity distribution sector; the supply expansion planned in the IRP, and associated overprojection of demand and reliance on fossil fuel power generation; the quantum of renewable energy that is to be included in the grid; the means of facilitating distributed energy generation, and the funding and mechanisms of EEDSM.

The City of Cape Town is engaged in ongoing discussions on the role and mandate of local governments in energy generation, planning, efficiency and demand management. A number of recent studies have investigated the regulatory competency of municipalities in the field of energy efficiency and renewable energy.²²

Significant energy policy debates that have arisen in recent years include the following:

- The determination of an appropriate feed-in tariff to facilitate the export of excess generation from small-scale renewable-energy systems to the distribution network
- The determination of free basic electricity (FBE) amounts. In this respect, the City has determined that, as a result of increased efficiency and behaviour

change, consumption of 400 units per month is too high to serve as a consistent indicator of the need for FBE.

- Addressing the revenue impacts stemming from reduced electricity consumption. Mechanisms to address revenue impacts discussed include increased national grants, decoupling electricity sales from municipal revenue, and modifying electricity department business models.
- The potential for local governments to play an increasing role in electricity supply through entering into power purchase agreements with independent power producers, or becoming power generators themselves
- Local government's mandate in electricity tariff-setting. The debate is about whether NERSA or local government has the final authority in tariff-setting.
- Debate on smart-grids, the roll-out of smart meters and the operation of ripple control systems
- The enforcement of national energy-efficiency building standards

The City of Cape Town has taken pioneering steps in confronting Cape Town's energy-related challenges. In 2010, Council adopted a comprehensive Energy and Climate Change Action Plan (ECAP), which links energy and climate to Cape Town's development strategy, and coordinates 40 programme areas that are made up of over 120 projects. The City's commitments include achieving a 10% reduction in greenhouse gas emissions off a business-as-usual baseline by 2014; a 10% reduction in mu-



Addressing the revenue impacts stemming from reduced electricity consumption include increased national grants, decoupling electricity sales from municipal revenue, and modifying electricity department business models.

22. These include "Increasing Investment in Climate Change Related Projects at the Sub National Level" by the National Treasury Technical Assistance Unit and

Western Cape Government (2013) and "Local Government Energy Efficiency and Renewable Energy Strategy: Status Quo Report" by SALGA (2014).

municipal electricity consumption by 2012; a 10% city-wide electricity consumption reduction by 2012, and a 10% supply of renewable and cleaner electricity by 2020. The municipal and city-wide consumption reduction targets have been achieved and exceeded. A range of programmes and projects implemented in terms of ECAP contributed to this success.²³

In addition, the City runs an active electricity-savings campaign for the residential and commercial sectors. The residential campaign provides guidance for behaviour change through many media channels. The City has also developed an innovative solar water heater programme that endorses qualifying service providers to encourage the uptake of solar water heaters. Finally, in partnership with Eskom and the South African Property Owners' Association, the City runs the Energy-Efficiency Forum for the commercial sector.

Some efforts are under way to increase the proportion of renewable and cleaner energy in Cape Town's energy mix. The City has had a power purchase agreement with an independent power producer (Darling wind farm) since 2009. It is also in the process of establishing systems to support distributed generation through an appropriate feed-in tariff, and is pursuing micro-hydro, solar electricity and waste-to-energy options in its own operations. In addition to the electrification programme, including in informal settlements, efforts are under way at a small scale to increase the energy mix used at the household level through the distribution of solar lights and hotboxes. In 2010, a project was completed in Kuyasa, Khayelitsha, in which 2 300 low-cost houses were retrofitted with solar water heaters, energy-efficient light-

ing and insulated ceilings. In 2011, 230 houses in Mamre on the West Coast were retrofitted with ceilings (a project that has led to a much larger programme to retrofit houses with ceilings, which is currently being developed). These efforts to increase the energy mix at the household level have the added benefit of increasing low-income households and communities' resilience in both formal and informal settlements.

Cape Town will become increasingly resource-efficient as the integrated rapid transit (IRT) system is expanded across the city and more residents use public transport. The IRT system is designed to promote and connect various modes of public transport. Steps taken by the City include the roll-out of the first phases of the MyCiTi BRT system and the implementation of an NMT strategy. A range of densification and planning strategies are also being implemented to attempt redressing the legacy of the "apartheid city", alongside resource-efficiency objectives. These include the CTSDf, the Densification Strategy and the Urban Edge Policy (discussed in more detail in the chapter on urban growth and form).

Since 2007, a number of changes have occurred that have contributed to the notable decrease in electricity use in the city. These changes result in a longer-term reduction in CO₂ emissions. There is also evidence that Cape Town has managed to decouple electricity consumption from economic growth. Cape Town's current annual electricity consumption is below its 2007 levels, and 20% below the business-as-usual baseline. This should be seen against the backdrop of a steady increase in Cape Town's GDP (figure 3.8).



The City is in the process of establishing systems to support distributed generation through an appropriate feed-in tariff, and is pursuing micro-hydro, solar electricity and waste-to-energy options in its own operations.

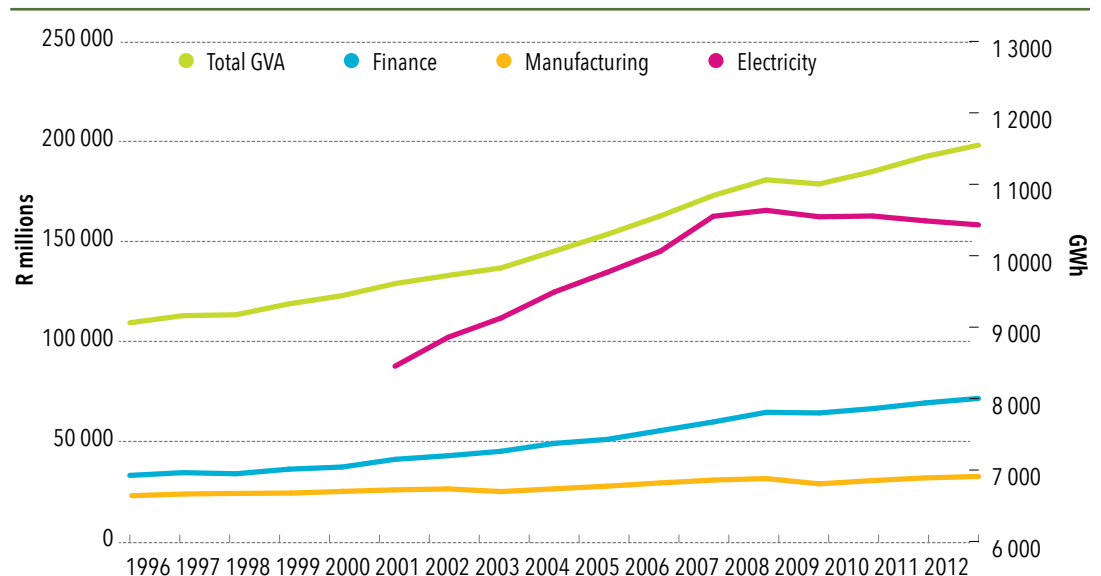


Figure 3.8: Cape Town's economic vs electricity sales growth, 1996 to 2012

Source: Sustainable Energy Africa.

23. The City has implemented a range of projects and programmes to reduce energy use in Council operations. It has been steadily retrofitting its own buildings and both street and traffic lights to "lead by example" and save the City money. By June 2012, all traffic lights had been retrofitted with light-emitting diode (LED) lights. In addition, the City has retrofitted many large Council buildings, installed solar water heaters in clinics and nature reserves, and is currently installing smart-meters and solar photovoltaic panels in key buildings. Currently, the City is retrofitting its largest building, the Civic Centre in the Cape Town CBD. It has also taken steps to reduce emissions of its vehicle fleet, including a Smart Driver campaign and the procurement of increasingly efficient vehicles.



4. Biodiversity

Cape Town has enormously rich biological diversity, and is known for its incredible natural beauty. The city is located within one of the world's six plant kingdoms – the Cape Floristic Region (CFR). The CFR, a recognised UNESCO world heritage site, is the smallest yet most biologically diverse of all the plant kingdoms. The CFR has one of the highest proportions of endemic species in the world, with over 70% of its approximately 9 600 plant species found nowhere else, and has been officially identified as a “global biodiversity hot spot”. This designation recognises it as one of the planet's 25 most threatened ecosystems, and places an international responsibility on all spheres of government to ensure its adequate conservation.

Managing such threatened biodiversity in an urban context is a complex task. Although the City manages a number of nature reserves, these do not necessarily cover a representative proportion of the various components of Cape Town's biodiversity. Over two thirds of the natural vegetation types are classified as “endangered” or “critically endangered”, and over 300 of Cape Town's plant species are threatened with global extinction.

Cape Town has six endemic vegetation types, which means that they can be conserved within the boundaries of Cape Town only. Some of these vegetation types are critically endangered, and remnants will need to be conserved both within and outside the urban edge. Cape Town is a unique example of a city where biodiversity must be conserved as part of the urban fabric, and be fully integrated with present and future spatial planning.

4.1 Policy environment 1994-2014

In terms of the biodiversity policy and legal environment, significant progress has been made since 1994. The establishment of the National Environmental Management Act 107 of 1998, as well as the subsequent Protected Areas Act and Biodiversity Act in 2003 and 2004 respectively, has set the stage for an increased focus on biodiversity management as a formal requirement within the City of Cape Town.

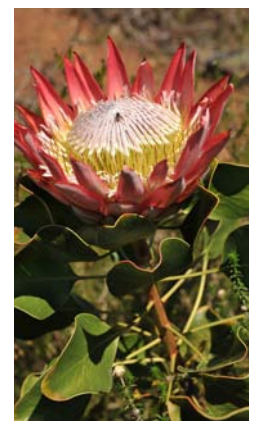
In 2003, the City's own biodiversity strategy was approved as an implementation strategy of the larger IMEP. This strategy laid out the City's conservation goals and targets, which are aligned with national targets and used to determine the minimum set of areas in the Biodiversity Network (BioNet). The strategy was updated in 2009 with the addition of the Local Biodiversity Strategy and Action Plan 2009-2019 (LBSAP). In 2008, the Framework for a Strategy and Action Plan for the Management of Invasive Alien Species in the City of Cape Town²⁴ was also completed and adopted.

The BioNet is a fine-scale, systematic biodiversity plan that identifies sites that need to be prioritised for conservation, and protected from development and inappropriate management. The fine-scale biodiversity planning analysis was first done in 2002, and is regularly updated to include the latest local and national biodiversity information.²⁵

The BioNet consists of a series of interconnected critical biodiversity areas (CBAs), ranging from pristine habitats to more degraded, highly threatened ecosystems



The Cape Floristic Region has been officially identified as a “global biodiversity hot spot”. This designation recognises it as one of the planet's 25 most threatened ecosystems, and places an international responsibility on all spheres of government to ensure its adequate conservation.



24. See http://www.capetown.gov.za/en/EnvironmentalResourceManagement/publications/Documents/Invasive_Alien_Species_Strategy+Action_Plan_v01_2008-09.pdf.

25. For example, in the 2007 analysis, vegetation units were aligned with the new national vegetation map. In 2008, mapped vegetation units across the

city were ground-truthed for habitat condition, which information was incorporated into the 2009 analysis. The 2011 analysis incorporated climate change adaptation measures.

Table 3.2: State of biodiversity in Cape Town, as of 2011

Vegetation type	Historic extent (ha)	Current extent (ha)	Percentage remaining	National target (% original)	Target area (ha)	Extent conserved	% target met	CCT eco-system status*	SANBI conservation status
Atlantis Sand Fynbos	25 177,3	15 475,05	61,5%	30%	7 553,19	236,1	3,1%	CR d	Hardly protected
Boland Granite Fynbos	9 379,03	5 649,03	60,2%	30%	2 813,71	296,19	10,5%	VU d	Poorly "
Cape Estuarine Salt marshes	40,55	30,73	75,8%	24%	9,73	30,57	314,2%	LT	Well "
Cape Flats Dune strandveld* - False Bay subtype	27 823,37	7 762,95	27,9%	24%	6 677,61	2 736,77	40,9%	EN a	Poorly protected
Cape Flats Dune strandveld* - West Coast subtype	12 734,27	10 447,66	82,0%	24%	3 056,23	2 669,23	87,3%	EN a	Moderately protected
Cape Flats Sand fynbos*	54 334,76	7 888,65	14,5%	30%	16 300,43	937,61	5,7%	CR a,d	Poorly "
Cape lowland freshwater wetlands	1 655,59	850,97	51,4%	24%	397,34	492,19	123,8%	LT	Well protected
Cape Winelands Shale Fynbos	4 005,9	2 278,89	56,9%	30%	1 201,77	1 379,06	114,7%	VU a	Well "
Elgin Shale Fynbos	841,18	327,39	38,9%	30%	252,35	325,46	128,9%	CR a	Well "
Hangklip Sand fynbos	3 295,04	1 839,64	55,8%	30%	988,51	1 372,65	138,9%	VU a	Well "
Kogelberg sandstone fynbos	9 435,21	9 196,62	97,5%	30%	2 830,56	8 220,39	290,4%	CR d	Well "
Lourensford alluvium fynbos*	3 585,27	303,19	8,5%	30%	1 075,58	8,85	0,8%	CR a	Hardly "
Peninsula Granite Fynbos * - North subtype	2 070,1	1 438,91	69,5%	30%	621,03	982,16	158,2%	EN a	Well protected
Peninsula Granite Fynbos * - South subtype	7 157,69	2 421,94	33,8%	30%	2 147,31	1 727,46	80,5%	EN a	Moderately protected
Peninsula Sandstone fynbos*	21 935,69	20 975,66	95,6%	30%	6 580,71	17 516,66	266,2%	EN d	Well "
Peninsula Shale Fynbos (Cape Winelands subtype)	1 262,79	658,2	52,1%	30%	378,84	651,75	172,0%	VU a	Well protected
Peninsula Shale Renosterveld*	2 384,27	292,85	12,3%	26%	619,91	238,92	38,5%	CR a	Poorly protected
Southern Afrotropical Forest	347,52	345,87	99,5%	34%	118,16	271,62	229,9%	LT	Well protected
Swartland Alluvium Fynbos	1 734,06	71,48	4,1%	30%	520,22	0,00	0%	CR a	Not protected
Swartland Alluvium Renosterveld	60,78	0,00	0%	26%	15,8	0,00	0%	VU a	Not protected
Swartland Granite Renosterveld	7 291,68	1 876,4	25,7%	26%	1 895,84	137,53	7,3%	CR a, d	Poorly protected
Swartland Shale Renosterveld	47 315,84	3 924,24	8,3%	26%	12 302,12	530,27	4,3%	CR a, d	Hardly protected
Swartland Silcrete Renosterveld	1 091,09	177,67	16,3%	26%	283,68	0,03	0,01%	CR a	Hardly protected
Western Coastal Shaleband Vegetation	317,39	316,7	99,8%	30%	95,22	298,09	313,1%	LT	Well protected
TOTAL (ha)	245 276,4	94 550,69	38,5%		68 735,85	41 059,56			

* CR = critically endangered; EN = endangered; VU = vulnerable; LT = least threatened.

Criteria: a = irreversible loss of natural habitat, d = threatened species associations

Source: City of Cape Town, Environmental Resource Management Department.



and critical ecological support areas (CESAs). The BioNet is a key informant in the City's medium-to-long-term spatial planning, such as the CTSDF, district plans and environmental management frameworks. The BioNet forms part of the city's life-support system, as natural ecosystems provide many goods and services, as well as space for healthy recreation and both spiritual and social upliftment.

4.2 Biodiversity trends and analysis

As table 3.2 shows, levels of biodiversity loss as well as levels of conservation vary widely from one vegetation type to the next. Over 60% of the original extent of Cape Town's natural vegetation has been lost, mostly in the lowlands. Of those vegetation types that were historically most extensive, significant amounts have been lost, including 85,5% of Cape Flats Sand Fynbos, 91% of Swartland Shale Renosterveld, and 55% of Cape Flats Dune Strandveld (including 72% of the False Bay subtype). Lowland vegetation types are also least likely to be well protected, and face significant pressure from urban development. Mountainous vegetation types are most likely to be well protected, and cover significant portions of Table Mountain National Park.

Of the 24 vegetation types or subtypes present in the city, ten are classified as critically endangered. For eight of these ten, it is impossible to meet the national conser-

vation targets, as less than the target extent of each remains. Five vegetation types are classified as endangered, five as vulnerable, and the remaining types are classified as least threatened. Of the 21 South African critically endangered vegetation types, 52% are found in Cape Town. Cape Town also has a high incidence of threatened species – 18% of South Africa's threatened species are found in Cape Town, which comprises only 0,1% of the country's area, and 13 plant species are already extinct.²⁶

Urban and agricultural expansion have been responsible for much of the biodiversity loss over the past century, with urban growth having been the main contributing factor since 1994²⁷. Although the total area of biodiversity lost has increased, the total area under formal protection has also expanded over the past century, with significant increases since the mid-1990s.

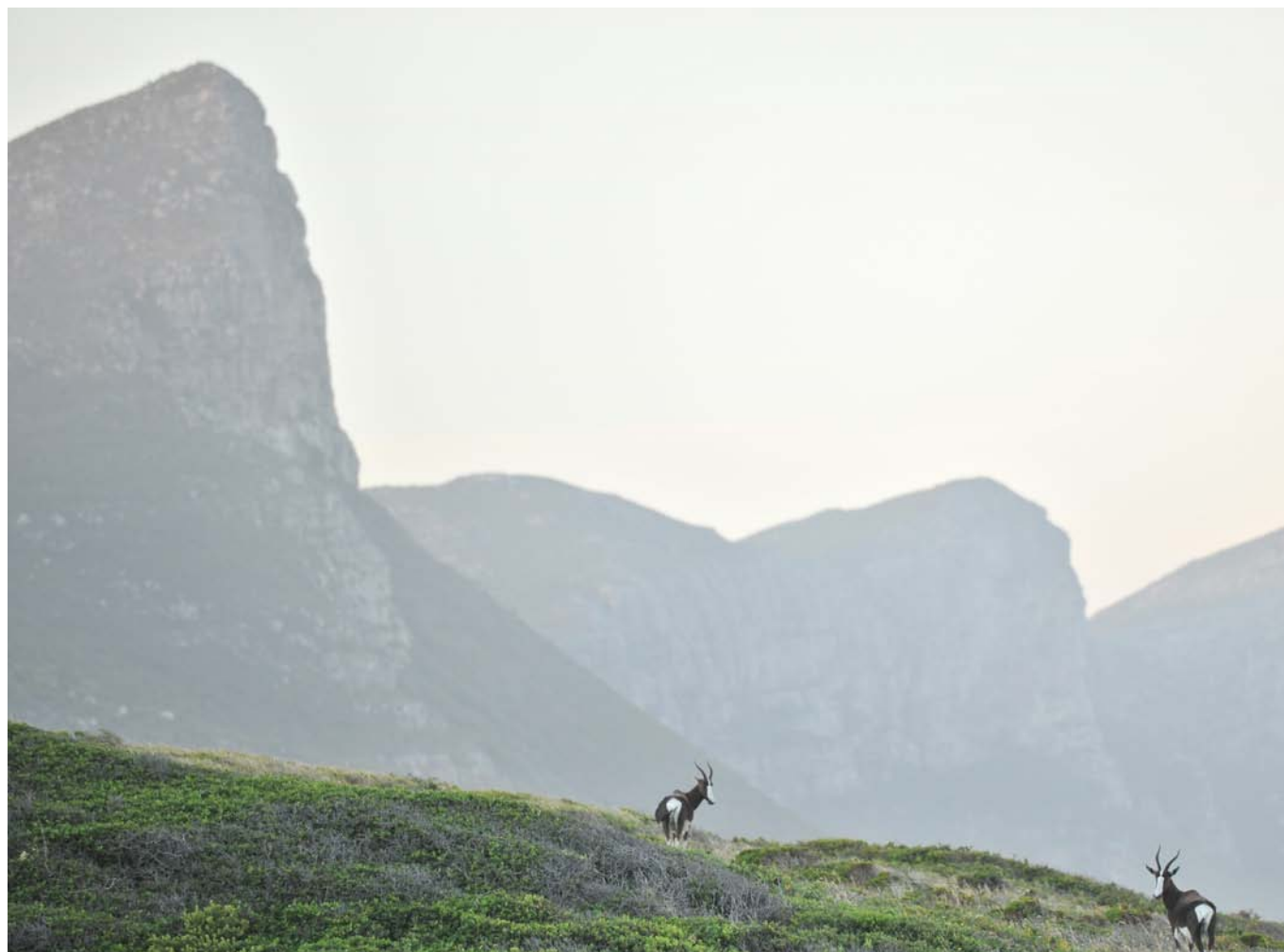
Table 3.3 provides a breakdown of currently conserved land in Cape Town. In 2009, as part of the Environmental Agenda 2009–2014, the City set itself a target to conserve 60% of the biodiversity network by 2014. Although this target has not yet been achieved, there has been a significant increase from approximately 42% of the biodiversity network conserved in 2008, to 51% in 2014. It is important to note that much of this land falls within the Table Mountain National Park, and therefore lowland vegetation types are underrepresented.



Urban and agricultural expansion have been responsible for much of the biodiversity loss over the past century. Although the total area of biodiversity lost has increased, the total area under formal protection has also expanded over the past century, with significant increases since the mid-1990s.

26. Rebelo, Holmes, Dorse & Wood, 2011.

27. Ibid.



There is an urgent need to address and ensure the protection of the city's natural resources, as these provide the basis for the city's economy.

4.3 Emerging debates and implications for Cape Town

Some significant debates are emerging on how issues of biodiversity management can be dealt with in the future.

Increasingly, the environmental impact assessment process (as stipulated in NEMA) fails to provide sufficient protection for critical biodiversity areas, as it is generally unable to halt inappropriate developments. In addition, insufficient mitigation measures are often included in the record of decision when developments are approved.

The city's biodiversity is also suffering due to the lack of a metropolitan open space system that aims to deal with all natural, semi-natural and man-made open environments – including nature reserves, parks, sports fields, etc. – as part of an integrated system. Currently, many important natural areas are subject to increasing fragmen-

tation and isolation, which has a negative impact on biodiversity.

There is an urgent need to address and ensure the protection of the city's natural resources, as these provide the basis for the city's economy. Without these natural resources, and the ecosystem services and benefits that they provide, Cape Town will be increasingly exposed to significant risks, and will become more vulnerable to climate change and other natural hazards. In addition, as the natural environment is one of the key factors that makes Cape Town an attractive place to visit, live and work, and attracts many tourists, residents and businesses, loss of or significant damage to this natural environment will have a very negative impact on the City's competitive advantage.

Table 3.3: Breakdown of conserved land in Cape Town, 2014

Category	Area (ha)	% of BioNet
City nature reserves (in process)	11 850	13,94%
City nature reserves (existing)	3 504	4,12%
SANParks reserves	24 850	29,23%
CapeNature provincial reserves	2 664	3,13%
Perpetuity stewardship agreements (in progress)	497	0,58%
Total	43 363	51,0%



5. Water quality

5.1 Coastal water quality

Urban development brings with it certain environmental consequences, including increased stormwater runoff and the need to provide water, wastewater and refuse services to new areas. Despite best efforts to approach development in a sustainable manner, environmental water pollution is unfortunately a common impact with which cities must deal. Cape Town's landscapes, rivers, wetlands and beaches are natural assets that, if managed correctly, can provide economic benefits. It is thus critical that development does not cause degradation of these green assets.

Many activities that take place on land ultimately have an impact on coastal water quality, which is why initiatives to mitigate land-based pollution are also relevant to managing water quality in the near-shore coastal environment. Point-source discharges to the coast can potentially be addressed by implementing best practices at the source. However, stormwater runoff that may discharge into the sea cannot be easily managed from a water quality perspective, as stormwater often transports contaminants picked up throughout the contributing catchment area from many diffuse sources.

The policy environment is generally framed by the Na-

tional Environmental Management: Integrated Coastal Management Act 24 of 2008, which requires a national coastal management programme to be compiled. Furthermore, DEA developed a new set of recreational guidelines for coastal water quality in 2012.²⁸

At the provincial and city levels, the coastal provincial and local governments have to respectively form provincial and municipal coastal committees to assist in promoting and providing advice on coastal management to the municipalities themselves, who will be held responsible for managing the coastal areas in their jurisdiction. Coastal provinces and municipalities also have to respectively prepare provincial and municipal coastal management programmes. Finally, compilation of estuary management plans is also required as part of this process.

The City's IMEP, which was adopted in 2001, included coastal management as one of its key focus areas. The City recently compiled a first draft Municipal Coastal Management Programme (CMP), as required by the Integrated Coastal Management Act. The CMP will undergo public participation before it is finalised. Other aspects of the City's response include the following:

- Incorporation of the concept of Water Sensitive Urban Design (WSUD) into the CTSDF (2012). WSUD minimises disruption of the natural water cycle by reduc-



Many activities that take place on land ultimately have an impact on coastal water quality, which is why initiatives to mitigate land-based pollution are also relevant to managing water quality in the near-shore coastal environment.

28. These guidelines replace those of DWA (2012), which had been in place since 1996.



Local policies and bylaws relating to coastal water quality around the Cape Town coastline also pertain to maintaining freshwater sources and bodies. The City's IMEP specifically refers to maintaining river health.

ing runoff, attenuating flooding, and treating runoff before discharge into the receiving waters, whilst at the same time increasing the amenity value of water systems, and reducing the cost of water infrastructure.

- Council-approved policies on the management of urban stormwater impacts (2009) mentioned in the 2013/14 IDP review; the bylaws relating to wastewater and industrial effluent (2013) as well as stormwater management (2005), and the Corporate Inland and Coastal Water Quality Improvement Strategy and Implementation Plan.

a) Coastal water trends and analysis

Figure 3.9 illustrates the percentage compliance of beach samples with DWA's 80th percentile stringent guideline, which requires that 80% of sample results over the sample period (12 months) must be less than or equal to 100 faecal coliforms per 100 ml. The long-term trend for the sites along the False Bay and Atlantic coastlines fluctuates,

without there being any single explanation for the variations. Samples along the False Bay coastline declined significantly in 2007, but have since then gradually improved, probably due to concerted efforts to address persistently problematic sites by integrated teams in terms of the Corporate Inland and Coastal Water Quality Improvement Strategy and Implementation Plan. The percentage compliance of the sites along the Atlantic coastline has been relatively stable over the past several years.

b) Emerging debates and implications for Cape Town

The new DEA coastal water quality guidelines are more stringent than the previous, long-standing DWA guidelines. This means that beaches that may have satisfied the old guidelines in terms of the required statistical analysis of the data, may now fail to meet the target guideline level under the new set of guidelines.²⁹

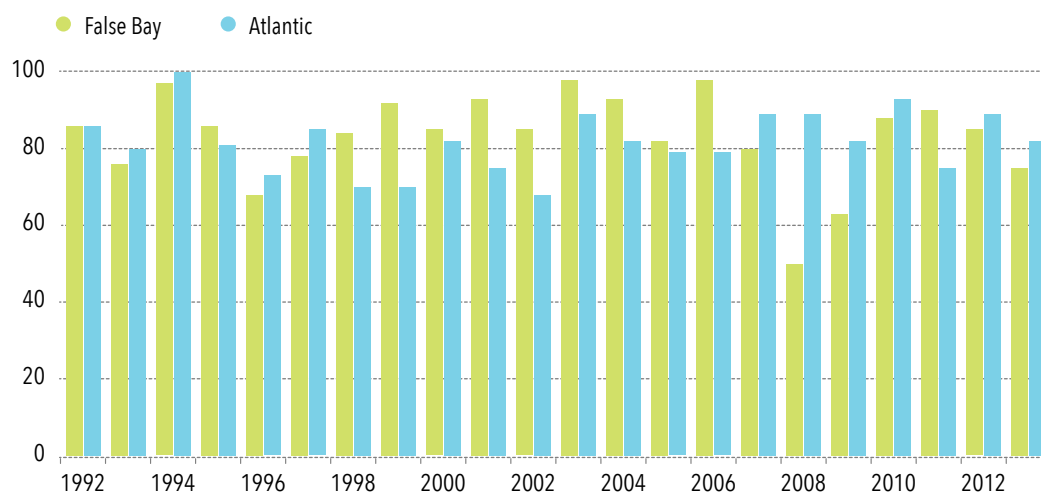


Figure 3.9: Percentage compliance with DWA's 80th percentile coastal recreational guideline for False Bay and Atlantic coastline beaches, 1992 to 2013

Source: City Planning Department, Transport for Cape Town, Stormwater and Sustainability Branch.

29. It should be noted that, at this stage, the new guidelines are merely target guidelines and not standards, and have not yet been gazetted or officially legislated.



Converting the City's monitoring and laboratory analytical protocols in line with the new DEA guidelines will take time and additional resources in terms of the additional sampling effort and reporting associated with implementation of the guidelines. It is important to note that while the actual water quality itself may not have changed dramatically, the measurement criteria are entirely different and, in fact, more stringent. This means that according to the new set of guidelines, more beaches may not meet the guideline.

5.2 Inland water quality

The primary sources of pollution of the city's freshwater systems are unsatisfactorily treated wastewater effluent (although not throughout the city), overflows from blocked or leaking sewer systems and malfunctioning pump stations, and contaminated stormwater. In addition, the illegal and inappropriate disposal of human waste in the form of toilet buckets from informal settlements and backyarders, directly into rivers and drains, as well as generally polluted runoff from informal settlements adds to the organic loading of the city's aquatic ecosystems. Illegal dumping and careless disposal of household waste and builder's rubble into open-space areas, rivers, wetlands and the stormwater system are additional problems.³⁰

Polluted freshwater systems pose significant risks to aquatic life and freshwater ecosystems. Polluted systems may also result in public health risks.

Nationally, the policy environment relating to fresh water is framed by the National Water Act 36 of 1998. This was a significant reform of the law relating to water resources, and recognised that protection of the quality of water resources is necessary to ensure sustainability of the nation's water resources in the interest of all users. Under the act, the environment has a right to a quota of water in order to be sus-

tained into the future, which recognises the importance of the resource as underpinning all water needs. The only other automatic right to water is for basic human needs. All other water users must register their water requirements, which are only allocated once the two aforementioned uses have been satisfied.

Local policies and bylaws relating to coastal water quality around the Cape Town coastline (see previous page) also pertain to maintaining freshwater sources and bodies. The City's IMEP specifically refers to maintaining river health, while WSUD concepts integrated with the CTSDF are intended to minimise disruption of the natural water cycle by reducing runoff, attenuating flooding, and treating runoff before discharge into the receiving waters, whilst at the same time increasing the amenity value of water systems and reducing the cost of water infrastructure.

The City has also signed the United Nations Environmental Programme's Urban Environmental Accords on World Environment Day on 5 June 2005. These accords provide guidelines for the treatment of municipal wastewater, specifically to reduce the volume of untreated wastewater discharges by 10% in seven years; expand the use of recycled water, and implement a sustainable urban watershed planning process, which includes participants from all affected communities and is based on sound economic, social and environmental principles.³¹

a) Inland water trends and analysis

The water quality of Cape Town's freshwater ecosystems can be summarised by evaluating water quality data in terms of both public health and ecosystem health perspectives, which each requires different indicators derived from the DWA recommendations and guidelines. Microbiological data are used to evaluate the suitability of inland waters for recreational use, with DWA guide-

● ● ●

To resolve long-standing water quality and ecosystem health issues, the City is prioritising the upgrade and expansion of wastewater treatment works in terms of both capacity and technology

30. City of Cape Town, 2012b.

31. See [https://www.capetown.gov.za/en/ExternalRelations2/Documents/](https://www.capetown.gov.za/en/ExternalRelations2/Documents/International%20Agreements%20pdf/Urban%20Environmental%20Accords/Urban%20Environmental%20Accords.pdf)

[International%20Agreements%20pdf/Urban%20Environmental%20Accords/Urban%20Environmental%20Accords.pdf](https://www.capetown.gov.za/en/ExternalRelations2/Documents/International%20Agreements%20pdf/Urban%20Environmental%20Accords/Urban%20Environmental%20Accords.pdf).

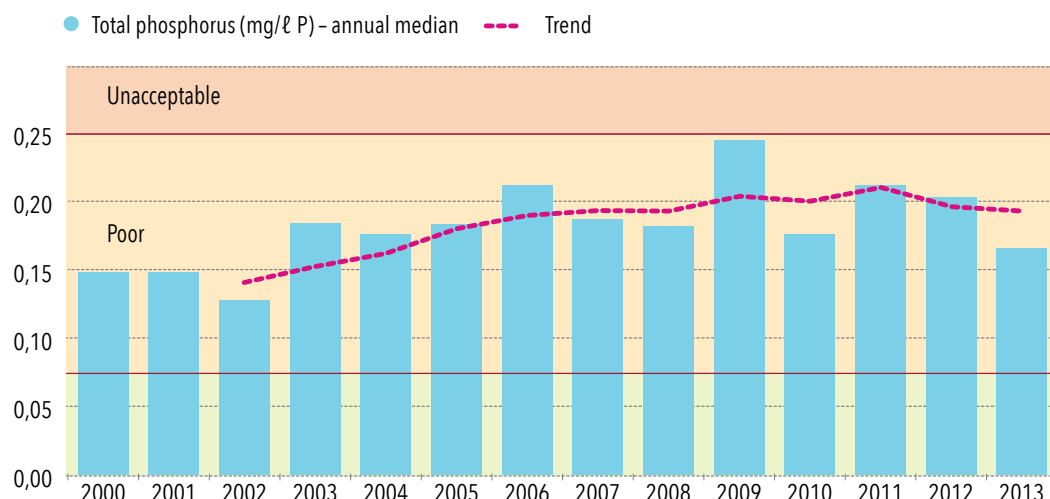


Figure 3.10: Total phosphorus concentration of all inland aquatic systems (annual median), 2000-2013

Source: City Planning Department, Transport for Cape Town, Stormwater and Sustainability Branch.

lines recommending that samples should not exceed 1 000 indicator organisms per 100 ml of water.³²

Based on a review of previous City of Cape Town State of Environment reports³³ and City data, the city's freshwater ecosystems fluctuated between improvement and deterioration during the period 1998 to 2013. Although overall phosphorus enrichment levels now show a slight improvement (figure 3.10), nutrient enrichment remains a concern, particularly within catchments that are intensively developed, receive wastewater effluent discharges and have many informal settlements. Bacterial contamination levels declined between 2000 and 2008, but started to recover steadily thereafter (figure 3.11). The drop in the percentage compliance in 2013 is thought

to be due to a number of storm events, which resulted in wash-off of contaminants and many instances of overflowing sewers due to rainwater ingress.

It is not always possible to determine the exact causes of deterioration or improvement in a particular year. Significant rain events play a role by washing contaminants from impervious surfaces into receiving waters, but also by diluting pollutants to some extent. "First flush" rain events often result in a spike in pollution levels due to mobilisation of pollutants that have accumulated during the preceding dry season. Detailed analysis of catchment water quality data (figure 3.12) reveals that, in some cases, the city's freshwater systems are starting to benefit from increased management and attention.³⁴

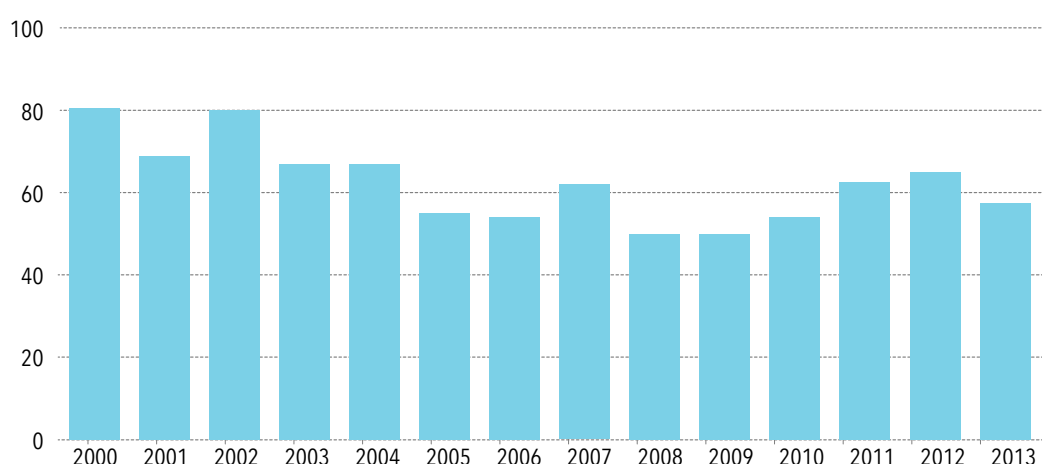


Figure 3.11: Percentage compliance with intermediate-contact recreational guideline for all inland aquatic systems, 2000 to 2013

Source: City Planning Department, Transport for Cape Town, Stormwater and Sustainability Branch.

32. Monthly samples are taken at monitoring points throughout the city's freshwater ecosystems. Phosphorus concentration data are used as a proxy measurement of the ecological condition or trophic state (extent of nutrient enrichment) of the freshwater ecosystems. Phosphorus is a common nutrient pollutant in urban and peri-urban areas. Too much phosphorus in a freshwater system leads to eutrophication, where excessive plant and algae growth leads to degradation of the natural ecosystem. Phosphate levels are divided into four trophic state categories, namely oligotrophic (very low nutrient level) = excellent, mesotrophic (moderate nutrient level) = good, eutrophic (high

nutrient level) = fair to poor, and hypertrophic (excessive nutrient level) = bad.

33. City of Cape Town (Cape Metropolitan Council), 1998, 1999; City of Cape Town, 2000, 2001, 2002, 2008, 2009, 2012b.

34. Mainly facilitated through the Corporate Inland and Coastal Water Quality Improvement Strategy and Implementation Plan. However, the quality of many of the city's freshwater systems remains of concern, and continued commitment is needed to ensure that the IMEP target of 80% compliance with public health guidelines by 2014 is reached.

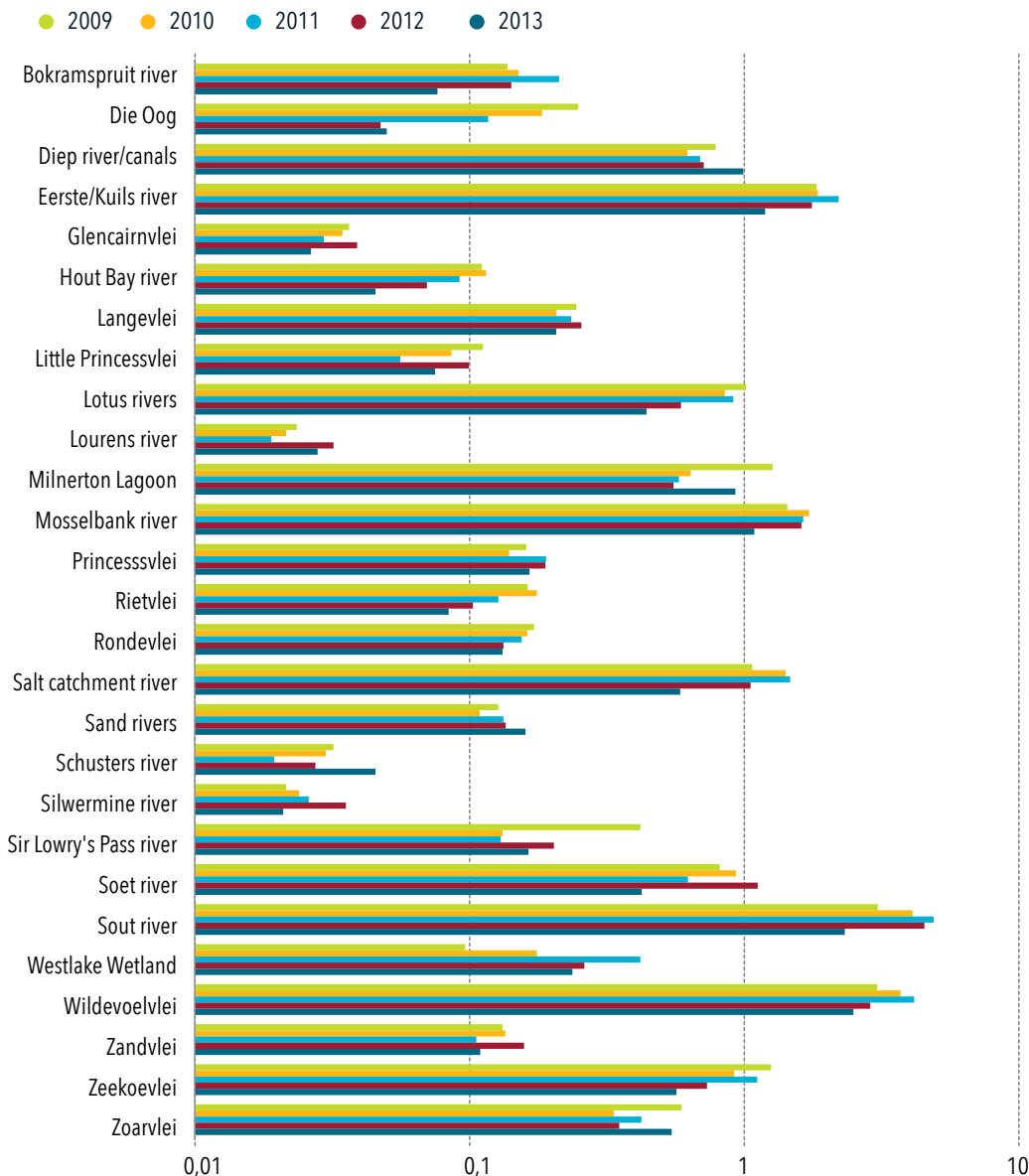


Figure 3.12: Total phosphorus (annual median) measured in various river and vlei systems, 2009–2013

Source: City Planning Department, Transport for Cape Town, Stormwater and Sustainability Branch.

b) Emerging debates and implications for Cape Town

Densification and expansion of Cape Town's development footprint into peri-urban/rural areas will add to the pressure on municipal infrastructure and services, whilst increasing the strain on the city's natural resources.

To resolve long-standing water quality and ecosystem health issues, the City is prioritising the upgrade and expansion of wastewater treatment works in terms of both capacity and technology. The provision of effective sewerage infrastructure in informal areas, and the repair and replacement of ageing sewer systems, is another key priority. As these measures are costly and take long to accomplish, it is likely that measurable improvements in the state of receiving waters may take many years to achieve.

In the shorter term, speedy repair of sewerage facilities that are blocked, have broken or have been vandalised can yield measurable improvements. Several hundred sewer blockages due to illegal disposal of inappropriate materials, sand build-up, fat accumulation and tree roots

are attended to each day by the City's sewer blockage teams.

Rehabilitation and restoration of ecosystem services provided by the city's rivers and wetlands should be considered wherever feasible, in order to promote a return to functional aquatic ecosystems. Maintenance of buffer areas adjacent to freshwater systems is also important, as they protect the receiving environment from polluted runoff, and can provide valuable habitat as well as recreational space.

5.3 Drinking water

The City of Cape Town has been awarded Blue Drop certification every year since the launch of the programme in 2009. The Blue Drop system was initiated by DWA as part of the drinking water quality regulation programme to instil public confidence in drinking water. To qualify for a Blue Drop certificate, a water service authority must score at least 95% in meeting the criteria set by DWA. At

To resolve long-standing water quality and ecosystem health issues, the City is prioritising the upgrade and expansion of wastewater treatment works in terms of both capacity and technology.



The City of Cape Town has been awarded Blue Drop certification every year since the launch of the programme in 2009. To qualify for a Blue Drop certificate, a water service authority must score at least 95% in meeting the criteria set by Department of Water Affairs.

the 2012 awards ceremony, the City obtained 98,14% – the highest score in the Western Cape and the sixth-best in the country – and was one of ten municipalities in the Western Cape that achieved Blue Drop status. The City also received a Platinum Blue Drop award for its consistent excellent performance over four years (2009-2012), and remains in the top-performing group of water service authorities in South Africa.

To ensure that Cape Town's residents have the safest possible tap water to drink, the City fully supports and complies with strict water quality checks prescribed by DWA. The following water quality table indicates the percentages achieved by Cape Town's drinking water against these measures over the period 2009-2014 (table 3.4). Water compliance has constantly exceeded the City's own

internal annual target, which went from 96% in 2009 to the very high 98% since July 2012. Compliance is measured against prescribed chemical and microbiological components.³⁵ The above water quality analytical results form part of the City's participation in the DWA Blue Drop certification programme.

6. Water use

South Africa and the Western Cape are characterised by water scarcity and water stress, and Cape Town is no exception. Water resources are managed on a catchment scale (per water management area), whereas actual water use is aligned with municipal boundaries (which overlap water management areas). This leads to overlaps and gaps between managing institutions and priorities. Cur-

Table 3.4: Drinking water quality in Cape Town, 2009-2014
(SANS 241 requirements per population size; one sample: 20 000 people)

	2009-10	2010-11	2011-12	2012-13	2013-14
Quarter 1	98,7	97,0	97,0	99,1	99,1
Quarter 2	98,7	98,0	98,3	99,1	99,1
Quarter 3	98,9	98,0	98,0	99,5	99,0
Quarter 4	98,0	99,0	98,6	99,3	99,3*

* As of April 2014

Source: Water and Sanitation Department, City of Cape Town.

35. Compliance measurements include additional aspects, such as the maintenance and monitoring of the catchment and storage areas and facilities, the pipeline and distribution systems, and the water treatment facilities and processes. The water quality has to meet the standard at every

stage, from where it is stored until it is used by the consumer. Adequate staff with suitable skills, coupled with a training regime, also form part of the certification process, which is done annually by means of a physical audit conducted by DWA officials.

rently, the only water management area (WMA) in the province in which there is a surplus in terms of water availability is the Berg WMA, due to the implementation of the Berg water project in 2007.³⁶

The Western Cape water supply system (WCWSS), comprising raw-water storage and conveyance infrastructure, supplies water to Cape Town, surrounding towns and urban areas, as well as agriculture. The major raw-water supply schemes of the WCWSS are the Riviersonderend, Voëlvllei and Berg River schemes owned and operated by DWA, and the Wemmershoek and Steenbras schemes owned and operated by the City. In June 2013, the total storage capacity of the six major dams of the WCWSS was 898,3 million kℓ.³⁷ This represented an increase of 130 million kℓ compared to the 2009 total storage capacity (table 3.5). However, despite the total storage capacity having increased, total water stored decreased significantly between 2009 and 2013, with the most significant decrease recorded in 2012. This decrease was the result of a combination of lower rainfall during the period, evaporation loss and increased consumption by a growing urban population.

The City's allocation of water from the WCWSS, with the additional yield of the Berg River scheme, is 398 million kℓ per annum. Including the Berg River scheme, the City obtains 73% of its allocated water from DWA-owned sources, with the balance of 27% coming from City-owned sources.³⁸

The City obtains most of its raw water for treatment to potable standards from mountainous catchments outside its municipal area, and therefore, most of the City's treated wastewater effluent is not returned to the raw-water resource. A percentage of the effluent produced at the Westfleur treatment works at Atlantis is used to artificially recharge the aquifer from which water is abstracted for potable supply as part of the Atlantis water supply scheme.³⁹

6.1 Policy environment 1994-2014

Relevant national legislation enacted in the last 20 years includes the Water Services Act 108 of 1997 and the National Water Act 36 of 1998, as well as the City's bylaws.⁴⁰

In 2001, the City adopted a Water Demand Management (WDM) Policy, which sets out a framework for the establishment of WDM mechanisms in the city, including a goal to reduce water demand by specific target dates⁴¹ through the use of a variety of WDM interventions, including extensive implementation of pressure management; replacement, fixing and relocation of water meters; installation of water management devices (for improved revenue collection); integrated leak detection and repair programmes; replacement of old water mains; the improved management of network operations, as well as the reuse of treated effluent. Related programmes focus on water conservation awareness and education.

● ● ●

In 2001, the City adopted a Water Demand Management (WDM) Policy, which sets out a framework for the establishment of WDM mechanisms in the city, including a goal to reduce water demand by specific target dates through the use of a variety of interventions,

Table 3.5: City of Cape Town major dam levels (in million kℓ), 2009-2013

Major dams (99,6% of total capacity)	BULK STORAGE ON 24 JUNE 2009-2013						
	Capacity Mℓ	Capacity less dead storage	% 2009	% 2010	% 2011	% 2012	% 2013
Wemmershoek	58 644	58 544	78,0	69,5	74,9	50,4	85,5
Steenbras Lower	33 517	33 517	67,4	62,9	59,7	53,6	74,1
Steenbras Upper	31 767	29 267	96,1	77,8	68,5	75,9	87,1
Voëlvllei	164 122	156 022	79,7	82,1	65,5	48,6	69,3
Theewaterskloof	480 250	432 250	94,9	85,6	73,1	59,8	79,7
Berg River	130 000	125 800	73,1	100,2	81,3	72,6	92,6
Total stored			780 337	762 749	650 041	532 825	719 695
Total storage	898 300	835 400	768 300	898 300	898 300	898 300	898 300
% storage			86,9	84,9	72,4	59,3	80,1

Source: City of Cape Town, 2014b:26

36. DWA, 2011.

37. City of Cape Town, 2014b.

38. Ibid.

39. Ibid.

40. These include the Water Services Bylaw (2003), which empowers Council to limit, discontinue or restrict the use of water for the purposes of water conservation; the Wastewater and Industrial Effluent Bylaw (2006), which protects our sewer system by governing private and industrial sewer disposal and usage; the Treated Effluent Bylaw (2009), which aims to

regulate the reuse of treated effluent; the Water Bylaw (2010), which incorporated water conservation and demand management into its provisions, and a new Wastewater and Industrial Effluent Bylaw (2013), which replaced the 2006 version.

41. Accordingly, the Water Conservation and Water Demand Management Strategy has been updated several times, with the latest review in the second half of 2013. This updated version sets goals that the strategy will endeavour to achieve up until 2020/21.



The City has also recently embarked on a programme of reusing treated wastewater effluent for various applications, including watering of sports fields and golf courses, and certain industrial uses

The City further outlines its implementation of water supply and sanitation services in its Service Standards Policy of 2008 (currently under review), which contains the framework for the provision of basic water and sanitation services to all, including informal settlements and backyarders. Another important guiding document is the Water Services Development Plan,⁴² which is aligned with the City's IDP.

DWA provides further legislative direction, and has since 2008 been measuring and monitoring the overall performance of water services authorities through the regulatory performance measurement system as well as

through the Blue Drop, Green Drop and No Drop certification programmes.

6.2 Water use trends and analysis

Overall annual water usage between 1996 and 2013 increased from approximately 250 000 megalitres (Mℓ) to approximately 284 000 Mℓ in 2013, with highs of around 305 000 Mℓ in 1999 and 2009. However, over the same period, per-capita water use showed a steady decline, from a high of approximately 312 ℓ per capita per day in 1999 to just over 200 ℓ per capita per day in 2013 (figure 3.13). These achievements are in line with the City's

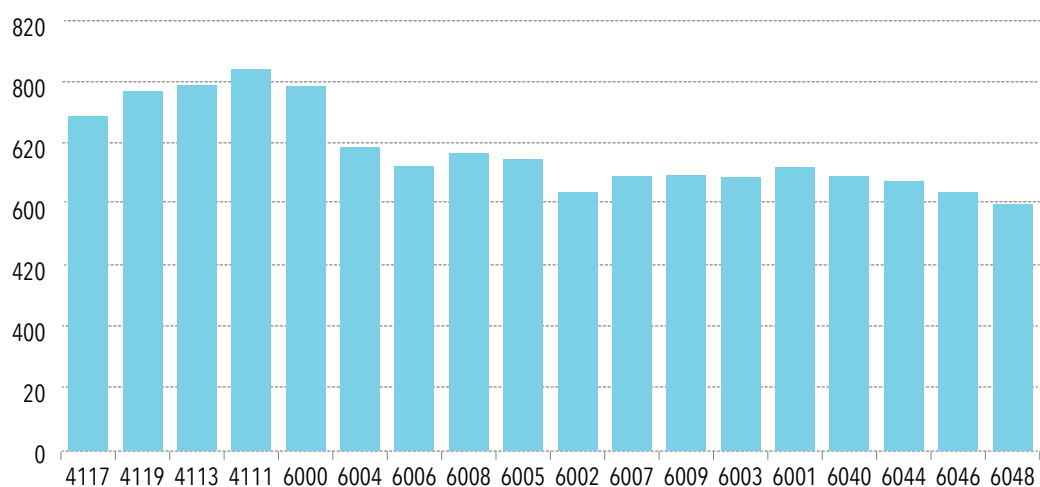


Figure 3.13: Daily water use per capita (in litres) in Cape Town, 1996-2013

Source: City Water and Sanitation Department (May, 2013).

42. The Water Services Development Plan addresses the provision of sustainable water and sanitation services against the backdrop of various current and future demand management challenges, including meeting

basic needs, ensuring economic growth, maintaining ageing infrastructure, limiting negative environmental impact, managing water resource scarcity, and consolidating a transformed metro-administrative infrastructure.



Environmental Agenda 2009-2014 target to reduce overall water use to 290 000 Mℓ per year and per-capita use to 180 ℓ per day.⁴³ Efforts are also under way to investigate opportunities for the sustainable harvesting of new water sources – such as underground reservoirs (a non-renewable resource) and desalination plants – alongside upgrades to water reticulation systems to minimise leaks and water losses. The City has also recently embarked on a programme of reusing treated wastewater effluent for various applications, including watering of sports fields and golf courses, and certain industrial uses. In 2013, just under 13 000 Mℓ of water (about 4%) was reused.

6.3 Emerging debates and implications for Cape Town

Water scarcity will continue to present a problem for Cape Town into the future. The principal challenge for the City's Water & Sanitation Department is to maintain the existing level of water and sanitation services, while also providing services to an ever-increasing number of households in a sustainable way. This includes balancing the growth in urban demand with sustained water supply for agriculture and food production.

Due to continued urbanisation and migration, service delivery in especially informal settlements remains a constantly moving target. Thus, efforts to provide increasing and improved access to basic services in informal settlements are continuing unabated, as is the phasing-in of on-site services provision to backyarders. Certain localised service delivery challenges exist where informal

settlements are for example not situated on City property, or are located beneath power lines, on landfill sites, in a road or railway buffer or on flood plains. However, these challenges are persistently addressed while aiming for service delivery provision consistent with the City's internal standards, which are higher than the national norm.

The City has prioritised a substantial allocation of resources to improve living conditions in informal settlements, specifically in the provision of refuse removal and area cleaning, water, sanitation and electricity. In line with and according to national minimum standards as required by the Water Services Act 108 of 1997, the City has systematically provided additional water and sanitation services to informal settlements to the extent where backlogs have now been eradicated.

However, South Africa remains a water-scarce environment, as does Cape Town. Although supply-side programmes have expanded the City's capacity to supply drinking water to an increasing population, the City also recognises that water resources are limited. As such, programmes to address water demand management form a key component of the City's approach to dealing with water resource scarcity in the future.

The impacts of climate change are not yet fully understood, but have significant potential to affect the already scarce water resources in the Cape Town area. Changes in seasonality of rainfall or the intensity of rainfall events may disrupt agricultural activities in the region, and increase the risk of floods and severe weather impacts on residents of the city.



In line with and according to national minimum standards as required by the Water Services Act 108 of 1997, the City has systematically provided additional water and sanitation services to informal settlements to the extent where backlogs have now been eradicated.

43. The WHO recommends, as a basic level of service, a per-capita minimum of 50 ℓ of water per day for basic cooking, drinking and hygiene requirements. The City provides 6 000 ℓ of free water to all households. At

an average household size of four people, this amounts to 50 ℓ per person per day and consolidating a transformed metro-administrative infrastructure.

7. Solid waste management

Over the past two decades, solid waste management has increasingly become a priority on the global environmental agenda. Recent estimates suggest that, globally, as much as ten million tonnes of industrial and municipal waste are generated per day. More sustainable and integrated waste management practices are vital to mitigate further environmental degradation and harm to human health. Waste materials are also increasingly being regarded as potentially valuable resources, which should not simply be thrown away.

7.1 Policy environment 1994-2014

The 1999 draft National Waste Management Strategy, followed by the 2000 White Paper on Integrated Pollution and Waste Management for Southern Africa, kick-started the waste management policy framework in the democratic South Africa. In 2000, members of government, business and civil society met in Polokwane for the first National Waste Summit, at which the Polokwane Declaration was developed. The declaration's stated goal was to stabilise waste generation, reduce waste disposal, and develop a plan for zero waste. This helped set a vision for local waste management policy and practice.

In 2008, the National Environmental Management: Waste Act 59 of 2008 was developed to reform and consolidate previously fragmented legislation regulating waste management, for the first time providing a coherent and integrated framework for the management of waste. The current National Waste Management Strategy, which gives effect to the Waste Act, was developed and approved by Cabinet in 2011, and needs to be updated every five years. This strategy sets targets for the implementation of waste minimisation; the reuse, recycling and recovery of waste; the legally compliant, effective and efficient planning, financial management and delivery of waste services, and the growth of the waste sector's contribution to the green economy. It clearly defines the roles and respon-

sibilities of government, organisations and citizens in working towards these goals, and the importance of a collaborative and integrated approach.

The City aims to integrate waste management services in a way that ensures provision of basic services, the minimisation of the effects of waste on human and environmental health, and the economic activities associated with sustainable waste management. In 2006, the City's Integrated Waste Management Policy was adopted, which noted that without serious action towards waste minimisation, "the City will face an environmental and a health crisis ... with dire consequences to the local economy".⁴⁴ It identified waste minimisation as a key objective that needs to be achieved through a variety of methods, including the provision of new infrastructure, educational programmes, public and private-sector participation, the facilitation of a buoyant recycling market, job creation through recycling, and the implementation of stricter legislation. In 2009, Cape Town became the first municipality in South Africa to introduce a bylaw regulating and enforcing integrated waste management in the city.

7.2 Waste management trends and analysis

Analysing waste management trends in Cape Town provides some challenges: Many of the City's waste minimisation programmes were initiated during 2006 or soon thereafter. Among these are recycling programmes, including the split-bag pilot household recycling programme, the provision of recycling drop-off centres across the city, and the introduction of material recovery facilities at waste transfer stations, which form a very visible component of the City's waste minimisation approach and facilitate the recycling of packaging waste. Some double-counting could therefore have occurred.

Waste disposal at the City's three waste disposal sites – including Cape Town's domestic and the majority of its commercial and industrial waste – reached a high of approximately 2,5 million tonnes, or approximately 730 kg

● ● ●

The current National Waste Management Strategy sets targets for the implementation of waste minimisation; the reuse, recycling and recovery of waste; the legally compliant, effective and efficient planning, financial management and delivery of waste services, and the growth of the waste sector's contribution to the green economy.

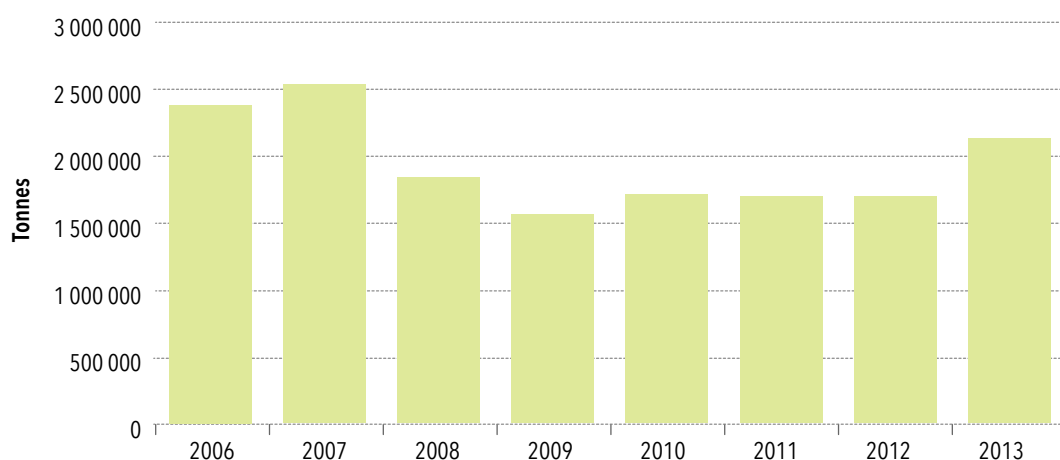


Figure 3.14: Total waste disposed (tonnes) in Cape Town, 2006-2013

Source: City Solid Waste Management Department.

44. City of Cape Town, 2006.



per person, in 2007 (figure 3.14). Then, a sharp drop in waste disposal was noted from 2007 to 2012. During the same period, the percentage of waste minimised (i.e. diverted before landfill) by the City's own waste minimisation programmes only (excluding the tonnages minimised directly by the private sector) increased from 4% to between 12% and 14% of total waste entering the municipal system. Although it is difficult to identify reasons for these significant changes, a number of possible causes can be considered.

For example, the global economic recession of 2008 had a significant impact on South Africa, which could have resulted in a decrease in the consumption of goods and, therefore, production of waste. Also, as construction waste accounts for a significant portion of waste sent to landfill in Cape Town, the general downturn in the construction industry could have also accounted for some of the decrease in waste disposal. However, the double-counting noted above should also be considered in this analysis.

In recent years, garden waste and builder's rubble have been identified as important wastes to be diverted from the landfill stream, both as a result of their bulkiness and their resource potential. The City has developed a number of drop-off sites that cater for garden waste and builder's rubble, among other waste streams. Private contractors working for the City use the garden waste for the

production of compost off-site, while other contractors recover portions of the builder's rubble waste stream for reuse.

The City has committed to working with the private sector to reduce waste sent to landfill through initiatives such as the Integrated Waste Exchange (IWEX). Operating on the principle that "one person's garbage is another person's gold", IWEX is a free online system that enables waste generators and users to exchange waste materials. In 2013, the City collaborated with the Western Cape Government's pilot programme, the Western Cape Industrial Symbiosis Programme (WISP), to build business networks by identifying mutually profitable synergies that allow the underutilised and undervalued resources from one business – including materials, energy, water, logistics, assets and expert knowledge – to be used by another. WISP is delivered by the sector development agency GreenCape as a free facilitation service, using an industrial symbiosis approach to enhance business profitability and sustainability.⁴⁵

Around 12% of the municipal waste stream is diverted from landfill through the City's waste minimisation programmes (figure 3.15). In addition, a 2010-2011 assessment of alternative service delivery options (completed in February 2011) found that approximately 18% of the total waste stream, expressed in tonnes, is diverted annually through private-sector waste minimisation programmes.



Around 12% of the municipal waste stream is diverted from landfill through the City's waste minimisation programmes.

45. GreenCape, 2013.

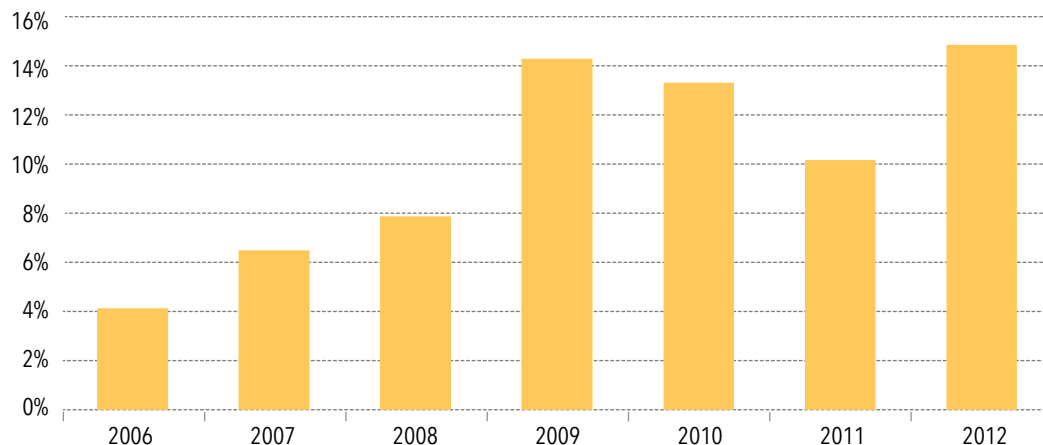


Figure 3.15: Waste minimisation (%) in Cape Town, 2006-2012

Source: City Solid Waste Management Department.

● ● ●

While recycling has increased significantly in recent years, landfills are still Cape Town's primary method of waste disposal. The available landfill volume in Cape Town is fast approaching capacity.

Continuous improvements in these private-sector waste minimisation and recycling programmes may also account for the reduction in waste disposed of at landfills.⁴⁶

7.3 Emerging debates and implications for Cape Town

The promulgation of REDISA's (the Recycling and Economic Development Initiative of South Africa) Integrated Industry Waste Tyre Management Plan in November 2011, and its subsequent implementation, has highlighted the concept of extended producer responsibility in the waste management and recycling arena, as introduced in the Waste Act. This concept imposes on the producer or consumer of an item financial or physical responsibility for the responsible end-of-life management of the product. This is aimed at eventually ensuring responsible waste management of all products. This REDISA plan, along with other industry waste management plans that are currently being prepared, has sparked healthy debate between industry and all spheres of government about the various roles and responsibilities related to source separation, collection, sorting and recycling of waste streams.

While recycling has increased significantly in recent years, landfills are still Cape Town's primary method of waste disposal. The available landfill volume in Cape Town is fast approaching capacity. Although waste minimisation does lengthen the remaining site life, it is estimated that only four to seven years remain if Vissershok North and the regional site are not commissioned as planned. The construction of new landfill sites is a complex and expensive process, but remains an essential service, which the City is mandated to deliver. On the one hand, locating new landfill sites too far out of the city would result in increased transport costs for the municipality; on the other, there is insufficient land to locate them closer to waste generation areas. In addition, sites must be engineered and properly operated to prevent

any ground or other pollution from occurring.

The City recently completed a supplementary environmental impact assessment for environmental authority and a waste licence to construct and operate a proposed new regional landfill site to service Cape Town. If approved, this site will assist the City in carrying out its constitutional mandate to provide essential services to its residents with regard to the adequate and legal disposal of solid waste. In essence, it will form part of an integrated approach to achieve minimisation targets, as well as to reduce the amount of waste requiring final landfill disposal.

8. Conclusion

It is important for Cape Town to maintain and enhance its iconic natural beauty in order to maintain its attraction as a tourist destination with the added benefit of boosting job creation in the tourism sector. The city faces several environmental challenges such as waste and air pollution, resource (particularly water) depletion and biodiversity loss, which are further exacerbated through climate change and increased urbanisation. However, significant resources are invested by the City of Cape Town in order to maintain and enhance a healthy natural environment. This was aided by an enabling legislative context between 1994 and 2014, which further contributed to the institutional stimulus for ensuring environmental sustainability in the city.

The key remaining challenge - however - is the extent to which all the residents of Cape Town take responsibility for the long term health and sustainability of the city. Much work is being done to build awareness of how to live a healthy and productive life without depleting the natural resource and beauty in Cape Town and surrounds. However, this chapter indicates that though good progress has been made, the task of persuading Cape Town residents and business to be good stewards of the city remains a work in progress.

46. City of Cape Town, 2011d



Chapter 3 reference list

- City of Cape Town (Cape Metropolitan Council). 1998. State of the Environment Report for the Cape Metropolitan Area, Year One, 1998. Cape Town.
- City of Cape Town (Cape Metropolitan Council). 1999. State of the Environment Report for the Cape Metropolitan Area, Year Two, 1999. Cape Town.
- City of Cape Town. 2000. State of the Environment Report for the City of Cape Town, Year Three, 2000. Cape Town.
- City of Cape Town. 2001. State of the Environment for the City of Cape Town, Year Four, 2001. Environmental Management Department: Cape Town.
- City of Cape Town. 2002. State of the Environment Report for the City of Cape Town, Year Five, 2002. Environmental Management Department: Cape Town.
- City of Cape Town. 2006. City of Cape Town Integrated Waste Management Policy. Environmental Resource Management Department: Cape Town.
- City of Cape Town. 2008. City of Cape Town State of the Environment Report 2007/8. Environmental Resource Management Department: Cape Town.
- City of Cape Town. 2010. City of Cape Town State of the Environment Report 2009. Environmental Resource Management Department: Cape Town.
- City of Cape Town. 2011a. State of Cape Town Report 2010. Development Information & GIS Department: Cape Town.
- City of Cape Town. 2011b. Moving Mountains: Cape Town's Action Plan for Energy and Climate Change. Environmental Resource Management Department: Cape Town.
- City of Cape Town. 2011c. State of Energy and Energy Futures Report: Energy use, carbon emissions inventory and scenarios for the future. Environmental Resource Management Department: Cape Town.
- City of Cape Town. 2011d. MSA Section 78 (3) to Assess Alternative Service Delivery Options. Compiled by Akhile Consortium on behalf of the Solid Waste Management Department. Internal document.
- City of Cape Town. 2012a. Spatial Development Framework. Cape Town.
- City of Cape Town. 2012b. State of the Environment Report 2012. Environmental Resource Management Department: Cape Town.
- City of Cape Town. 2014a. Significant Storm Register (1899-). Planning Department, Transport for Cape Town, Stormwater and Sustainability Branch.
- City of Cape Town. 2014b. Water Services Departmental Sector Plan for City of Cape Town 2012/13 – 2016/17 IDP Term. Water and Sanitation Department: Cape Town.
- DANIDA. 2000. Improving the Urban Environment and Reducing Poverty. DANIDA Workshop Papers, 5 December, Copenhagen, Denmark. Available at <http://web.mit.edu/urbanupgrading/urbanenvironment/issues/key-UE-issues.html>
- Department of Water Affairs. 2011. Western Cape Integrated Water Resources Management Action Plan. Executive Summary: Status Quo Report. Available at http://www.westerncape.gov.za/other/2011/8/final_draft_exec_summary_report_2011.pdf.
- DiMP (Disaster Mitigation for Sustainable Livelihoods Programme). 2010. RADAR Western Cape 2010: Risk and Development Annual Review. PeriPeri Publications: Cape Town.
- GreenCape. 2013. Available at <http://greencape.co.za/what-we-do/projects/wisp/>.
- Hardoy, J.E., Mitlin, D. & Satterthwaite, D. 1992. Environmental Problems in Third World Cities. Earthscan: London.
- Midgely, G.F., Chapman, R.A., Hewitson, B., Johnston, P., De Wit, M., Ziervogel, G., Mukheibir, P., Van Niekerk, L., Tadross, M., Van Wilgen, B.W., Kgope, B., Morant, P.D., Theron, A., Scholes, R.J. & Forsyth, G.G. 2005. A Status Quo, Vulnerability and Adaptation Assessment of the Physical and Socio-Economic Effects of Climate Change in the Western Cape, CSIR Report No. ENV-S-C 2005-073. CSIR Environmentek: Stellenbosch.
- Oxfam. 2014. Hot and hungry –how to stop climate change derailing the fight against hunger. Oxfam Media Briefing, 25 March.
- Rebelo, A.G., Holmes, P.M., Dorse, C. & Wood, J. 2011. Impacts of urbanization in a biodiversity hotspot: Conservation challenges in Metropolitan Cape Town. Sustainable Energy Africa (SEA). 2013. Unpublished data. Cape Town.
- UNEP. Undated. UNEP Global Judges Programme: Application of Environmental Law by National Courts and Tribunals. Presentation 2: Major Environmental Problems. Available at http://www.unep.org/delc/Portals/119/02_MAJOR%20ENVIRONMENTAL%20PROBLEMS.pdf.

● EXPERT ANALYSIS

Definite change and more challenges as waste management restructures to emulate nature

Professor Harro von Blottnitz

Environmental engineer and Professor
University of Cape Town

Over the past 20 years, there has been a lot of change in the way we deal with our wastes. "Think globally, act locally" was the call to action of the generation that went to the first Earth Summit in Rio de Janeiro in 1992. Many environmental sins, such as open lagoons to evaporate toxic solvents, have been addressed. Production systems have become cleaner, for example by replacing toxic solvents with water-based inks in printing; waste disposal practices have become more responsible, regulated and audited. Many a consumer has started to act (very) locally, separating wastes for recycling, or discovering the power of earth worms in home composting.

Ambitiously, the City's waste collection trucks display the message "Nature knows no waste". Yet, residents and businesses continue to generate almost three million tons of it each year, of which 75% needs to be disposed (Akhile Consortium, 2011). Can society's materials management indeed emulate nature? How has it modernised and what does it still need to achieve?

South African lawmakers developed (and Parliament adopted) the National Environmental Management: Waste Act (NEM:WA) in 2008. In Cape Town, the Waste Bylaw of 2009 has clarified responsibilities for waste generators and handlers. Important private-sector initiatives are going beyond compliance with the law, with notable ones - the national schemes for spent lubricating oil (by the ROSE Foundation) and for plastic soft-drink and water bottles (by PETCO) - operating out of Cape Town.

But other habits die hard. Too many residents over-consume and want a waste system that best remains "out of sight out of mind". There is still far too much littering. Whilst the scourge of free plastic shopping bags, then called the 'national flower' has been contained, plastic pollution in the oceans and on the shores continues to increase. Recycling and composting make a brave dent in the flood of waste but there remains a gaping hole around 'treatment', which sits above 'disposal' in the waste hierarchy - the guiding principle for waste management according to NEM:WA. Cape Town has been close to a disposal crisis for much of the past decade - the city is down to three landfill sites (from seven); the Bellville South site had to get special permission to reduce the 800 m buffer distance to residents to 400 m; the new "regional" landfill site has been in social, political and legal deadlock for years.

Redirecting waste flows at scale requires vision, sizeable capital investments and tenacity, as the City's waste management department discovered with the implementation of the award-winning Kraaifontein transfer station and its material recovery facility. This needs to be repeated in other parts of the city. But it does not have to be a "go-it-alone" game for local government: Several private-sector players have seen the business opportunities in resource recovery, whether through biogas production from organic waste, through composting at scale or in the treatment of construction and demolition wastes. The private sector needs investment certainty and dependable partnerships. Residents and their elected local government need the private sector to play an honest game and be in it for the long haul.

What does this mean concretely? On the one hand, there is a distinct need for joint public and private-sector investments at the scale of several hundred million rands each on City-led waste transfer and resource recovery stations. These need to go beyond the Kraaifontein model and include bio-mechanical treatment of the wet fraction. These projects would also enable a roll-out of the split-bag system, enabling all residents of the City to separate their recyclables for collection. But a two-way system is not enough (Von Blottnitz, 2012) and "small" does remain "beautiful" (to recall that famous Schumacher quote): The residual wet waste stream should, wherever possible, not be loaded with "nature's treasures". Home composting, or medium-scale biogas production with composting by specialised enterprises, holds much ecological and employment promise.

Cape Town is still some way from a society that manages its resources sustainably, with all citizens enabled and empowered to dispose of wastes responsibly, biological nutrients recovered for cycling between the city and its bioregion, technical materials recovered for recycling rather than burdening nature. One key lesson yet to be fully comprehended is that, in nature, there is close interaction between producers, consumers and decomposers. Economics, on the other hand, only knows production and consumption. Brazil has recognised "scavenging" as a profession. Why does Cape Town keep looking down on its "trolley people"?



"

Ambitiously, the City's waste collection trucks display the message "Nature knows no waste". Yet, residents and businesses continue to generate almost three million tons of it each year, of which 75% needs to be disposed.

"



References

- Akhile Consortium. (2011). Assessment of Alternative Service Delivery Mechanisms for Solid Waste in Cape Town. Consultant's report regarding Municipal Systems Act S.78(3), adopted by the Mayoral Committee.
- Von Blottnitz, H. (2012). Three not two! How strong is the case for separate organic waste management systems in the municipal and commercial sector? WasteCon2012, 10-12 October, East London.

Biography

Harro von Blottnitz is professor in the Faculty of Engineering and the Built Environment at the University of Cape Town. Based in the highly dynamic and successful Chemical Engineering Department, he defines his research and teaching interests by the multiple challenges of sustainable development in developing country settings.

Professor von Blottnitz holds a BSc in Chemical Engineering from UCT, a BSc Honours in Operations Research from UNISA, an MSc in Engineering from UCT and a Doctorate in Engineering from the RWTH Aachen in Germany. He was promoted to professor in 2013 and is registered as a professional engineer with the Engineering Council of South Africa. He chairs the voluntary advisory forum of the Chemical and Allied Industries Association and is a board member of the African Centre for Cities.

Professor von Blottnitz has published widely in the fields of life cycle assessment, renewable energy (biogas, biodiesel and bio-ethanol) and waste management, and has extensively supervised postgraduate students researching these topics. Many of his graduates have gone on to practise as knowledge providers in the emerging green economy.

● EXPERT ANALYSIS

Towards a low-carbon Cape Town

Yachika Reddy

Sustainable Energy Africa
University of Cape Town

South African cities such as Cape Town are high energy consumption nodes in the country. Research indicates that the 17 cities forming the “economic backbone” of the country consume some 50% of the country’s energy, while occupying only around 4% of the land area (SEA, 2011). These cities are almost entirely dependent on fossil fuels to meet their energy needs. Industrial development, based on the availability of cheap coal-fired electricity, and a well-served suburban core contribute to global carbon emissions on a par with those cities of the industrialised countries of Europe.

Indicative modelling points to city energy consumption figures set to double in the next 20 or so years. South African cities are consequently hugely resource-inefficient in comparison to similar size international cities (FFC, 2011). The average South African metro has a carbon footprint of 6,5 tonnes/capita/annum of carbon dioxide equivalent (CO₂e), equivalent to cities such as Paris and Berlin, with larger populations and higher levels of development. Moreover, the spatial form and structure of cities play a crucial and overarching role in the productivity of urban economies, the energy demand patterns and the long-term financial soundness of city governments. It also has a significant influence on the welfare of urban residents, patterns of human interaction, social inclusion and efficient use of resources in a city, particularly with regard to energy for mobility and distribution of services. These factors present a serious challenge to city development and management. To this end, the City of Cape Town is currently developing a long-term action plan to build a secure energy future for the City as well as to achieve the carbon reduction commitments made by National Government (34% reduction from business-as-usual by 2020, and 42% reduction by 2025). Scenario modelling has been undertaken for the City, and a draft set of actions to achieve these. Actions considered include renewable energy implementation (wind, solar), solar water heaters, efficient commercial and residential buildings, industrial energy efficiency, densification and infill, among others.

Pioneering urban energy

Over the past two decades, much work has been done in the country to understand and work towards a sustainable urban energy future. The City of Cape Town has undertaken pioneering urban energy work since 2006, setting a precedent for other South African cities in ensuing years. The work is also increasingly reflected in national documents such as the Energy-Efficiency Strategy (DME, 2008) and the Energy-Efficiency Action Plan (DoE, 2013), the National Climate Change Response White Paper (DEA, 2011), the National Development Plan (NPC, 2011), and the national electricity plan (IRP, 2010) as the critical role of urban areas in the sustainable energy future of the country becomes increasingly apparent.

Within cities, the transport sector accounts for around half of the total energy use in urban areas. Tackling urban mobility is thus a key area for sustainable energy development, if a shift is to be made away from the challenges associated with fossil fuel development. The major work for the City of Cape Town, as for other metros, will need to be around promoting public transport and well-functioning integrated transport systems.

The larger municipalities all produce integrated transport plans (ITPs) as well as spatial development frameworks (SDFs), and while these documents are very interdependent, communication and coordination between the responsible departments are often lacking (DoT, 2010; SACN, 2013). Furthermore, the complexity and lack of clarity arising from the relationship shared by the three spheres of government regarding transport, as well as the lack of sustainable funding mechanisms, pose great threats to the implementation of integrated public transport. This is a problematic situation. Sustainable transport efforts in Cape Town need to be supported by urban densification, potentially along corridors, and the firm holding of appropriate zoning schemes (mixed-use zoning to reduce travel needs) and an urban edge. Analyses in South Africa and internationally are clear on the financial and other benefits of a denser, appropriately zoned city, and this imperative is now generally accepted (COGTA, 2013; SEA & UCT, 2011; SEA, 2013; DoT, 2010).

Sustainable transport motivations are two-tracked. One emphasises efficiency in transport systems with associated reduced costs and greenhouse gas emissions; the other seeks to improve the mobility of the poor. The former often focuses on moving people out of private vehicles and onto public transport. The latter is particularly important, given that poor settlements generally occupy land far from employment opportunities and urban amenities (Maphakela et al., 2013).



"

Indicative modelling points to city energy consumption figures set to double in the next 20 or so years.

South African cities are consequently hugely resource-inefficient in comparison to similar size international cities.

"

Wealthy households, although a minority, use more than half of household electricity in cities. The majority of this goes towards heating water in electric geysers. Given South Africa's abundant solar resources, this is hugely inefficient and a mass switch to solar water heating is required.

Changing the transport and spatial profile of urban areas is a slow and often expensive undertaking, and achieving modal shifts to public transport is not straightforward (Venter et al., 2013; SACN, 2013). While urban areas have shifted significantly in approach over the past decade (SEA, 2011), the overall impact on the energy and sustainability situation is limited and remains far from efficient and sustainable (SACN, 2013). Far greater political commitment to such transformation, along with continued shifts in 'business as usual' approaches by officials and significant financial support from National Government to fund expensive public transport infrastructure, is needed to accelerate the pace of transformation.

Studies have indicated that mobility is a critical factor in developing a service economy (Altman, 2009). If cities fail to address spatial form such that it facilitates greater mobility, this will particularly increase the severity of poverty through increased transport costs eating into small household budgets or inhibiting mobility altogether, and, with that, blocking critical access to jobs, education and social amenities.

To this end, the City of Cape Town needs a far more rapid shift to public transport, both to enable mobility of the poor and in response to the low-carbon imperative.

The residential sector follows at 17-20% of city energy consumption. The residential sector accounts for nearly half of all electricity used in cities. This sector is particularly important in driving peak electricity consumption (kettles, lights, cooking, water heating in the morning and evenings), making it key in efforts towards electricity security in light of national capacity constraints. Municipalities have established channels of communication and service delivery with households, and are well placed to address this critical energy-consuming sector.

There remains, however, a sharp divide between energy consumption patterns in wealthy and poorer households in cities. Even where electrified,¹ poorer households continue to use a range of fuels – with paraffin and coal use supplementing electricity consumption – which exacerbate indoor air pollution and associated respiratory illnesses. Substantial households still suffer the burden of energy poverty through badly designed housing with very low thermal performance, or through the increasing proportion of household income that is spent on meeting energy needs.

Wealthy households, although a minority, use more than half of household electricity in cities. The majority of this goes towards heating water in electric geysers. Given South Africa's abundant solar resources, this is hugely inefficient and a mass switch to solar water heating is required. Cape Town leads the country in mass solar water heater roll-out, and has recently launched an accreditation scheme for suppliers to accelerate implementation (City of Cape Town, 2013).

The commercial sector accounts for only 4% of final city energy demand, but makes up a fairly substantial 25% of city electricity demand – largely related to buildings (lighting, heating and ventilation systems), where substantial efficiencies can be achieved through efficient technologies and behaviour change (large office blocks often consume more energy during the night and over weekends due to heating systems and lighting not being switched off). Maximum efficiency benefits would arise from retrofitting the large multi-storey office blocks typically found in cities.

In Cape Town, the commercial sector accounts for 16% of energy consumption and makes up 40% of city electricity demand (City of Cape Town, 2011). Thus, there is enormous potential within this sector for energy-efficiency measures to be implemented. To this end, the City of Cape Town's Energy-Efficiency Forum established in 2010 is a highly regarded platform in which the Cape Town business sector continues to engage, exchange and share best-practice information and news.

Another substantially beneficial opportunity that has recently arisen in encouraging large-scale uptake of energy efficiency within the commercial sector is the National Business Initiative's Private-Sector Energy-Efficiency Programme. This initiative, with UK government funding in excess of R100 million, intends to catalyse large-scale change in this sector across South Africa, ranging from large to medium companies. This initiative works through advice, face-to-face support and long-term management support to enable companies to adopt greener operations.

Another major energy-efficiency landmark within the built environment (commercial, residential and industrial) entails all new buildings, including low-income housing, being subject to the new, energy-efficient building regulations captured in SANS 10400-XA. This requires that a specified efficiency per square metre is met in the building design, and a minimum of 50% of heating requirements must be met through solar water heating/heat pump. Challenges in enforcing the new regulations need to be addressed for the full effectiveness of these regulations to be realised.

Renewable energy, and in particular renewable electricity generation, has generally not been a focus of local government in South Africa, partly because electricity planning has been centrally held, with no specific allocation for local government included in national implementation plans. With recent international renewable-energy price decreases, local electricity price rises and climate change pressures, as well as the confidence instilled by the major national renewable-electricity programme (one of the biggest in the world currently), this situation is starting to shift.

One of the most promising and fast-growing renewable electricity options is rooftop solar photovoltaic (PV) embed-

¹ Electrification of households in South Africa's metros averages 89%. However, this varies substantially across cities with rural municipalities. Peri-rural areas in metros still exhibit high levels of no access to electricity services.



ded generation, and most cities, including the City of Cape Town, are developing technical and business frameworks to accommodate the applications from private households and businesses wanting to install such systems. A number of private rooftop PV projects of over 0,5 MW are already in existence in the country. Initial assessments indicate that this could grow to hundreds of megawatts around the country in the long term. However, it is acknowledged that the resulting impact on the municipal electricity load profile will need to be monitored as implementation accelerates (Ramayia, 2013).

Energy efficiency is increasingly becoming a priority of National Government as well as the residential sector. A municipal energy-efficiency programme has been launched by the Department of Energy for 19 municipalities, who receive support funds from National Treasury to take this work forward. Sustainable Energy Africa has developed an energy-efficiency planning tool to support local energy-efficiency planning for cities. Moreover, the residential sector has shown a significant response to electricity price increases through the substantial decline in electricity demand evidenced in this sector.

Conclusion

The major efficiency impacts for cities such as Cape Town lie in a transport modal shift and the mass roll-out of interventions such as solar water heating, ceilings and efficient lighting. However, it is also important to recognise that, from an economic and social point of view, all of these interventions are clearly beneficial at whatever scale they are implemented.

While Cape Town has been leading in sustainable energy development, through its pioneering Energy and Climate Response Vision and Strategy, barriers still remain in this rapidly evolving and very new area of work for local government: The cross-cutting nature of energy and climate work requires substantial coordination between departments; there are no blueprints in terms of project business models, tender documents, legal opinions and financial decisions; much of the work relies on developments within national policy and programme roll-out (such as the national energy-efficiency and demand-side management programme); human capacity and knowledge in all these new areas must be developed "on the job". At a deeper, more political level, radical changes are needed to meet required-by-science

“

While Cape Town has been leading in sustainable energy development, through its pioneering Energy and Climate Response Vision and Strategy, barriers still remain in this rapidly evolving and very new area of work for local government.

”

carbon reductions and the equity and integration required for real development. There is also an enduring pull towards a maintenance of the status quo (visible in budget allocations and property regimes) and in the models of cost recovery, despite commitments to a developmental agenda.

Major implementation priorities for the City of Cape Town include the following:

- Alignment of bulk infrastructure projects across departments, and inclusion of efficiency in all projects
- Access to energy for the poor, including thermal-efficient low-income housing; energy packages for the poor; electrification (on and off-grid); improved wiring; free basic electricity/free basic alternative energy subsidies; tariffs; efficient lighting, and alternative/clean appliances/technologies for cooking and lighting
- Built environment – enforce new energy-efficiency regulations
- Spatial planning to stem urban sprawl and inefficient growth
- Non-motorised transport and public transport support
- Community awareness and education

In order to achieve the above, the City of Cape Town will require enormous levels of cooperation and partnerships across government and between government and the private sector as well as the NGO/academic/research sector.

References

- City of Cape Town. 2011. Cape Town 2011 – State of Energy and Energy Futures Report. City of Cape Town.
- Department of Cooperative Governance and Traditional Affairs (COGTA). 2013. Towards an integrated urban development framework, a discussion document. Available at http://www.cogta.gov.za/index.php/documents/doc_view/1036-discussion-document-for-integrated-urban-development-framework.raw?tmpl=component [Accessed June 2014].
- Department of Environmental Affairs (DEA). 2011a. South Africa's Second National Communication under the United Nations Framework Convention on Climate Change.
- Department of Environmental Affairs (DEA). 2011b. The National Climate Change Response White Paper. Pretoria, South Africa.
- Department of Minerals and Energy (DME). 2008. National energy efficiency strategy of the Republic of South Africa – A Review. Pretoria, South Africa.
- Department of Energy (DoE). 2013. Draft energy efficiency action plan for the Republic of South Africa. Pretoria. South Africa.
- Department of Energy (DoE). 2013. Integrated Resource Plan 2010-2030. Pretoria, South Africa.
- Department of Transport (DoT). 2010. National Transport Masterplan. Pretoria.
- Financial and Fiscal Commission (FFC). 2011. The Economic and Fiscal Costs of Inefficient Land Use Patterns in South Africa. Report developed by Palmer Development Group, African Centre of Cities and Stephen Berrisford Consulting. South Africa.
- Maphakela, W., Mashiri, M., Chakwizira, J. & Mpondo, B. 2013. Building a sustainable platform for low-cost mobility in South Africa. 32nd South African Transport Conference.
- National Planning Commission (NPC) – The Presidency. 2011. National Development Plan. Pretoria. South Africa.
- Ramaya, J. 2013. Initial unpublished assessments as a part of the BHC-funded Solar PV Embedded Generation Support Project of Sustainable Energy Africa, Cape Town.
- South African Cities Network (SACN). 2013. Literature review on public transport and mobility in municipalities. For SACN. By Geoffrey Bickford, ARUP, Johannesburg.
- Sustainable Energy Africa (SEA). 2011. State of energy in South African cities 2011. SEA, Cape Town, South Africa. Available at http://www.cityenergy.org.za/files/resources/energy%20data/State_of_energy_2011.pdf
- Sustainable Energy Africa (SEA). 2013. Energy scenarios for eThekweni: Exploring the implications of different energy futures for eThekweni Municipality up to 2030. For eThekweni Energy Office. Sustainable Energy Africa, Cape Town.
- Sustainable Energy Africa (SEA) & University of Cape Town (UCT). 2011. Energy Scenarios for Cape Town: Exploring the implications of different energy futures for the City up to 2050. City of Cape Town. Sustainable Energy Africa, Cape Town.
- Venter, K., Mokonyana, M., Letebele, M., Dube, S. & Masondo, N. 2013. Analysis of modal shift in South Africa: a qualitative investigation. 32nd South African Transport Conference.

Biography

Yachika Reddy has an MSc in Energy Studies from the University of Cape Town. She is a Project Manager at Sustainable Energy Africa working in the area of sustainable urban energy development. This involves supporting cities to build workable systems to facilitate the mass roll out of renewable energy and energy efficiency, promoting the integration of an eco-systems approach in urban development processes and identifying key elements of urban resilience in slum/informal urban communities and working to include these in city and national services delivery frameworks. During her eight years of employment at SEA, Yachika has worked across a spectrum of projects focused on rooting sustainable energy approaches and practices in urban development planning and management processes across South Africa.







4 URBAN GROWTH AND FORM

INTRODUCTION

SUMMARIES

SOCIAL

ECONOMY

NATURAL WEALTH

URBAN GROWTH

URBAN GOVERNANCE

CONCLUSION



Cape Town's URBAN GROWTH AND FORM

Households' access to basic services

	1996	2011
Water supply	97,8%	99,3%
Sanitation	94,8%	97,3%
Electricity supply	86,8%	94,0%
Refuse removal	93,2%	97,7%



Telephony

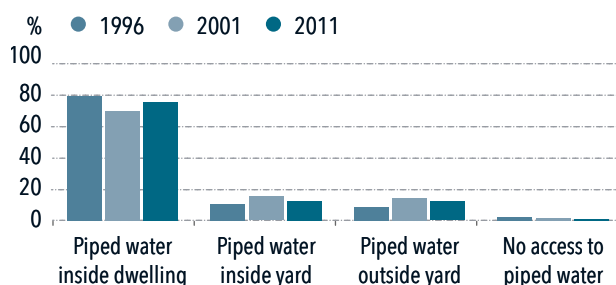
Access to cellphones and/or landlines increased from 61,2% in 1996 to 86,1% in 2007, and to 91,3% in 2011. 83% of black Africans in Cape Town use cellphones as their sole means of communication.

Internet access

Census 2011 showed that more than 50% of all Cape Town households do not have internet. The City aims to "bridge the digital divide" by providing less-advantaged communities with connectivity through its **broadband infrastructure roll-out** project.



Households' access to water in Cape Town, 1996–2011



Social amenities

Easily accessible social amenities have been linked to higher residential satisfaction and quality of life. In 2014, there are **446 sports and recreational amenities** across Cape Town, including:

- 165** community centres
- 38** recreational hubs
- 3 348** community parks
- 604** greenbelt open spaces
- 207** sports facilities
- 36** swimming pools
- 13** district parks

In addition, the City of Cape Town maintains more than **5 400 public open spaces**.



Informal dwellings

Population growth resulted in an increase in households living in informal dwellings:

1996 – 19,2% (3,3% backyard)
2011 – 20,5% (7,0% backyard)

There are approximately **376** informal settlements, consisting of **146 488** dwellings. The official number for service delivery is **149 860** service points.



The number of **households in informal settlements** declined slightly from 15,9% in 1996 to 13,5% in 2011.



The Upgrading of Informal Settlements Programme (UISP) – provides for phased, formal, in-situ upgrades to informal settlements.



Housing opportunities

During the 2012/13 financial year, the City of Cape Town spent a total of **93,6%** of its Urban Settlements Development Grant (USDG) and delivered a total of **6 394** sites, **4 353** top structures and **1 727** other housing opportunities.

Backyarder programme

The backyarder service programme provides individual water and sanitation installations – including the installation of an enclosed toilet with a tap and wash trough – and a refuse bin per backyard.



Policing and safety services

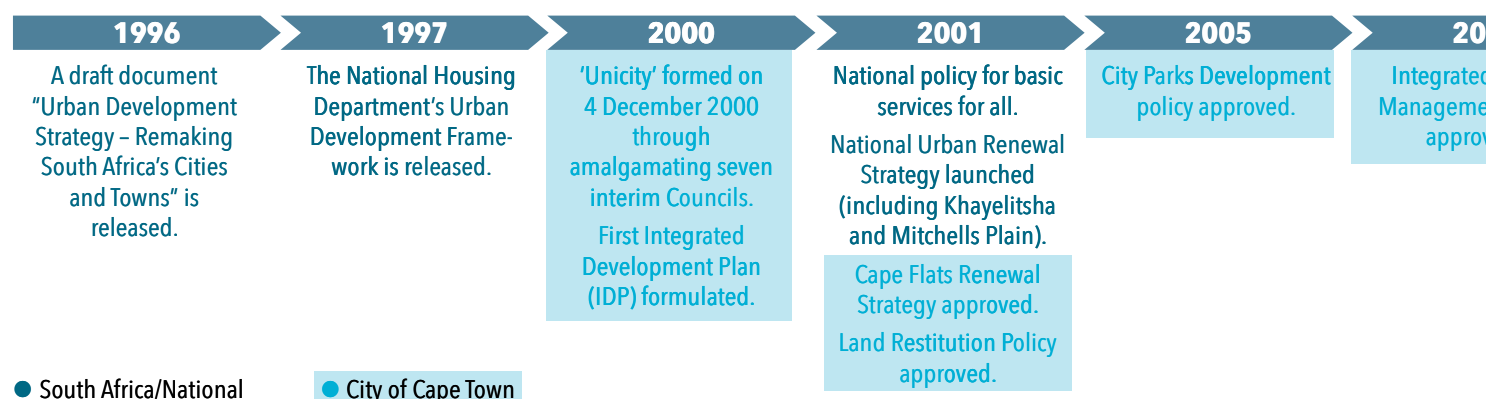
Residents are served by 61 South African Police Service stations (2012/2013). The City of Cape Town's policing services include:

- Metro Police
- Law Enforcement
- Traffic Services
- Specialised Services.

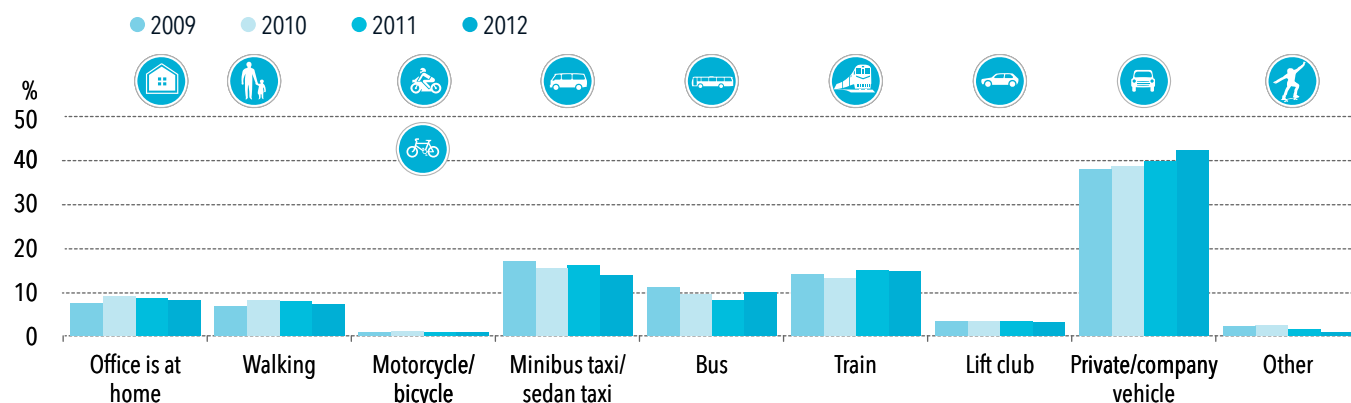


Health care facilities

Residents have access to **137 health care facilities** (community health centres, satellite clinics and mobile clinics offering primary health care, maternal and child health services and preventive and promotional programmes). City Health manages 97, and the Western Cape Government 40 (2012).



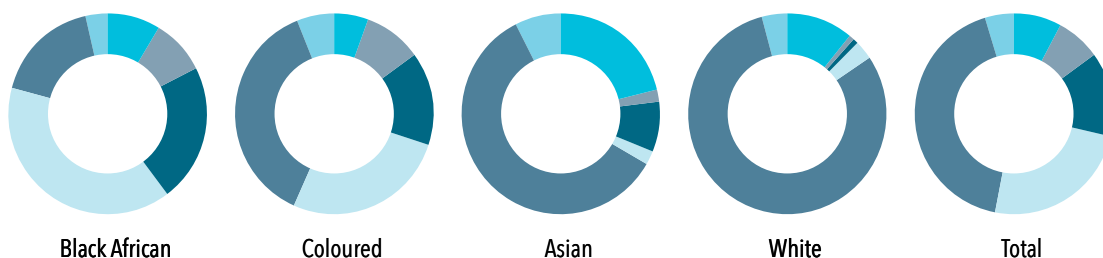
Transport modes to travel to and from work in Cape Town, 2009-2012



40

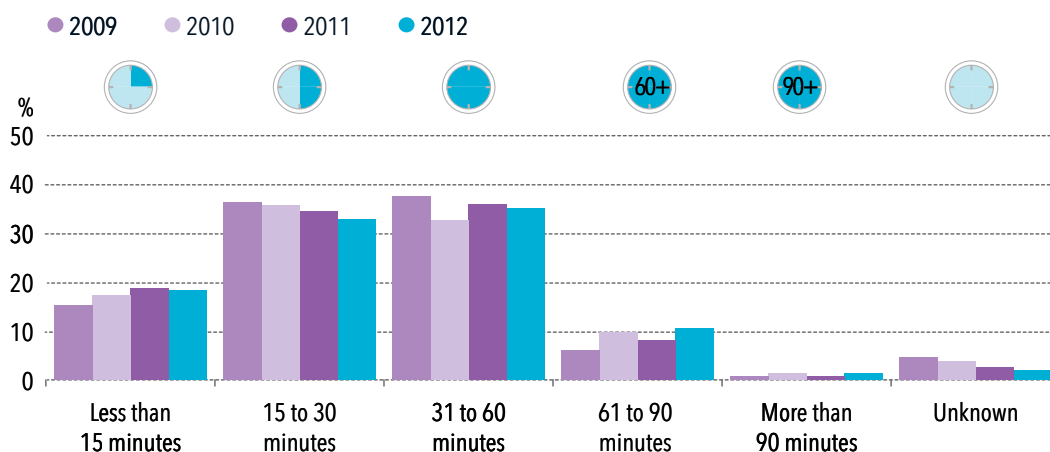
Transport mode to travel to work, by population group, 2011

Work at home Walking Minibus/sedan taxi Bus and train Private/company vehicle Other



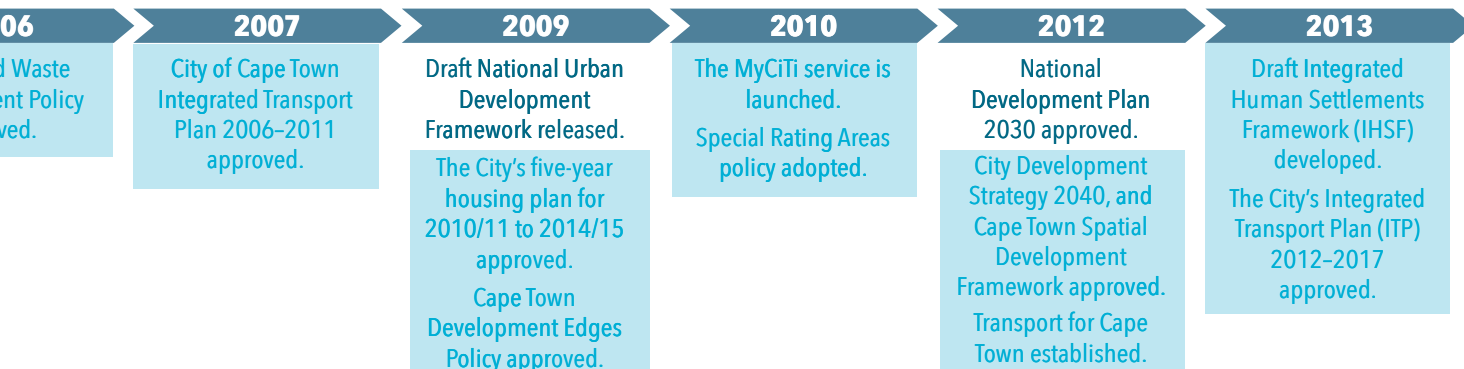
Almost 40% of black African commuters use public transport (buses and trains) between home and work – compared to 27% of coloured commuters and 3,11% of white commuters.

Travel time to work in Cape Town, 2009-2012



The use of private or company vehicles in Cape Town increased from **37,8%** in 2009 to **42,0%** in 2012.

Minibus/metered taxis were the second most-used mode of transport, followed by trains and buses.



Sources: For detailed information regarding sources refer to the relevant chapter of the State of Cape Town Report 2014.



1. Introduction

This chapter reflects on two key issues: firstly, urban growth in Cape Town, with particular emphasis on access to services, including basic services, access to telecommunications, access to social or community facilities, informality and public housing, and urban mobility or transportation, and, secondly, the implication of these growth trends for Cape Town's urban form. To the extent possible, the chapter uses a 20-year lens to review the key issues relating to urban growth and form in Cape Town since the inception of democracy in 1994.

Globally, people are increasingly urbanising. One hundred years ago, two out of every ten people lived in an urban area; however, as of 2010, more than half of all people live in urban areas. It is expected that by 2050, seven out of every 10 people will be urban dwellers.¹ The world's urban population grew from 44,8% (2,5 billion) in 1995 to 52,1% in 2011 (3,6 billion)², and is projected to increase to 53,9% (3,9 billion) in 2015³ (see table 4.1).

Urban growth trends indicate that across the world over the past two decades, a significant proportion of the urban population growth has occurred in developing countries. Globally, "almost 400 cities contain a million people or more, and about seventy percent of them are found in the developing world; and by 2017 the developing world is likely to have become more urban in character than rural".⁴

In many emerging-economy countries, the fast pace of urban migration has outstripped local governments' capacity to respond to urbanisation, which has resulted in urban environments that reflect poor urban development management. The lowest levels of infrastructure provision are found in African cities: Average water and sanitation coverage is 89% and 69% respectively; electricity coverage is at 69%; paved roads at 28%; fixed telephone lines at 4%, and mobile telephones and internet connectivity at 57% and 10% respectively.⁵

According to the United Nations projections, South Africa's urban population annual growth rate between 1985 and 1990 was recorded at 3,24%, while the rate between 1990 and 1995 was recorded at 3,28% – the highest for the country since 1960. In line with trends in other developing countries, South Africa has seen increased levels of urbanisation in the last two decades. The South African urban population grew from 54,5% of the country's population (22,5 million of a total of 41,4 million) in 1995 to 62,0% (31,2 million of a total of 50,4 million) in 2011, and is projected to increase to 63,8 percent (32,7 million people) by 2015 (see table 4.2).⁶

In line with South Africa's urban population growth trends, the population of Cape Town has also grown over the past decades – from 2 563 095 in 1996 to 3 740 025

Globally, people are increasingly urbanising. One hundred years ago, two out of every ten people lived in an urban area; however, as of 2010, more than half of all people live in urban areas. It is expected that by 2050, seven out of every 10 people will be urban dwellers.

Table 4.1: World urban population (thousands), percentage urban (%), 1995-2015

Year	Total world population	World urban population	Percentage world urban population	Percentage urban (more developed regions)	Percentage urban (less developed regions)
1995	5 726 239	2 564 133	44,8	73,2	37,5
2000	6 122 770	2 858 632	46,7	74,1	40,1
2005	6 506 649	3 197 534	49,1	75,9	43,0
2010	6 895 889	3 558 578	51,6	77,5	46,0
2011	6 974 036	3 632 457	52,1	77,7	46,5
2015	7 284 296	3 926 793	53,9	78,8	48,7

Source: United Nations, 2014.

Table 4.2: South African urban population (thousands), percentage urban (%), 1995-2015

Year	Total population	Urban population	Percentage urban
1995	41 402	22 558	54,5
2000	44 760	25 464	56,9
2005	47 793	28 320	59,3
2010	50 133	30 855	61,5
2011	50 460	31 282	62,0
2015	51 431	32 787	63,8

Source: United Nations, 2011.

1. http://www.who.int/gho/urban_health/situation_trends/urban_population_growth_text/en/.
 2. The total world population crossed the seven billion mark in late 2011.
 3. United Nations, 2011. Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat, World Population Prospects: The 2010 Revision and World Urbanization Prospects: The 2011 Revision. Available at <http://esa.un.org/unpd/wup/unup/p2k0data.asp>

4. Cohen, 2006.
 5. UN-HABITAT, 2012.
 6. United Nations, 2011. World Population Prospects: The 2010 Revision and World Urbanization Prospects: The 2011 Revision. New York: Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat, Available at <http://esa.un.org/unpd/wup/unup/p2k0data.asp>

in 2011.⁷ The city's population grew by 46% in the 15 years between 1996 and 2011. Rapid urbanisation puts pressure on metropolitan cities such as Cape Town, and brings about increased demand for access to infrastructure and services in urban areas, including demand for affordable housing, basic municipal services, public amenities, transportation, water and energy supply, waste disposal as well as better economic, social, educational and health-care facilities for larger numbers of people.

Migration is an important yet complex demographic process contributing to the population growth, demo-

graphic distribution as well as spatial growth of Cape Town. Accessing migration data is challenging; however, analysis of Census 2011 data for Cape Town indicates that over 39% of the population growth in Cape Town between 2001 and 2011 comprised new arrivals to Cape Town from outside the Western Cape. The analysis further indicates that these new arrivals from various destinations seem to have located in different areas of Cape Town. For example, new arrivals from the Eastern Cape, who made up 35% of all new arrivals from outside the Western Cape, mainly settled in Khayelitsha and surrounds⁸ (figure 4.1 below).

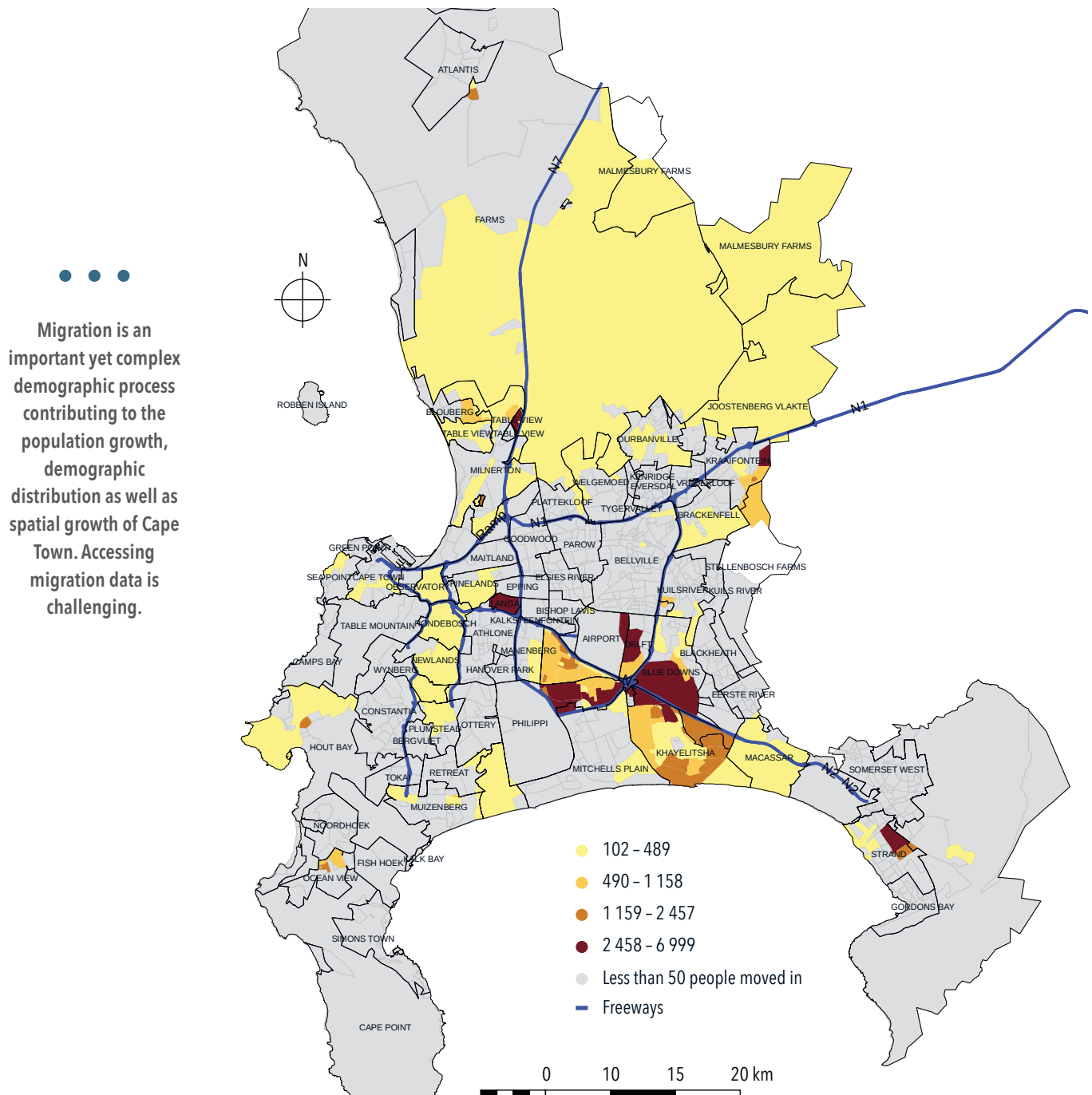


Figure 4.1: New arrivals to Cape Town from Eastern Cape, 2001-2011 (Census sub-place)

Source: DI&GIS Department, using Census 2011 data.

7. Based on 1996, 2001 and 2011 Census data.

8. City of Cape Town, 2014 (forthcoming).



2. The South African context: Urban development policy and strategy

South African urban policy prior to 1994 was marked by its preoccupation with race-based residential segregation, systematically driven by key pieces of legislation such as the Group Areas Act 41 of 1950 to govern settlement patterns within urban areas, demarcating neighbourhoods into “group areas” for different racial groupings. These laws were used to justify the forced removal of black South Africans to more marginal parts of the city. This was often done to free up land for either business development or settlement by white South Africans. At a national level, influx control and pass laws were used to control the movement of black Africans in particular, to discourage movement to the cities, while, paradoxically, also needing to ensure the availability of cheap black labour in cities.⁹

Since the advent of democracy in 1996, the South African government has recognised the importance of planning for liveable, economically viable and sustainable cities in order to transform the country's urban areas, which had been inequitable and inefficient due to the long history of urban segregationist planning, including the decades of apartheid policies and practice. At the national level, the legislative and policy interventions that followed included the following:

In 1996, the then Government of National Unity released a discussion document “Urban Development Strategy – Remaking South Africa's Cities and Towns” for comment. The draft strategy was aimed at urban reform and overcoming urban apartheid, and intended to create

better-performing cities. It was motivated by a vision of cities and towns as centres of economic and social opportunity, where people can live and work. The draft urban development strategy recognised urbanisation trends in South Africa and, in this regard, emphasised the need to plan for continued urbanisation and urban growth on a significant scale.¹⁰ The five strategic action areas and elements of the strategy included:

- integrating the cities and managing urban growth through urban land policy and the urban planning system, urban transportation, and environmental management;
- investing in urban development;
- building habitable and safe communities;
- promoting urban economic development; and
- creating institutions for delivery.

In 1997, the National Housing Department released an Urban Development Framework. The aim of the framework, which focused on urban settlements and the process of urbanisation, was to promote a consistent urban development policy approach for effective urban reconstruction and development, and to guide the development policies, strategies and actions of all stakeholders in the urban development process and towards the achievement of a collective vision.¹¹

In 2001, the South African government adopted a policy for basic services for all.¹² In terms of this policy, municipalities have the primary role of providing infrastructure and services, such as water, sanitation, solid waste collection and electricity, to their communities. Whilst specifically targeted at poor households, National Government's



Since the advent of democracy in 1996, the South African government has recognised the importance of planning for liveable, economically viable and sustainable cities in order to transform the country's urban areas, which had been inequitable and inefficient due to the long history of urban segregationist planning, including the decades of apartheid policies and practice.

9. Maylam, 1995.

10. Ministry in the Office of the President, 1996.

11. National Housing Department, 1997.

12. City of Cape Town, 2008.

Table 4.3: City Development Strategy goals regarding urban growth and form

Towards 2040 transition – focus area	City Development Strategy goal	Strategy	Transition	
			From 2012	To 2040
Living Cape	Lead a healthy, vibrant life	Transform communities into healthy living spaces	Disconnected, stratified, low-opportunity, high-cost suburbs, townships and informal settlements; uneven access to basic services	Liveable, multi-opportunity live-work-play-learn (LWPL), affordable, safe, integrated neighbourhoods and services provision
Enterprising Cape Connecting Cape	Be connected and inter-connected	Transport for all people and goods	Unsafe, poor-quality transport for goods and people	Safe, affordable, integrated and varied public and goods transportation means

Source: City of Cape Town, 2012a.



South African cities still have among the most fragmented spatial forms in the world.

Meanwhile, with the transition to democracy, urbanisation – accompanied by a new wave of international in-migration to major cities – has increased. The City Development Strategy (CDS) 2040, which was approved in October 2012, includes a number of long-term goals pertinent to urban growth and form.

policy on basic services provides for access to basic services for all, including water, electricity, waste removal and sanitation. However, although this is national policy, the actual provision of these basic services is the responsibility of municipalities.

In 2009, National Government released a new working draft of “The National Urban Development Framework (NUDF) – Harnessing a Common Vision for Growth and Development of South Africa’s Towns, Cities and City-Regions” for consultation. The draft was the product of a partnership between the Department of Cooperative Governance and Traditional Affairs (COGTA) and the Presidency, together with the South African Cities Network (SACN), and resulted from an identified need for a national integrated urban development framework to assist municipalities in effectively managing rapid urbanisation. The NUDF sought to provide a common national view around strengthening the capacity of South Africa’s towns, cities and city-regions to realise their potential and, by so doing, address the distinctive challenges and opportunities facing South Africa.¹³

In 2013, National Government released another draft urban development framework document titled “Towards an Integrated Urban Development Framework” for discussion.¹⁴ However, despite recognition and efforts to foster an agenda for social and economic integration as articulated in the RDP in 1994, and subsequent strategies and frameworks discussed above, urban centres in South Africa continue to be characterised by a profound legacy of spatial, economic and social divisions and inequalities. South African cities still have among the most fragmented spatial forms in the world. Meanwhile, with the transition to democracy, urbanisation – accompanied by a new wave of international in-migration to major cities – has increased. In 2012, National Government acknowledged the need to address this challenge and reverse the legacy of apartheid in cities. As part of implementing the NDP, all three spheres of government needed to take responsibility and manage the new wave of urbanisation. Thus, the NDP highlighted certain policy

directives, including directives pertaining to the role of cities in driving economic growth, particularly through promoting improved spatial efficiency and social inclusion.

At the sub-national level, several provincial and city strategies have since given expression to the urban development goals for Cape Town.

The City of Cape Town has in place a number of responses to Cape Town’s urban growth challenges, and the specific challenges of the unfolding urban form, or sprawl. The City has approved several medium-to-long-term strategies and plans in order to guide urban development in the municipal area. Besides the sector-specific plans, the key ones are as follows:

- The City Development Strategy (CDS) 2040, which was approved in October 2012, includes a number of long-term goals pertinent to urban growth and form¹⁵ (table 4.3): Council gave approval for the CDS to inform the City’s IDP starting with the 2014/2015 IDP review.
- The IDP 2012–2017, which provides the direction for implementation of a range of programmes and projects for a five-year period
- The Cape Town Spatial Development Framework (CTSDF), which was approved in 2012,¹⁶ is a long-term (20-plus-year) plan that is being used to manage the spatial growth and development of Cape Town. The CTSDF plans ensure alignment with provincial and national plans, and guide the phasing of urban development and public investment. The three key overarching strategies and their associated interventions are as follows:
 - Plan for employment, and improve access to economic opportunities
 - Manage urban growth, and create a balance between urban development and environmental protection
 - Build an inclusive, integrated, vibrant city
- The 15-year Growth Management Strategy, which seeks to break the SDF up into shorter-term implementation plans.

13. South Africa, 2009.

14. South Africa, 2013.

15. City of Cape Town, 2012a.

16. City of Cape Town, 2012b.



Together, the City's long, medium and short-term strategies are aligned and coordinated by transversal, cross-directorate teams to plan for the consequences of rapid urbanisation and the resultant increased demand for new bulk infrastructure, household access to services, as well as the spatial impacts of new, unplanned growth on the periphery of the city. The City's strategies and interventions are focused around transit-oriented planning, which will seek to densify housing opportunities close to the major transit routes and economic nodes; maximise agglomeration economies to bring communities closer to amenities and services, and bring the opportunity for job creation closer to poorer communities in informal settlements, low-income and public housing areas.

In 2013, the Western Cape Government and the City partnered to develop the draft Integrated Human Settlements Framework (IHSF),¹⁷ with a view to facilitating the expedited delivery of housing in the city in the short, medium and longer term by the Western Cape Government, the City and the private sector, and coordinating and aligning the Western Cape Government and the City's various initiatives, plans, programmes and budgets in support of housing delivery.

The IHSF is based on national directives as well as the Western Cape Government's strategic plan, the City's IDP and various services sector plans, all of which are geared towards improving access to basic services and providing well-located, socially integrated and sustainable human settlements with cohesive and caring communities. Another key concern is that the human settlements strategy needs to be financially sustainable in the long term. The IHSF is being incorporated into the range of long-term urban growth management and planning tools used by the City in its transversal working groups.

3. Urban growth in Cape Town, and its implications for urban form

Metropolitan cities such as Cape Town are faced with challenges associated with rapid urban growth and development, and its impacts in terms of increased demand for physical space to house people, and the related demand for infrastructure and service delivery to a growing population.

Urban population growth has implications for the municipality's capacity to provide new infrastructure and services, including the maintenance of existing stock, such as roads, water and wastewater facilities, as well as other public infrastructure, facilities and services to cater for the growing population. It is thus expected and necessary that the City proactively manages its long-term future urban growth, while at the same time facilitating and ensuring well-coordinated, effective and equitable provision of essential services to its growing number of residents.

3.1 Access to services

Through various policy pronouncements since 1994, National Government has committed to provide basic services for all its citizens. The country's local government sphere is mandated by the Constitution to provide basic and other services to local communities, residents and businesses.

This section looks at the data and trends regarding households' access to services in Cape Town as reported via national surveys such as the Census. The focus is on levels of access to urban infrastructure and services in Cape Town, including access to basic services such as water, electricity, sanitation and solid waste removal, as well as access to social and community facilities and telecommunications within the city.



In 2013, the Western Cape Government and the City partnered to develop the draft Integrated Human Settlements Framework (IHSF), with a view to facilitating the expedited delivery of housing in the city in the short, medium and longer term by Province, the City and the private sector.

17. WCG-CCT Human Settlement Coordination, October 2013. Internal document.

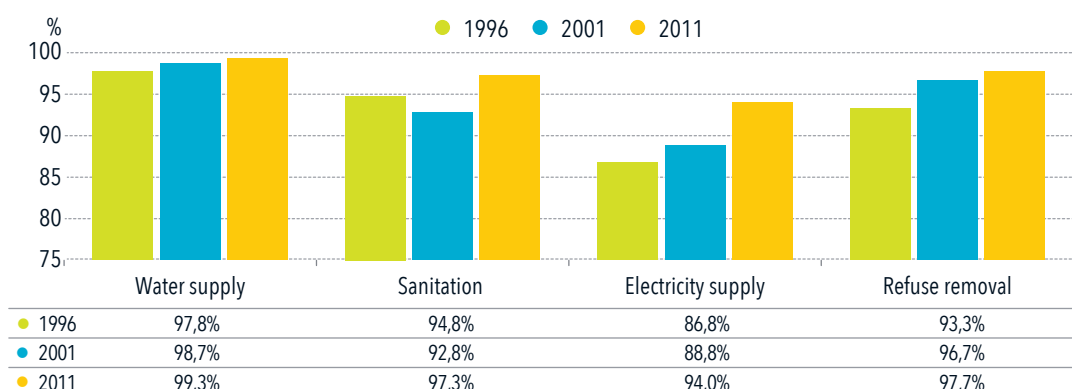


Figure 4.2: Access to basic services by households in Cape Town, 1996-2011

Source: DI&GIS Department, compiled from Census data.

Most residents of Cape Town have access to piped water inside their dwellings, or at least piped water inside or outside their yards. Households with “no access to piped water” declined from 2,2% in 1996 to 0,7% in 2011.



a) Access to basic services

Access to, and coverage of, the provision of basic services such as water, electricity, waste removal and sanitation has improved over the last two decades. Census data for Cape Town suggest that, between 1996 and 2011, households' access to basic services in Cape Town consistently increased – with the exception of sanitation. The drop in access to sanitation recorded in 2001 is likely to have been linked to an increase in the number of new households in Cape Town over the period 2001-2011. Figure 4.2 shows households' access to four basic services in Cape Town between 1996 and 2011.

As can be seen from figure 4.2, access to water increased from 97,8% to 99,3%, access to electricity from 86,8% to 94,0%, access to refuse removal from 93,3% to 97,7%, and access to sanitation from 94,8% to 97,3% between 1996 and 2011. However, while the City continues to increase access to these basic services, challenges remain in relation to the provision of basic infrastructure and services to all sections of Cape Town's population. For example, although households in informal settlements may have access to basic services, these may be shared services with other households. The demand for access to urban infrastructure and services, especially free basic services, is also likely to grow.

Access to water

Most residents of Cape Town have access to piped water inside their dwellings, or at least piped water inside or outside their yards. Figure 4.3 shows that households with “no access to piped water” declined from 2,2% in 1996 to 0,7% in 2011, indicating a gradual and progressive improvement in the provision of piped water in the city. However, the percentage of Cape Town households with “piped water inside dwelling” declined from 79,0% in 1996 to 75,0% in 2011. This trend reflects the growth in the number of households living in informal settlements and, in particular, in backyards in Cape Town over the period under review.

In formal dwellings, the City's water and sanitation service standards provide for full-house water connection through a single water connection per erf. In this regard, 6 kℓ of water per month are currently provided free of charge to all consumers. In informal settlements, the City provides a minimum of one tap for every 25 households, within 100 m of every household.¹⁸ Over the 15 years from 1996 to 2011, this type of access to water increased from 8,3% to 12,0%. The city also provides a monthly indigent grant for additional water supply to qualifying households.

A challenge for the City in respect of access to water is

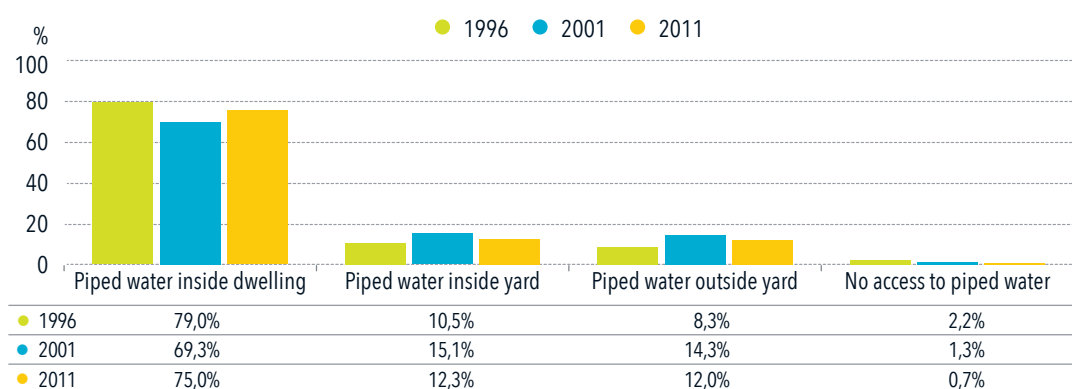


Figure 4.3: Access to water in Cape Town, 1996-2011

Source: DI&GIS Department, compiled from Census data.

18. City of Cape Town, 2008

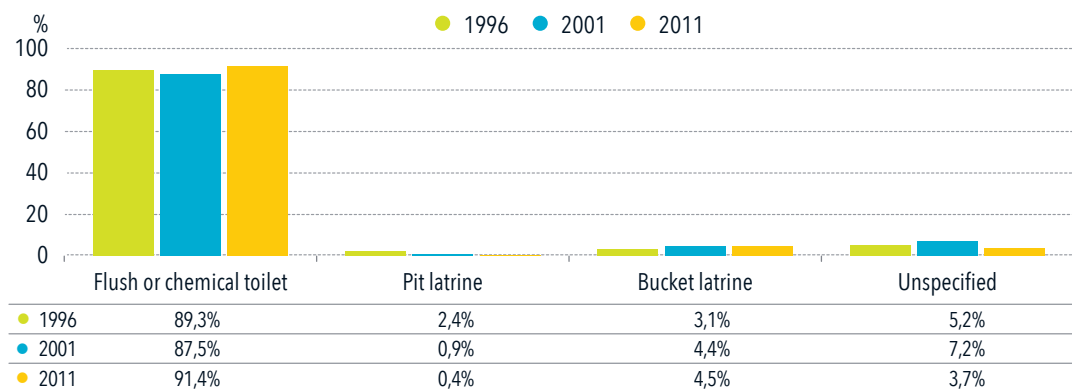


Figure 4.4: Access to toilet facilities by households in Cape Town, 1996-2011

Source: DI&GIS Department, compiled from Census data.

managing both water supply and demand. Cape Town's water resources, comprising six major dams, have a total storage capacity of 898 300 million kilolitres, which constitutes 84,4% of the Western Cape's total storage capacity.¹⁹ Cape Town is located in a water-scarce region. Therefore, the City's Water Demand Management and Water Conservation Strategy strives to maximise the use of existing infrastructure to ensure the sustainability of water supply. In terms of the strategy, it is also critical for the City to ensure the efficient use of scarce water resources to meet the growing needs of the population. To continue to meet water demand in the city, all necessary resources are applied to implement WDM interventions. Steps taken by the City include a water balance and loss reduction strategy, as well as initiatives for water conservation across Cape Town. Also included are a number of successful WDM projects with a particular focus on reducing water demand.

Access to sanitation

Whilst a range of toilet technologies are currently used in South Africa, the choice of technology is influenced by many factors, including affordability to the household.

The majority of households in Cape Town have access to flush or chemical toilets. Figure 4.4 indicates Cape

Town households' access to sanitation between 1996 and 2011 by type of toilet facility. In the 15-year period, Cape Town's households with access to flush or chemical toilets increased from 89,3% to 91,4%. However, households with access to a bucket latrine increased from 3,1% in 1996 to 4,5% in 2011. This reflects the increase in population growth experienced in informal settlements.

In areas with formal dwellings, the City's water and sanitation standard includes on-site waterborne, conservancy tank or suitable waterless technologies. For all those with access to waterborne sanitation (flush toilets), the first 4,2 kℓ of sewage conveyance and treatment per month are provided free of charge. In informal areas, the minimum service standard for sanitation is the provision of a shared toilet at a ratio of no more than five families per toilet.²⁰ This service is provided free of charge. Encouragingly, the number of Cape Town households with "no access to toilet facility" declined from 4,9% in 1996 to 2,7% in 2011.

The City's water and sanitation programme includes ongoing maintenance of water distribution and sewerage networks.

Access to energy

Energy in Cape Town is derived from multiple sources. However, electricity is the main source of energy for many

Access to electricity as the predominant source of energy for Cape Town households increased from 86,8% in 1996 to 94,0% in 2011. Over the same period, the use of paraffin and candles decreased, from 10,0% in 1996 to 3,8% in 2011.

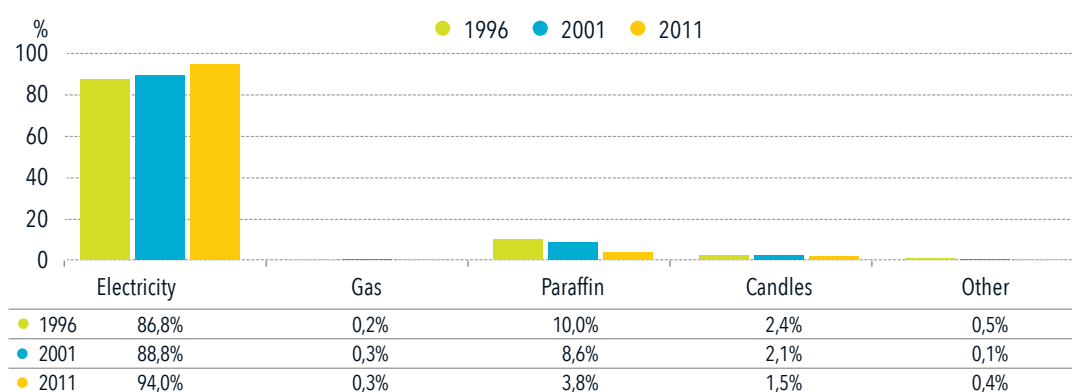


Figure 4.5: Access to energy by households in Cape Town, 1996-2011

Source: DI&GIS Department, compiled from Census data.

19. City of Cape Town, 2011.

20. City of Cape Town, 2013b.

households in Cape Town and is to varying degrees used for domestic consumption in lighting, cooking and heating. Figure 4.5 shows levels of access to different types of energy sources used by households in Cape Town.

As figure 4.5 indicates, access to electricity as the predominant source of energy for Cape Town households increased from 86,8% in 1996 to 94,0% in 2011. Over the same period, the use of paraffin and candles decreased, from 10,0% in 1996 to 3,8% in 2011. In 2011, 94,0% of households used electricity for lighting, 88% for cooking and 63% for heating.

The City is the service authority for the supply of electricity in Cape Town, and is responsible for its reticulation in conjunction with the national electricity supplier Eskom. Electricity availability and access backlogs are primarily a challenge in informal settlements. Some informal settlements experience service connection backlogs, while there is also a backlog of electricity provision to backyard dwellers in formal areas. These access needs are addressed on an ongoing basis by the City's Electricity Services Department and Eskom through their respective electrification programmes. However, certain informal housing is excluded from electrification if the structures are situated on areas considered unsuitable, such as road reserves or private land, i.e. being encumbered in some or other way.

Another challenge faced by the City is electricity over-consumption and wastage. The City's commitment to energy efficiency is implemented through campaigns undertaken under its energy-efficiency educational programme targeting specific sections of community. The City's electricity-savings campaign, which is aimed at reducing city-wide electricity consumption and improving energy efficiency, is especially focused on mid-income to high-income households.

The City has also undertaken an initiative to promote energy efficiency in its own operations and facilities. This programme is aimed at developing building managers' capacity to effectively manage energy consumption of City buildings. The project aims to improve energy efficiency

in the City's total electricity consumption, reducing both costs and carbon emissions.²¹ To achieve such energy-efficiency improvement, the City runs a buildings retrofit programme for more than 5 000 facilities, including at least 80 significant City-owned administrative buildings, 100 clinics and 100 libraries. The initiative included the installation of energy-efficient lighting and lighting controls, solar water heaters and air-conditioning thermostat controllers, as well as a behaviour change programme aimed at occupants. Meters will be installed to monitor the impact of these interventions to provide the City's facilities managers with real-time data on electricity usage. This is expected to facilitate improvements in the management of the City's overall electricity consumption.

Further City campaigns include promoting electricity savings among citizens through, among others, the marketing campaign "Electricity is expensive; saving is simple". The continued roll-out of this electricity-savings campaign encourages the reduction of electricity consumption across the city. Through this campaign, the City provides households and businesses with energy-saving tips and advice. Initiatives undertaken under this campaign to date include the formulation of a practical savings checklist and a website with information aimed at encouraging households to join the City in accepting shared responsibility for saving electricity.²²

Access to refuse removal

The majority of households in Cape Town have access to regular refuse removal services. Statistics show a gradual improvement in refuse removal in Cape Town, with more households receiving a regular, weekly refuse removal service. According to figure 4.6, households' access to a weekly refuse removal service increased from 88,6% in 1996 to 94,3% in 2011. Households using a communal refuse dump increased from 1,5% to 2,8% in the same period, indicating some of the pressures on the provision of services in a growing urban context.

The City's Integrated Waste Management (IWM) Plan entails the implementation of strategies to manage and



The majority of households in Cape Town have access to regular refuse removal services. Statistics show a gradual improvement in refuse removal in Cape Town, with more households receiving a regular, weekly refuse removal service.

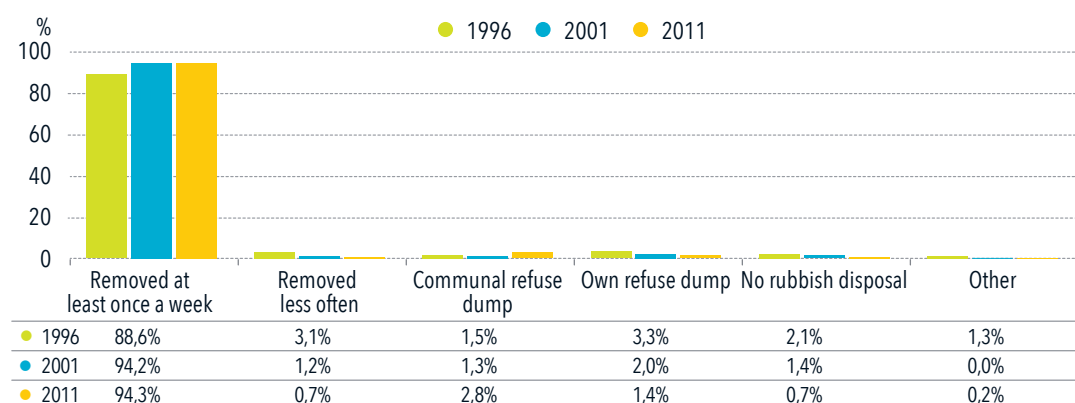


Figure 4.6: Access to refuse removal by households in Cape Town, 1996-2011

Source: DI&GIS Department, compiled from Census data.

21. City of Cape Town, 2013d:15-16.

22. City of Cape Town, 2013b.

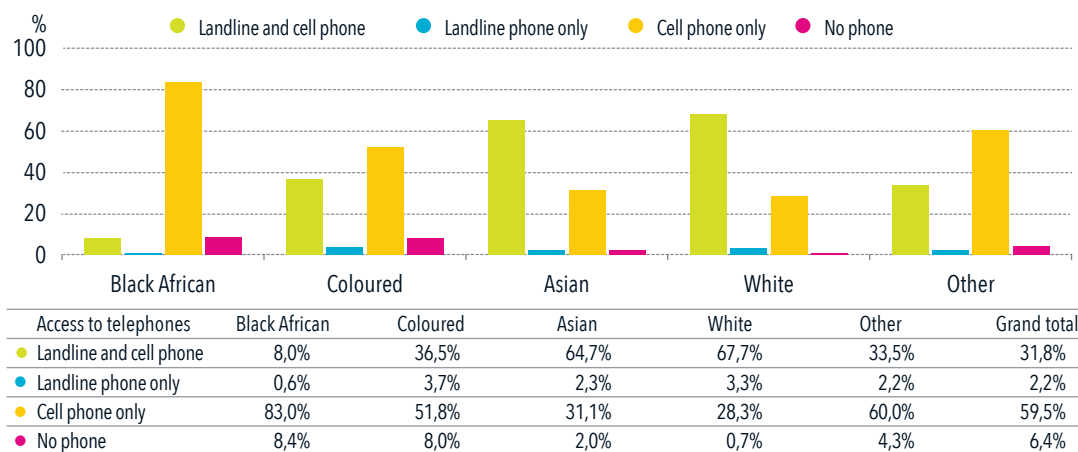


Figure 4.7: Cape Town household access to telephones, 2011

Source: Stats SA, Census 2011.

minimise waste. Cape Town households in formal areas receive a weekly, basic level of refuse collection as defined in the IWM Policy, while households in informal settlements have access to an integrated refuse collection service. In some instances, informal settlements receive a temporary service until the standard basic service can be implemented.

b) Access to telecommunications

Broadband is recognised as a key driver of economic growth and wealth generation. Since the first World Summit on the Information Society in 2003, a range of stakeholders – national and local governments, civil society actors and the private sector – have agreed on the positive relationship between access to information and communications technologies (ICTs) and economic and human development. This had led to calls for universal access to ICT as a right. Information and communications technologies for development (ICT4D) have become an established development area, and research continues to investigate the linkages between ICTs and poverty reduction.²³ The call for communication to be recognised as a fundamental human right has become progressively intertwined with the technologies that assist communication. As communication technologies evolved, the call for the recognition of communication as a human right became linked to the right to access ICTs.²⁴ In line with this development, several countries now recognise access to the internet as a basic human right.

Access to telephony

Nationally and in Cape Town, residents' access to telecommunication using landlines or mobile telephones has grown steadily, driven mainly by the rapid uptake of mobile telephony. In Cape Town, access to telephony (landlines and/or cellphones) increased from 61,2% in 1996 to 87,0% in 2007, and to 91,3% in 2011.

Census 2011 results show that 83% of black Africans in Cape Town use cellphones as their sole means of communication (figure 4.7)

Access to, and the use of, landline telephones on premises or nearby seems to be on the decline. Nationally, the number of fixed lines in service continues to decline, having fallen by a further 4,8% in 2014 to just over 3,6 million, from 3,8 million in 2013. The fixed-line penetration rate currently stands at 7%, down from 7,3% in 2013.²⁵

According to Census 2011, Cape Town households with landlines as their main source of communication declined from 4,9% in 2007 to 2% in 2011.

Access to the internet

It cannot be assumed that increased mobile phone access is synonymous with access to mobile internet. Census 2011 showed that 51% of all Cape Town households still do not have access to the internet. Among black African households in particular, those without internet access are estimated at 63,2% (figure 4.8). In addition, while prices are coming down, mobile internet remains more expensive than fixed-line internet access.

In December 2013, Cabinet approved the National Broadband Policy, Strategy and Plan, as well as the gazetting of the National Integrated ICT Policy Green Paper for public consultation.²⁶ It is anticipated that the National Broadband Policy, Strategy and Plan, collectively referred to as "South Africa Connect", will contribute significantly to economic growth, development and job creation. The Cabinet briefing outlined the goal to progressively make high-speed internet accessible to the majority of the South African population to achieve the overall goal of a universal average download speed of 100 Mbps by 2030. Intermediate targets are to make available an average user experience speed of 5 Mbps to 50% of the population by 2016, and to 90% of the



In Cape Town, access to telephony (landlines and/or cellphones) increased from 61,24% in 1996 to 86,08% in 2007, and to 91,30% in 2011. Census 2011 results show that 83% of black Africans in Cape Town use cellphones as their sole means of communication.

23. May, 2010.

24. McGiver et al., 2003.

25. McLeod, 2014.

26. See <http://mybroadband.co.za/news/government/93099-broadband-policy-for-south-africa-cabinet-approved.html>.



The first initiatives by the City to make internet available to low-income residents were through the provision of free public internet access points. The City's Smart Cape initiative, which was launched in June 2002, is now available in all the public libraries in Cape Town.

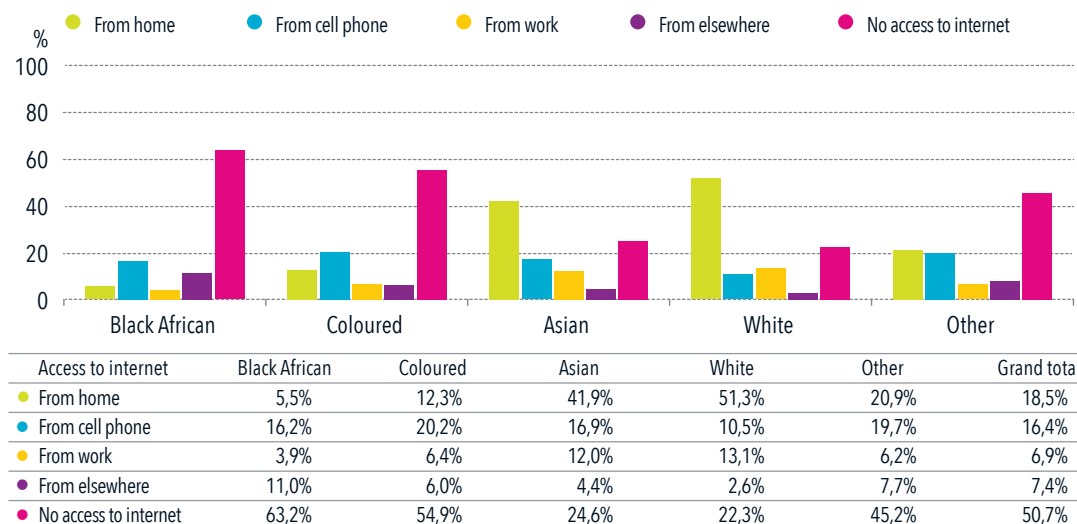


Figure 4.8: Cape Town household access to the internet, 2011

Source: Stats SA, Census 2011.

population by 2020. In terms of "South Africa Connect", targets are set for school, clinic and general public-sector connectivity, all of which would be reviewed annually to keep abreast of technological advances.

Globally, basic needs are rapidly being redefined, and access to the internet is increasingly becoming an essential component of quality of life. In many cities today, the internet is used to promote public participation and to assess citizens' perceptions of urban affairs.

The first initiatives by the City to make internet available to low-income residents were through the provision of public internet access points. The City's Smart Cape initiative, which was launched in June 2002, continues to provide free internet access via the public libraries in the city. Smart Cape aims to provide all residents with access to basic ICTs, free of charge. Since its inception, Smart Cape has attracted thousands of registered users at various library facilities across the city. From an initial five pilot sites, Smart Cape facilities have expanded and are now available in all the public libraries in Cape Town.

In 2008, South Africa's four major cities – Tshwane, Johannesburg, eThekweni and Cape Town – initiated projects to deploy their own telecommunications networks. The City launched its broadband infrastructure roll-out throughout the metro as part of its broadband infrastructure programme. Through the programme, the City aims to "bridge the digital divide" by providing less-advanced communities with connectivity.

The municipal connectivity projects are part of the strategy to run the municipality more efficiently, to facilitate cost savings (rather than pay the high commercial prices) and to reach underserved areas, for example by connecting all its libraries to the internet. The increased availability of bandwidth will benefit Cape Town's growing knowledge-based economy and help attract foreign

investment, which could bring major economic and social benefits to the city.

The Western Cape Government's broadband initiative, which was launched in 2012, will also provide a big boost to efforts to connect Cape Town residents to the internet. A large focus of the initiative is to make communication and information exchange within the provincial government, as well as linkages with municipalities, more efficient. However, residents in Cape Town and the province will gain internet access through private-sector service providers, who will be able to access the Western Cape's broadband infrastructure and sell excess bandwidth.²⁷

Subject to proof of concept, the City approved the construction of a wireless telecommunications network in the metro south-east for implementation in 2014/15, at an estimated cost of R100 million. Upon its completion, this community access project would leverage the City's optic fibre network to enable Khayelitsha and Mitchells Plain to access wireless internet at reduced prices at the household level.²⁸

This development is in line with new research that suggests that, by 2018, internet access via fixed lines and Wi-Fi will have overtaken mobile internet access. Nationally, fixed-line and Wi-Fi traffic made up 51% of total internet protocol traffic in South Africa in 2013. According to the latest Cisco Virtual Networking Index Global Forecast and Service Adoption report for the period 2013-2018, this figure will grow to 65% of total traffic by 2018.²⁹

c) Access to social amenities

Services within neighbourhoods – or amenities and services easily accessible to communities – have been linked to higher residential satisfaction and quality of life. Research shows that the ability to experience meaning in a public space can be restricted by issues of access, mobil-

27. Muller, 2012.

28. City of Cape Town, 2013e.

29. See <http://www.techcentral.co.za/fixed-internet-to-trump-mobile-in-sa/48976/>.

Table 4.4: Sports and recreational facilities by type, 2014

Sports and recreational amenity	Number
Community centres	165
Recreational hubs	38
Sports facilities	207
Swimming pools	36
Total	446

Source: City Sport, Recreation and Amenities Department, 2014.

ity and the quality of social resources.³⁰ It is therefore important for amenities, services and recreational facilities to be accessible and socially inclusive places for all residents.

The City uses the integrated community facility provision map generated by the Council for Scientific and Industrial Research (CSIR) in 2007 as well as targeted facility usage and needs studies to promote utilisation of community facilities across Cape Town. This approach is aimed at addressing the previously inequitable distribution of – and access to – community facilities, and ensuring alignment between provision and community needs. The 2007 CSIR study highlights issues regarding community access to, and utilisation of, facilities. It found that some communities were underserved and some facilities were underutilised due to inaccessibility by members of communities, and suggested benchmarks in terms of average travel time and distance to a community facility within communities.

The City encourages residents to embrace an active lifestyle, and is making a concerted effort to create spaces where residents can pursue active sporting and recreational activities. One of the objectives is to promote active and healthy lifestyles among members of communities. According to data from the City's Sport, Recreation and Amenities Department, there are up to 446 sports and recreational amenities across Cape Town. As can be seen from table 4.4, these consist of 165 community centres, 207 sports facilities, 38 recreational hubs and 36 swimming pools.

The City continues to prioritise the maintenance and upgrade of its community facilities for the benefit of all Cape Town residents. A number of sport and recreation

partnerships have been established to further promote and develop sport and recreation across the city.

A 2010 study commissioned by the City investigated Cape Town residents' participation levels in sport and recreation. The study found that almost 90% of Capetonians regarded sport and recreation as important for communities in Cape Town. According to the study findings, most Cape Town residents were more interested in recreational programmes such as health and fitness, arts, crafts and games than in formal sporting codes such as soccer and cricket. However, the same study showed that only 24,6% of adult residents in Cape Town participated in physical activities in their spare time.³¹ These research findings will be used to prioritise service delivery and recreational facilities in line with community preferences.

In response to this recognised need for greater outdoor recreation access for all residents, the City has focused on developing community recreation hubs that are geared towards making a mix of activities accessible to a wide range of people. Communities now have access to up to 38 such recreation hubs across Cape Town.³² Activities on offer include free play, wellness, lifeskills, after-school programmes and structured sporting programmes for seniors and youth.

In addition, the City maintains about 5 423 public open spaces. Table 4.5 shows the different types of open spaces, which consist of 1 404 undeveloped open spaces, 3 348 community parks, 13 district parks and 604 greenbelts.

The 2007 CSIR study also indicated that access to district parks differed across planning districts, and that district parks had mostly been located in areas away from the highest population demand.³³ An evaluation study by the CSIR in 2010 noted that only 29,7% of the total



The City encourages residents to embrace an active lifestyle, and is making a concerted effort to create spaces where residents can pursue active sporting and recreational activities.

**Table 4.5: City public open spaces by type, 2014**

Public open spaces by type	Number
Cemetery	39
Community park	3 348
District park	13
Greenbelt	604
Sensitive natural area	15
Undeveloped public open space	1 404
Total	5 423

Source: City Sport, Recreation and Amenities Department, 2014.

30. Lloyd & Auld, 2003.

31. CSIR, 2010b

32. As per data supplied by the City's Department of Sport, Recreation and Amenities, 2014.

33. CSIR, 2007.



Cape Town has 137 clinics, comprising community health centres (CHCs), satellite clinics and mobile clinics. These facilities ensure the provision of comprehensive primary health care and maternal and child health services, including preventive and promotional programmes.



population in the Mitchells Plain/Khayelitsha district were being served – the lowest in Cape Town. Altogether 67,61% of the population in the Mitchells Plain/Khayelitsha district and 19% of Cape Town's population were being underserved by the City in terms of access to public open space.³⁴

d) Access to health-care facilities

According to current City corporate data, Cape Town has 137 clinics, comprising community health centres (CHCs), satellite clinics and mobile clinics. These facilities ensure the provision of comprehensive primary health care (PHC) and maternal and child health services, including preventive and promotional programmes. The City, in partnership with the Western Cape Government's Health Department, currently operates these facilities according to a service-level agreement (table 4.6).

Other health facilities in Cape Town include 18 public hospitals and 35 private hospitals.³⁵

e) Access to police stations

There are currently 61 police stations across Cape Town, with various policing precincts contained within the area of jurisdiction of each police station. However, to foster

a safe and secure environment for all in Cape Town, the City has three policing departments: Metro Police, Traffic Services, and Law Enforcement and Specialised Services. The objectives and priorities of these departments are set out in the City's overarching Law Enforcement Plan, which includes the Metro Police's legally required Annual Police Plan. The plan aims to ensure the integrated delivery of efficient policing services.

The primary operating focus of the City's Law Enforcement Plan is the combating of crime incidents and criminal behaviour that may potentially detract from the quality of life of law-abiding citizens of Cape Town.³⁶ In response to the increase in gang-related violence, including drug and alcohol abuse, in some areas of Cape Town, the City has established a Gang Unit as well as a Vice Squad, which are targeted at more effectively tackling these problems.³⁷

3.2 Informality and public housing

Fuelled by rapid urbanisation, informal housing and settlements have become a regular feature of urban environments in developing-country contexts, including South African cities. One of Cape Town's biggest growth challenges is the increase in informal settlements and

Table 4.6: Health-care facilities in Cape Town, 2012

Clinics in Cape Town	Number
City Health	97
Western Cape Government	40
Total	137

Source: City corporate GIS data, 2012.

34. CSIR, 2010b.

35. Data drawn from the City's corporate geographic information database.

36. Review of the 2011/12 financial year.

37. City of Cape Town, 2013c:46.



the escalating number of households living in backyard structures. There has been a marked increase in informal dwellings in Cape Town over the last decade. As such, a substantial proportion of new households live in informal housing for shelter, either in informal settlements or backyard dwellings in formal townships. The emerging human settlements pattern suggests that Cape Town's population of poor households are increasing, and that proportionately more households rely on public housing delivery.

The increase in informal housing is in line with the increase in the population of Cape Town between 1996 and 2011, and the growth in informality is the physical expression of the population growth rate outstripping housing supply. According to figure 4.9, 19,2% of Cape Town households lived in informal dwellings in 1996; by 2011, this figure had increased to 20,5%. Over the same period, the proportion of households living in formal housing declined gradually from 79,3% to 78,4%. The percentage of those with no housing access decreased

slightly from 1,5% in 1996 to 1,1% in 2011. There are currently approximately 376 informal settlements, consisting of 146 488 dwellings. The official number for service delivery purposes is 149 860 service points.³⁸

The proportion of households in informal dwellings in backyards increased from 3,3% in 1996 to 7,0% in 2011.³⁹ During the same period, households in informal dwellings in informal settlements declined slightly from 15,9% to 13,5%. To manage the growth of informal settlements, the City has established an Anti-Land Invasion Unit to stop people from illegally erecting shacks on unoccupied land. The Unit demolishes illegal structures, unless the structure is occupied by the owner, in which case a court order is needed. Growth in informal dwellings largely occurs in the metro south-east, and the establishment of backyard dwellings is mainly prevalent in areas where subsidised housing has been delivered. Large numbers of backyard dwellings also occur in older low-income areas of the city.

The existence of informal settlements and the growth

• • •

The increase in informal housing is in line with the increase in the population of Cape Town between 1996 and 2011, and the growth in informality is the physical expression of the population growth rate outstripping housing supply.

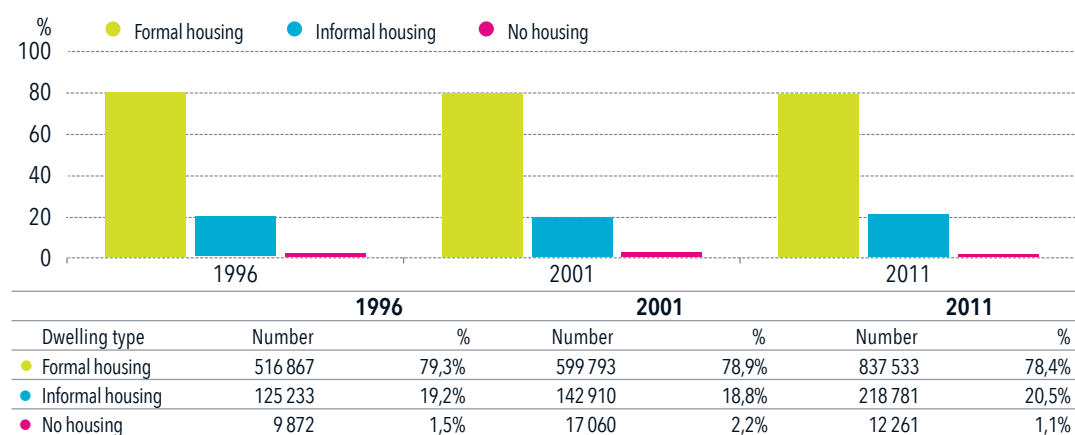


Figure 4.9: Access to housing by households in Cape Town, 1996-2011

Source: DI&GIS Department, compiled from Census data.

38. Data provided by the City's Solid Waste Management Department, 2014. Figures are still to be verified as official City statistics.

39. DI&GIS Department, compiled from Stats SA Census 1996, 2001 and 2011 data.



● ● ●

The City's five-year housing plan for 2010/11 to 2014/15 set out a range of strategies for upgrading the living conditions of people in informal settlements and backyard structures. In terms of this plan, the City would provide incremental housing opportunities through the provision of serviced sites with shared services, where households can be provided with temporary housing structures or build their own shacks.

in informal structures in the backyards of formal township houses suggest a growing demand for low-cost housing. To respond to this challenge, the City's five-year housing plan for 2010/11 to 2014/15 set out a range of strategies for upgrading the living conditions of people in informal settlements and backyard structures. The five-year housing plan outlined initiatives to increase access to shelter by providing incremental housing. In terms of this plan, the City would provide incremental housing opportunities through the provision of serviced sites with shared services, where households can be provided with temporary housing structures or build their own shacks. These objectives have been taken up in the Integrated Human Settlements Five-Year Strategic Plan for the period 2012/13 to 2016/17. In this regard, during the 2012/13 financial year, the City spent a total of 93,6% of its Urban Settlements Development Grant (for all directorates) and delivered a total of 6 394 sites, 4 353 top structures and 1 727 other housing opportunities (upgrade of rental stock, land restitution and re-blocking).⁴⁰ The City prioritises increased allocation of resources to improve living conditions in informal settlements, especially for the provision of basic services such as refuse removal, water, sanitation and electricity.

The City's Urbanisation Framework (2012) and Integrated Human Settlements Strategy (2012-2017) are being implemented with the aim of achieving sustainable, people-centred and inclusive urbanisation in the city.⁴¹ The Integrated Human Settlements Strategy advances an integrated approach to respond to the multitude of challenges associated with the growth in informal

settlements and backyarders, and the inadequate supply of housing in Cape Town – among others, through the upgrade of informal settlements. The initial focus is on areas in the south-east of the city, including Khayelitsha, Mitchells Plain and surrounds. This approach is in line with national housing policy, which, through the Upgrading of Informal Settlements Programme (UISP), provides for the phased, formal, in-situ upgrade of informal settlements. This includes the City's programme of re-blocking informal settlements to allow for in-situ and formal upgrades by effectively reconfiguring the settlement to create firebreaks and allow better access for services and vehicles, especially emergency vehicles. The process also assists the community in helping to clarify the roles of the various stakeholders – including the community themselves – in implementing the re-blocking policy.

The Integrated Human Settlements Strategy includes the backyarder service programme aimed at improving the living conditions of families living in backyards. This programme is part of the delivery of housing opportunities and aims to provide individual connections as well as water and sanitation installations. This includes the installation of an enclosed toilet with a tap and wash trough, as well as a bin per backyard. In addition, an electricity supply that can service up to three backyard structures will be installed per backyard. The programme is being rolled out at various sites across Cape Town.

In 2014, the mandate for public housing provision was devolved from the provincial to the local government housing sphere – specifically to the six metropolitan governments with the requisite capacity, including the City

40. City of Cape Town, 2013b.

41. City of Cape Town, 2012d.

of Cape Town. Devolution of the mandate is accompanied by the transfer of human resources, projects and assets. This shift will aid attempts to reduce the housing backlog, which continues to trigger violent protests in the local government sphere.

3.3 Urban mobility – transport in Cape Town

Transport is instrumental in development, and constitutes an essential element of urban growth and the form of development in the city. Much of the concern about transport in cities has to do with an observed increase in private-car use and the associated increase in air pollution. Private-car use has also fuelled urban sprawl, as the availability of private transport allowed for urban development to locate further from the centre and off the main public transport routes. The push for cities to develop in more sustainable ways has inevitably also meant a renewed emphasis on public transport, and more compact forms of urban development that closely track the key transport corridors within cities. It has been shown that sustainable cities make greater provision for public and non-motorised transport infrastructure, both demanding and yielding a more compact city form. Both of these elements form a core component of the City's Integrated Transport Plan (ITP) 2012-2017. The City's Integrated Public Transport Network (IPTN) Plan 2013-2018 includes provision for rail, bus rapid transit (BRT) services, non-motorised transport (NMT), as well as road-based public transport improvements.

a) Modes of transport in Cape Town

Cape Town citizens use commuter trips to travel to and from different destinations across the city. The travel modes used include bus, train, car, bicycle and walking. Statistics reveal that, between 2009 and 2012, private/company car was the most dominant or preferred mode of transport used by commuters in Cape Town. Between 2001 and 2011, most commuter trips entering the Cape Town central business district (CBD) on a daily

basis were by private/company car, followed by train, minibus/metered taxi and, finally, bus.⁴²

In the period under review, most commuters used public modes of transport, including trains and buses. Figure 4.10 shows that private/company-car use in Cape Town increased from 37,8% in 2009 to 42,0% in 2012. Over the same period, minibus/sedan taxis were the second most-used mode of transport, followed by train and bus. However, whilst train use remained steady at an average of 14%, the use of minibus/sedan taxis and buses declined slightly. This decline seems to have been in line with the increase in private/company-car use, which suggests that more people in Cape Town moved from public to private modes of transport to commute to and from work during the period under review. However, in terms of the daily modal split for passenger trips entering the Cape Town CBD between 2001 and 2011, about 60% passenger trips entering the Cape Town CBD were by means of public transport modes, compared to more than 30% in private cars.⁴³

b) Travel time to work in Cape Town

Between 2009 and 2011, the majority of commuters travelled an average of 15 to 60 minutes from home to work. Figure 4.11 shows that between 2009 and 2012, there was a fair split between commuters who took between 15 and 30 minutes and 31 and 60 minutes to travel to and from work – each of the categories constituted an average of 35%.

General Household Survey data indicate that commuters in the Asian and white population groups had the shortest commute, and took less than 15 minutes on average to travel to work, compared to in the black African and coloured population groups respectively. In turn, those who took between 61 and 90 minutes were predominantly commuters from the black African and coloured population groups. The majority of low-income black African and coloured households live further away from the city centre and other major economic nodes

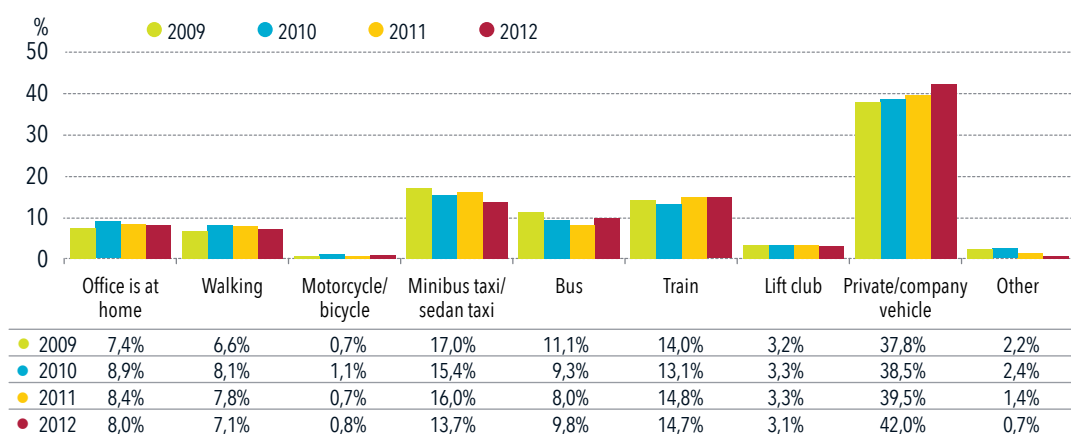


Figure 4.10: Transport modes to travel to and from work in Cape Town, 2009-2012

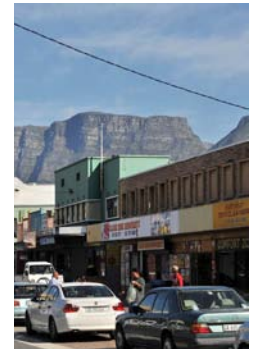
Source: DI&GIS Department, compiled from StatsSA General Household Survey data.

42. DI&GIS Department, compiled from Census data.

43. City of Cape Town, 2013a.



Between 2001 and 2011, most commuter trips entering the Cape Town central business district (CBD) on a daily basis were by private/company car, followed by train, minibus/metered taxi and, finally, bus.



To meet some of the transport challenges and to provide affordable and efficient public transport systems in Cape Town, the Universal Access Policy for Cape Town, which was approved in September 2013, supports the incremental implementation of universal accessibility measures, covering all modes and facilities.

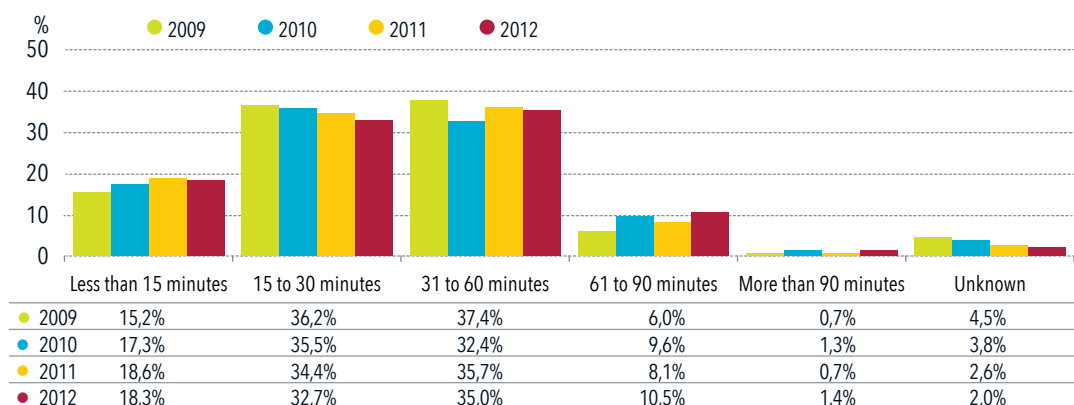


Figure 4.11: Travel time to work in Cape Town, 2009-2012*

* Excluding those who have their office at home.

Source: DI&GIS Department, compiled from StatsSA General Household Survey data.

around the city, and have to commute longer distances and times by means of public transport modes. A small percentage of commuters from these population groups took more than 90 minutes to travel to and from work, and predominantly used public transport. According to figure 4.12, almost 40,0% of black African commuters used public transport (bus and train) between home and work in 2011. This is in contrast with the 27% of coloured commuters and 3,11% of white commuters who used public transport. Altogether 59,16% of Asian and 80,28% of white commuters used private transport to commute, compared to 17,37% of black African and 37,19% of coloured commuters.⁴⁴

The trends reflected above suggest that one of the City's major challenges is the predominant use of private cars as the preferred mode of transport. Public transport surveys by the City also indicate that private transport use dominated the overall commuter modal split in 2011, and as more cars come onto the existing road network,

commuters are likely to face more traffic congestion.⁴⁵

To meet some of the transport challenges and to provide affordable and efficient public transport systems in Cape Town, the Universal Access Policy for Cape Town, which was approved in September 2013, supports the incremental implementation of universal accessibility measures, covering all modes and facilities. The policy provides principles and directives that guide and support all transport elements, and sets out a comprehensive approach to the planning, provision, management, regulation and enforcement of universal access measures for City commuters. It focuses on all elements of the transport system, including rail, bus, taxi, etc.

In 2012, Council approved proposals for the City to apply to National Government to be awarded contracting authority functions. Transport for Cape Town (TCT)⁴⁶ was established as a local government entity in October 2012 with a view to transforming Cape Town's current fragmented transport system into an integrated, multi-modal

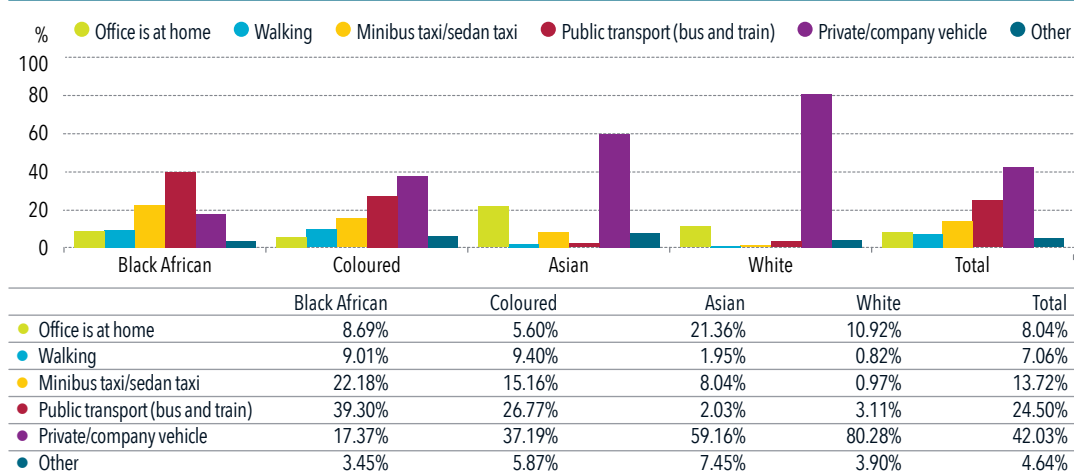


Figure 4.12 Transport mode to travel to work, by population group, 2011

Source: DI&GIS Department, compiled from StatsSA General Household Survey data.

44. DI&GIS Department, compiled from Census data.

45. City of Cape Town, 2013a.

46. Transport systems have a long-term horizon, and involve considerable planning and investment. To ensure that TCT is an enduring authority and that its responsibilities and functions are sustained, the Constitution of Transport for Cape Town Bylaw has been developed and approved – a first for

South Africa. The TCT Bylaw sets out the parameters of TCT's functions and operations. Functions such as administration, planning, communication, regulating, monitoring, evaluating, managing and operating transport infrastructure and services, and the roles and responsibilities of various entities within TCT, are enshrined in the bylaw. For more information, see http://www.capetown.gov.za/en/WDC2014/Projects/WDC_project_054.pdf.



system that provides more efficient, affordable and safer public transport.

TCT will advance the implementation of the City's transport strategies and plans to develop a multi-modal public transport network that will allow users greater ease to travel across the city, and to seamlessly use different transport modes. The ITP 2012-2017 includes plans for the roll-out of an integrated public transport network (IPTN), including the road and passenger rail network, to facilitate integrated, intermodal transportation across Cape Town.

In the 2010/11 financial year, the MyCiTi service was launched, providing dedicated bus lanes in places to help cut travelling time by half during peak hours, which contributes to a reduction of traffic congestion and the overall cost of travel. The new services complement the PRASA rail service, and serve to meet the needs of commuters on high-demand corridors. The MyCiTi bus services commenced within the Cape Town inner city, and then expanded along the R27 towards Table View and within the Table View area.

The bus service launched with routes towards the northern and West Coast suburbs, where there is high passenger demand, yet no rail service. Early in the 2013/14 financial year, the MyCiTi bus service extended to Hout Bay, Dunoon, Atlantis, Mamre, Melkbosstrand, Montague Gardens, Joe Slovo, Century City and other areas within the phase 1A geography. The City also launched an express service between Khayelitsha and Mitchells Plain and central Cape Town in early July 2014. PRASA will also be rolling out plans for the modernisation of the Khayelitsha-to-CBD service.

The envisioned outcome of TCT as a centralised transport authority is to achieve the "Vision of 1", which entails an integrated public transport network with one ticketing

system, one timetable, a unified management structure and enforcement system, as well as a single standard and brand. Thus, TCT aims to deliver a dignified public transport system that is integrated, seamless, intelligent, affordable, sustainable and safe for all.

3.4 Implications for urban form

Cape Town is a growing metropolitan city faced with a number of developmental challenges and trends that inform the city's growth, form and functions. According to the CTSDf (2012), the spatial extent of the city has increased rapidly, by an estimated 650 ha per annum.⁴⁷ The biggest component of current and past growth in Cape Town has been new residential development, predominantly on the periphery of the city.

The CTSDf⁴⁸ is a long-term (20-plus-year) plan that will be used to manage the spatial growth and development of Cape Town. It provides the overarching framework for the City's new policy-driven land use management system, and includes the use of the urban edge as a mechanism to protect significant environments and resources, contain urban sprawl and, thereby, rationalise service delivery. The CTSDf will be proactively reviewed every five years.

A major challenge is thus to promote the transformation of the city's growth into a more compact and integrated spatial and social form. The sprawling, inequitable and inefficient city growth form of the former apartheid regime is still entrenched. As new developments are located on the outskirts of the city, urban sprawl contributes to loss of valuable land for Cape Town's future growth potential, and also drives up the cost of services provision to outlying areas.

A second key challenge regarding urban growth and form in Cape Town includes dealing with the legacy of



In the 2010/11 financial year, the MyCiTi service was launched, providing dedicated bus lanes in places to help cut travelling time by half during peak hours, which contributes to a reduction of traffic congestion and the overall cost of travel.

47. City of Cape Town, 2012b.

48. The CTSDf – which was approved in terms of section 34 of the Municipal Systems Act 32 of 2000 and section 4(6) of the Land Use Planning Ordinance No 15 of 1985 – along with the Western Cape Government's spatial development framework, is the spatial planning document with the highest legal status applicable to the municipal area of Cape Town. When assessing development applications, City officials will need to

determine whether an application is consistent with both the City's and the Western Cape Government's frameworks, which will therefore require them to make a consistency ruling. If the application is inconsistent with either of the frameworks, the developer will need to apply for an amendment. Applications to amend the CTSDf will need to be submitted in terms of both section 3(4)(b) of the Municipal Systems Act and section 4(7) of the Land Use Planning Ordinance.



A key challenge regarding urban growth and form in Cape Town includes dealing with the legacy of segregated development, namely poor communities' location on the periphery of the city.

segregated development, namely poor communities' location on the periphery of the city, away from opportunities that the city has to offer. The geography of the old "group areas" still largely manifests in a division between predominantly middle-class neighbourhoods in the west and north of the city, and predominantly working-class neighbourhoods in the south-east of the city.⁴⁹

The highest concentration of new subsidised housing has also been in peripheral areas, as has growth in informal settlements, particularly in the south-east region of the city. Thus, with increased urbanisation, another chal-

lenge facing the city is to deliver equitable social and economic development and provide infrastructure and services for the growing population, while also addressing social integration at the neighbourhood level. Figure 4.13 shows the progress made in respect of social integration, with sub-places containing at least 20% of each of the three largest population groups.

Social integration is predominantly occurring in sub-places along the Voortrekker Road corridor towards the north-east of the city centre, in the older southern suburbs (such as Observatory) with a history of being transi-

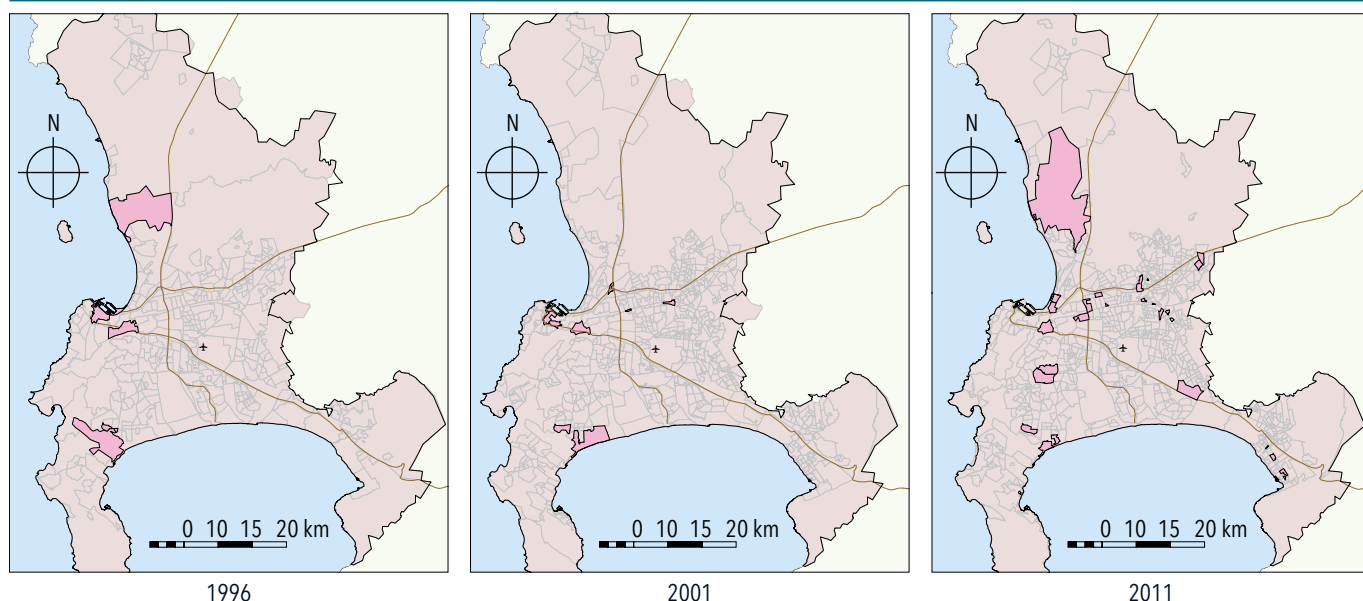


Figure 4.13: Progress with social integration, 1996, 2001 and 2011

Source: DI&GIS Department, using Census data.

49. Crankshaw, 2012:851.

tional spaces, as well as in new developments to the north of the city. While such integrated sub-places are on the increase, the maps also indicate the extent to which large parts of the city are still not socially segregated to any significant degree – and the magnitude of the challenge that remains.

4. Future Cape Town

In October 2012, the City approved the long-term City Development Strategy 2040. The CDS has as its starting point the 2040 vision for Cape Town to be “a highly skilled, innovation-driven, resource-efficient, connected, high-opportunity and collaborative society”.

Opportunity, inclusiveness and resilience are important underlying themes for the City's long-term strategy to meet and address the challenges facing Cape Town. The CDS also recognises and aligns with the six transitions to achieve long-term prosperity for Cape Town and the Western Cape captured in ONECAPE2040,⁵⁰ which is the Western Cape Government's vision and long-term strategy for the Western Cape, developed in partnership with the City and the Economic Development Partnership.

The process of arriving at the CDS involved the development of long-term goals and sub-goals, which in turn led to strategies required to meet those goals, and the identification of key interventions. The CDS is an important informant to and supports and directs the alignment of all other City strategies, including the IDP, the Economic Development Strategy, the CTSDf and the Urbanisation Strategy. As per Council decision, new projects need to demonstrate alignment with the CDS 2040 long-term goals.

Table 4.7 illustrates the linkages between the CDS 2040 goals and sub-goals, the 2012-2017 IDP strategic

focus areas, and the Western Cape Government's ONECAPE2040 transitions.

In 2012, the City started implementing a new way of working, bringing together directorates and departments into teams to advance transversal planning and project implementation.

At present, the short-to-medium-term growth management strategies that guide spatial planning in the city – including the 15-year growth management plan and the IHSF – are informed by the following two key drivers of change:

- Transit-oriented urban development planning following the ITP 2012-2017, where urban growth is directed along the main transit corridors and economic growth nodes. Two corridors have been prioritised for the next Medium-Term Revenue and Expenditure Framework cycle, namely the Voortrekker Road corridor and the metro south-east corridor, which extends out from the CBD.
- Redress of the historically spatially-segregated settlement patterns of South African cities, guided by National Treasury's Integrated City Development Grant (ICDG)

The City's *urban network strategy* is informed by the approved CTSDf. The urban network strategy constitutes the rationale for the spatial integration of nodes (e.g. the Bellville and Cape Town CBDs) and emerging township hubs (e.g. underserved townships like Phillippi East) along “integration zones such as the Voortrekker Road Corridor and the Metro South East Corridor. These integration zones become the focus areas for public transport, investment opportunities and densification in the city.

The future Cape Town will be shaped by both the roll-out of public transport networks and services, and the integrated human settlements framework and strategy.



Opportunity, inclusiveness and resilience are important underlying themes for the City's long-term strategy to meet and address the challenges facing Cape Town.

Table 4.7: Alignment between six CDS goals and support mechanisms, the IDP and ONECAPE2040

Goal Type	City of Cape Town CDS Goal	Alignment to IDP 2012-2017 Strategic Focus Area	Alignment to OneCape 2040 Transition – Focus Area
Foundational The basics that need to be achieved in order for the City to function.	1. Lead a healthy, vibrant life 2. Be educated and informed	Caring City Inclusive City	Living Cape Educated Cape
Enabling Support the delivery of the foundational goals	3. Be an inclusive and resilient economy. 4. Be connected and interconnected.	Opportunity City Inclusive City	Enterprising Cape Connecting Cape
Defining and differentiating Set Cape Town apart from other cities and regions and give the edge that is required to take the city to 2040.	5. Build and celebrate Cape Town Spirit 6. Inspire an eco-friendly city region.	Safe City Caring City Opportunity City	Connecting Cape Green Cape
Support mechanisms	Optimum basic service delivery Engaging leadership Responsible citizenry Innovative financial mechanisms	Well-run City	Leading Cape

Source: Cape Town City Development Strategy, 2012, City of Cape Town, 2012(a).

50. EDP, 2012.



The future Cape Town will be shaped by both the roll-out of public transport networks and services, and the integrated human settlements framework and strategy.

It is along these transit corridors and within the new integrated human settlements that the sustainable city and supportive neighbourhoods will find expression first, working towards creating liveable communities that are socially and spatially connected with other parts of the city and with opportunities.

It is along these transit corridors and within the new integrated human settlements that the sustainable city and supportive neighbourhoods will find expression first, working towards and achieving optimum delivery of basic services, and creating liveable communities that are socially and spatially connected with other parts of the city and with opportunities.

The City has already approved a number of large-scale capital projects for implementation in order to realise the visions contained in the City's medium-term to long-term strategies.

In December 2013, TCT obtained Council approval for a number of new projects for the 2014/15-2016/17 Medium-Term Revenue and Expenditure Framework (MTREF) cycle at a total estimated value of R747 million,⁵¹ which would include extending and/or upgrading the public transport facilities to and within low-income areas, inter alia by purchasing additional MyCiTi buses, establishing the non-motorised transport network and providing universal access, constructing a Mitchells Plain station, and upgrading concrete roads in low-income areas, specifically Gugulethu, Manenberg, Bonteheuwel and Hanover Park, among others.

In 2013, the City and the Western Cape Government started collaborating on the development of a draft IHSF, which draws on, and is informed by, all the existing key strategies and frameworks.⁵² The purpose of the IHSF is twofold. Firstly, it aims to facilitate expedited housing delivery in Cape Town over the short, medium and longer term by the Western Cape Government, the City and the private sector. A key aspect in this regard is a recommended change in overall approach, namely from "depth" in delivery (providing a completed product to a few) to "width" in delivery (providing an incremental product to more beneficiaries), and thus also the review and amend-

ment of both the City and the Western Cape Government's spatial development frameworks and supporting policy statements as and where needed to facilitate this goal.

Secondly, the IHSF aims to coordinate and align the Western Cape Government and the City's various initiatives, plans, programmes and budgets in support of housing delivery, with a particular focus on the following programmes:

- Informal settlements upgrade: Incremental transformation of informal settlements into integrated human settlements with one-on-one services, secure tenure, top structures and social and economic amenities that ensure self-sufficiency
- Backyarder assistance: Proactive servicing and regulatory support
- New community residential units: The focus should be on hostel upgrades. Other new City rental stock should be limited to areas of extreme land shortage, such as Hangberg.
- New settlements: Integrated human settlements with a mix of serviced sites and completed houses located on infill sites and in urban growth areas
- Gap housing: City-enabled private-sector delivery through the provision of land and/or subsidies in terms of the Finance-Linked Individual Subsidy Programme (FLISP)
- Private rental accommodation: Proactive encouragement of rental housing ranging from boarding houses to two-to-three-bedroomed apartments with their own kitchens and bathrooms
- Emergency housing: Relief for victims of fire, floods and the like

In December 2013, the City's Human Settlements Directorate also obtained Council approval for seven new projects for the 2014/15-2016/17 MTREF cycle at a total

51. Subject to the Directorate staying within the City's affordability levels, as determined by Council for a specific MTREF period.

52. Latest available draft is dated October 2013.



estimated value of R588 million.⁵³ These would include the Maccassar housing project, Fisantekraal Garden Cities phase 2, Imizamo Yethu phase 3, the Langa hostels, and three backyards/informal settlements upgrade projects.⁵⁴

5. Conclusion

Apartheid urban planning created South African cities with a large footprint, as segregationist policies resulted in less-than-optimal use of available resources, spreading single-use suburbs and low-income public townships far and wide. Low-income townships such as Mitchells Plain and Atlantis ended up being located on the margins of the city, with huge cost implications for residents travelling between home and work in the city centre and the main industrial areas. Furthermore, influx control policies and the deliberate failure to plan for the urbanisation of black African families created the conditions for the emergence of informal settlements, also mostly located on the outskirts of the city, on land not suited for building and habitation. In addition, encroachment on environmentally sensitive tracts of land by both high and low-income suburbs and townships has helped raise awareness of another aspect in the growth and form of Cape Town, namely the environmental unsustainability of current urban growth patterns.

Over and above servicing the costs of running parallel institutions/administrations to service the needs of different population groups, the financial costs associated with servicing a physically sprawling city have become overwhelming. Similar to other South African metros, Cape Town faces the challenge of maintaining budget balance between servicing and maintaining old (bulk) infrastructure, and rolling out bulk and basic services to accommodate new entrants to the city and those living

in informal and/or backyard dwellings. Service delivery backlogs have grown following the democratic transition. As urbanisation to Cape Town increases and universal access to basic services is progressively being realised, the target of a one-to-one service delivery standard is still some way off. This is true for Cape Town and all other major metros in the country.

The social cost of apartheid and segregated human settlements has manifested itself in Cape Town (and elsewhere in South Africa) in a disconnected urban population with little opportunity to meet across racial, cultural and/or class divides. In a complex environment, the uneven access to social amenities for low-income communities and neighbourhoods has helped fuel the emergence of a plethora of social ills in informal settlements and low-income areas, including gangsterism, drug abuse, high school dropout rates, and social-fabric crimes such as high levels of domestic violence. These social ills will have to be addressed as part of a broader strategy to build sustainable communities in Cape Town.

The current frameworks, strategies and plans for a future Cape Town are all informed by the imperatives to build sustainable, connected and resilient communities. These goals demand a new approach to human settlements planning – to develop integrated human settlements that are true living, working, playing and learning spaces; that maximise social interaction between community members both within and in transit between neighbourhoods, with the potential to build trust and social capital and, thus, increase the resilience of individuals, families, households and entire communities. In this regard, the City's strategy of transit-oriented urban development and the implementation of integrated human settlements will be key in realising the future Cape Town envisioned in the medium-to-long-term strategies for the city.



The current frameworks, strategies and plans for a future Cape Town are all informed by the imperatives to build sustainable, connected and resilient communities. These goals demand a new approach to human settlements planning – to develop integrated human settlements that are true living, working, playing and learning spaces.

53. Subject to the Directorate staying within the City's affordability levels, as determined by Council for a specific MTREF period.

54. City of Cape Town, 2013f.

Chapter 4 reference list

- City of Cape Town. 2008. Water and Sanitation Service Standard, Preliminary Draft. Cape Town. Available at <https://www.capetown.gov.za/en/Water/Documents/Water%20and%20Sanitation%20Service%20Standards.pdf>.
- City of Cape Town. 2010. State of Cape Town Report 2010. Cape Town. Available at http://www.capetown.gov.za/en/stats/CityReports/Documents/IDP/CCT_StateOfCapeTown_2010.pdf
- City of Cape Town. 2011. City of Cape Town Annual Report 2010/11. Cape Town. Available at http://www.capetown.gov.za/en/Reports/Documents/Reports%202010-2011/2010_11_Annual_Report_City_of_Cape_Town.pdf
- City of Cape Town. 2012a. Cape Town's City Development Strategy. Cape Town. Available at https://www.capetown.gov.za/en/IDP/Pages/city_development_strategy.aspx
- City of Cape Town. 2012b. Cape Town Spatial Development Framework. Cape Town. Available at https://www.capetown.gov.za/en/sdf/Documents/SDF_Technical_Report_2012_Interactive.pdf
- City of Cape Town. 2012c. City of Cape Town Annual Report 2011/12. Cape Town. Available at http://www.capetown.gov.za/en/Reports/Documents/Reports_2011_2012/Annual_Report_CCT_2011_12.pdf
- City of Cape Town. 2012d. City of Cape Town Urbanisation Framework. Cape Town. Available at www.capetown.gov.za/GetDocument.aspx?Uniqueid.
- City of Cape Town. 2012e. State of Cape Town Report 2012. Cape Town. Available at http://www.capetown.gov.za/en/IDP/Documents/stateCT_report.pdf
- City of Cape Town. 2013a. Cape Town Integrated Transport Plan. Cape Town. Available at http://www.capetown.gov.za/en/PublicParticipation/Documents/HYS_Transport_ITP_Final_Draft.pdf
- City of Cape Town. 2013b. City of Cape Town Annual Report 2012/13. Cape Town. http://www.capetown.gov.za/en/IDP/Documents/2012-2013_annual_pres.pdf
- City of Cape Town. 2013c. Annual Police Plan 2012/2013. Cape Town Metropolitan Police Department. Cape Town. Available at https://www.capetown.gov.za/en/IDP/Documents/Statutory%20compliance%20plans%202012/AnnexF_Annual_Police_Plan.pdf
- City of Cape Town. 2013d. Report to Energy and Climate Change Committee and Executive Mayor. Available at http://relaunch.citiesclimateregistry.org/uploads/tx_carbondata/Energy%20Committee%20-%20Savings%20Report%20and%20Five%20Year%20Plan.pdf.
- City of Cape Town. 2013e. City of Cape Town Large Capital Projects, Council item number C46/12/13. 6 December. Available at https://www.capetown.gov.za/en/Budget/Budget%20201415%20Final/Annexure%2020_Individual%20Projects%20with%20a%20TPC%20over%20R50m.pdf
- City of Cape Town. 2013f. Extract from Minutes of the Meeting of the Council of the City of Cape Town, Wednesday 4 December. Available at <http://www.capetown.gov.za/en/Reports/Large%20capital%20projects/Projects%20for%20Electricity%20Department%20Resolution%20and%20Report%20C431213.pdf>.
- City of Cape Town. 2014 (forthcoming). Census 2011 – Cape Town Migration – New Arrivals.
- Cohen, B. 2006. Urbanization in developing countries: Current trends, future projections, and key challenges for sustainability. *Technology in Society*, 28, 63-80.
- Council for Scientific and Industrial Research (CSIR). 2007. Schedule of Standards and Guidelines for the Spatial Provision and Development of Social Facilities, Public Institutions and Public Open Space in Cape Town. CSIR: Stellenbosch.
- Council for Scientific and Industrial Research (CSIR). 2010a. Summary Guidelines and Standards for the Planning of City of Cape Town Social Facilities and Open Spaces. CSIR: Stellenbosch.
- Council for Scientific and Industrial Research (CSIR). 2010b. Evaluation of community social facilities and recreational space in City of Cape Town. CSIR: Stellenbosch.
- Crankshaw, O. 2012. Deindustrialisation, Professionalisation and Racial Inequality in Cape Town. University of Cape Town.
- Economic Development Partnership (EDP). 2012. OneCape2040: From vision to action. The Western Cape agenda for joint action on economic development. Available at https://www.capetown.gov.za/en/IDP/Documents/OneCape_2040.pdf.
- Lloyd, K. & Auld, C. 2003. Leisure, public space and quality of life in the urban environment. *Urban Policy and Research*, 21(4).
- May, J. 2010. Digital and other poverties: Exploring the connection in four East African countries. Available at <http://www.chronicpoverty.org/publications/details/digital-and-other-poverties/ss>.
- Maylam, P. 1995. Explaining the Apartheid City: 20 years of South African Urban Historiography. *Journal of Southern African Studies*, Vol 21, Special Issue: Urban Studies and Urban Change in Southern Africa.
- McGiver, W.J. et al. 2003. "The internet and the right to communicate". *First Monday*, Volume 8, Number 12, 1 December. Available at <http://firstmonday.org/ojs/index.php/fm/article/view/1102/1022>.
- McKinnon, C. 2014. Solid Waste Management. City of Cape Town. Cape Town.
- McLeod, D. 2014. Fixed lines drag on Telkom. *TechCentral*. Available at <http://www.techcentral.co.za/fixed-lines-drag-on-telkom/48866/>
- Ministry in the Office of the President. 1996. Discussion Document: The Urban Development Strategy – Remaking South Africa's Cities and Towns. Available at <http://polity.org.za/polity/govdocs/rdp/urban1.html>.
- Muller, R. 2012. "How you will get Western Cape broad-

band services". 20 September. Available at <http://mybroadband.co.za/news/broadband/60177-how-you-will-get-western-cape-broadband-services.html>.

National Housing Department. Urban Development Framework 1997. South Africa.

South Africa. 2009. National Urban Development Framework Harnessing a Common Vision for Growth and Development of South Africa's Towns, Cities and City-Regions. Prepared by NUDF Steering Committee, Department of Cooperative Governance and Traditional Affairs & the Presidency, in partnership with the South African Cities Network. Working draft for consultation. 10 June.

South Africa. 2013. Towards An Integrated Urban Development Framework: A Discussion Document. Department of Cooperative Governance and Traditional Affairs: Pretoria. Available at http://govza.gcis.gov.za/sites/www.gov.za/files/Towards%20an%20Integrated%20Urban%20Development%20Framework_a_0.pdf.

United Nations, 2011. World Population Prospects: The

2010 Revision and World Urbanization Prospects: The 2011 Revision. New York: Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat, Available at <http://esa.un.org/unpd/wup/unup/p2k0data.asp>

United Nations 2011. World Urbanization Prospects: The 2011 Revision. New York: Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat, Available at <http://esa.un.org/unpd/wup/unup/p2k0data.asp>

United Nations. 2014. World Population Prospects: The 2012 Revision. Methodology of the United Nations Population Estimates and Projections. Working Paper No. ESA/P/WP.235. Department of Economic and Social Affairs, Population Division.

UN-HABITAT. 2012. State of the World's Cities

2012/2013. Prosperity of Cities. Kenya, Nairobi.

UN-HABITAT. 2014. The State of African Cities 2014: Re-imagining sustainable urban transitions. Kenya, Nairobi.



● EXPERT ANALYSIS

The dynamics of urban development in Cape Town since 1994, and implications for the future planning of the functional city

Dr. H S Geyer Jr

Lecturer: Centre for Regional and Urban Innovation and Statistical Exploration
Department of Geography and Environmental Studies
Stellenbosch University

and

Professor H S Geyer

Director: Centre for Regional and Urban Innovation and Statistical Exploration
Department of Geography and Environmental Studies
Stellenbosch University

There is no question that the urban structure of Cape Town has changed significantly over the last two decades. The following overview will outline four key areas in which the city has changed, and will identify areas in which policy-makers could influence emerging spatial processes and outcomes in the future.

Trend 1: Increasing population densities and continued population deconcentration

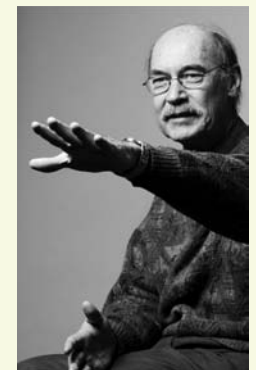
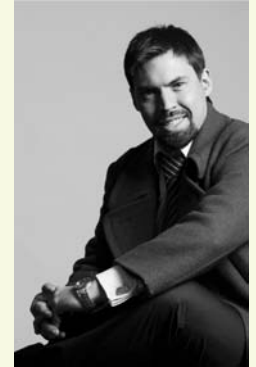
Cape Town remains one of the most attractive destinations for migrants from outside the municipality, with the city experiencing a population growth of over 50% between 1994 and 2014. Despite the increasing pressure on urban development along the urban edge, growth has been effectively contained within the urban edge over the last decade, indicating the success of growth management policies. However, more than 60% of all new residential and commercial developments occurred within 2 km from the urban edge. Whilst densification is occurring throughout the city, the rate of densification increases in the proximity of the urban edge. Densification policies are more effective in restructuring green field development than promoting infill development within the city (Geyer Jr. et al., 2012a; Geyer Jr. et al., 2012b).

These trends challenge the effectiveness of a multi-modal, integrated, city-wide public transport system for the city, which requires high population densities in close proximity to the core transportation network. Because these residential deconcentration patterns are universal for all housing types, including private-sector housing, RDP housing and informal settlements, it is expected that the spatial clustering of housing types will continue due to market-driven urban development patterns reinforcing deconcentrated spatial patterns (Laldaparsad et al., 2014; Geyer et al., 2014). It is suggested that long-term planning of the City of Cape Town accommodates the deconcentration of population by extending the public transportation system so that increased ridership would eventually incentivise increased densities along primary transportation corridors. In order to promote more sustainable, concentrated spatial development patterns, mechanisms such as planning gain, alternative RDP housing types and the formalisation of backyard housing should be investigated to increase densities in appropriate locations.

Trend 2: The transition from racial spatial segregation to class-based segregation and poverty pockets

Although the basic spatial structure of the apartheid city is still visible, neighbourhood analysis indicates that most neighbourhoods are experiencing declining levels of poverty and income disparities. Moreover, neighbourhoods are for the most part spontaneously becoming more ethnically heterogeneous. Much of this is linked to previously disadvantaged households migrating into higher-income neighbourhoods in a process of upward mobility. Thus, spatial segregation based on racial categories is changing into class-based spatial segregation, but at continuing lower levels of differentiation than in the past. However, pockets of concentrated poverty persist where more than half the neighbourhood population lives below the minimum poverty level as per the free basic services poverty line (Bhorat et al., 2011; Mohammed & Geyer, 2014; Geyer & Mohammed, 2014). This is a significant challenge for the municipality, as over 25% of the population is trapped in these pockets. The population densities in these areas are increasing at a very high rate, whilst real household incomes are declining and the population turnover rate is comparatively low.

To address the problem of concentrated poverty, it is essential that the City maintains its high level of investment in designated marginalised areas, whilst encouraging the re-investment of local capital and the re-establishment of upwardly mobile households within the area. Although this will not solve the problem of concentrated poverty or prevent



“

Ambitiously, the City's waste collection trucks display the message “Nature knows no waste”. Yet, residents and businesses continue to generate almost three million tons of it each year, of which 75% needs to be disposed.

”



the out-migration of upwardly mobile households, it will serve to incrementally reduce the absolute number of concentrated poverty neighbourhoods over time to a minimum threshold. Most importantly, however, is a continued analysis of the poverty status in neighbourhoods to identify and address those factors that have the most significant impact on poverty within these neighbourhoods.

Trend 3: Changing patterns of informalisation in human settlements

National, provincial and municipal governments have been actively engaged in a programme to formalise informal settlements into suitable public housing. Although the state was largely successful in providing adequate housing in former township areas, it is becoming increasingly difficult to formalise informal settlements due to the rapid increase of informal backyard housing in formal low income neighbourhoods. The growth of informal backyard dwellings can be regarded as positive, as it creates additional sources of income for homeowners in low-income neighbourhoods and bolsters local real-estate markets (Geyer & Geyer Jr., 2014). Tenants also prefer backyard housing due to the proximity to areas of work, perceived safety benefits and higher provision of basic services (Le Roux & Du Plessis, 2014). Whilst the living quality of informal backyard dwellings is preferable to those in shanty towns, upgrading informal backyard structures is more difficult. Challenges will have to be overcome in establishing the rights and obligations between public and private responsibilities, especially in terms of *de jure* and *de facto* tenure, and the development of effective zoning, building control and land use management instruments. As in cases elsewhere in the South (Nezahualcōyotl, Mexico City, for example), the establishment of real-estate markets in such areas will lead to the internalisation of upward mobility.

Another challenge is the increasing densities of the few remaining informal settlements in Cape Town. Despite the continued supply of alternative accommodation, well-located informal settlements such as Dunoon, Imizamo Yethu, Barcelona/KTC persist, because the City is unable to formalise the locations due to high population densities and the unserviceability of the sites. With densities of between 200 and 450 persons/ha, *de facto* land rights cannot be equitably formalised on-site using the traditional single-storey, detached RDP design. To ameliorate these two trends, it would be advisable for the City to investigate the possibility of developing public housing in selected prime locations, using designs with high densities, particularly taking note of best practices in local social housing. The City should also investigate the possibility of amending its zoning schemes and building controls to encourage the private formalisation of backyard housing.

Trend 4: The functionality of the city beyond the municipal boundaries and integrated spatial planning

Analysis of the long-term population flows within the Western Cape region indicates that the functional parameters of the city extend beyond the strict administrative boundaries of the municipality. Although the bounding of municipalities is efficient in terms of the cross-subsidisation of services and equal political representation, the current bounding of municipalities is not necessarily efficient in terms of long-term spatial planning (Geyer Jr. et al., 2012a). The satellite cities Stellenbosch and Paarl-Wellington are as much part of the integrated conurbation of the greater Cape Town city region as are Somerset West-Strand and Atlantis.

Effective long-term spatial planning and, more importantly, long-term growth management can only really be effective if there is strong cooperation and coordination between spatial planning functions of the city, the province and adjacent satellite cities. This goes beyond mere alignment of policies with cooperative intergovernmental strategising, planning and evaluation of spatial development frameworks.



References

- Bhorat, H., Oosthuizen, M. & Van Der Westhuizen, C. 2012. Estimating a poverty line: An application to free basic municipal services in South Africa. *Development Southern Africa* 29(1): 77-96.
- Geyer H.S. Jr., H.S. Geyer, D.J. du Plessis & A. van Eeden. 2012a. Differential urbanisation trends in South Africa – national, regional and local equivalents, *Environment and Planning A* 44(12): 2940-2956.
- Geyer H.S. Jr., B.H.A. Schloms, D.J. du Plessis & A. van Eeden. 2012b. Land quality, urban development and urban agriculture within the Cape Town urban edge. *Town and Regional Planning* 59, pp. 41-52.
- Geyer, H.S., D.J. du Plessis, H.S. Geyer Jr. & A. van Eeden. 2012. Urbanisation and migration trends in South Africa: Theory and policy implications. In M. Brezzi, M. Piacentini, K. Rosina & D. Sanchez-Serra (eds.). *Redefining "urban": a new way to measure metropolitan areas*, OECD, pp. 58-89.
- Geyer, H.S. & H.S. Geyer Jr. 2014. Residential and business transformation in South Africa – Reopening the 'dead' capital debate, *Urban Forum* 25(1):35-55.
- Geyer, H.S., H.S. Geyer Jr., D.J. du Plessis & A. van Eeden. 2014. Recent morphological trends in metropolitan South Africa, in D. O'Donoghue, Daniel (ed.). *Urban Transformations: Cities, Peripheries and Systems*, Ashgate Publishers, UK. (In print)
- Geyer, H.S. Jr. & Mohammed, F. 2014. An evaluation of the impact of area-based policy on neighbourhood poverty in South Africa. Cruise working paper.
- Laldapsad, S., Geyer, H.S. Jr. & Du Plessis, D. 2014. The reshaping of urban structure in South Africa through municipal capital investment: Evidence from three municipalities. *Town and Regional Planning*, 63 (1): 36-49.
- Le Roux, M.R. & Du Plessis, D.J. 2014. Backyard housing in the city of Cape Town: Implications for urban management. Cruise working document.
- Mohammed, F. & Geyer, H.S. Jr. 2014. Neighbourhood Matters! Changes in Neighbourhood Poverty in Cape Town Municipality, 2001-2011. Cruise working paper.

Biographies

Herman Geyer is a researcher at the Centre for Regional and Urban Innovation and Statistical Exploration (CRUISE) at Stellenbosch University. He holds a MSc. in Regional and Urban Planning from London School of Economics and teaches regional economics and public infrastructure at CRUISE. His research interests lie in economic geography, advanced spatial analysis and regional science.

Manie Geyer is the Statistics South Africa Chair of Urban and Regional Analysis and Director of the Centre for Regional and Urban Innovation and Statistical Exploration (CRUISE) at Stellenbosch University. His research interests lie in globalization, location theory, urban systems analysis, demography and migration, urban development policy and social polarization. He has published widely in these fields. He has been a visiting scholar at the University of Utah and the 2009-recipient of the international Environment Creation prize in regional science. Academically and as a consultant he has coordinated a number of governmental and academic research projects nationally and internationally. His latest edited volumes include: *The International Handbook of Urban Systems* (2002); *Global Regionalization* (2006) and *The International Handbook of Urban Policy*, Volume 1 (2007); 2 (2009); and 3 (2011).

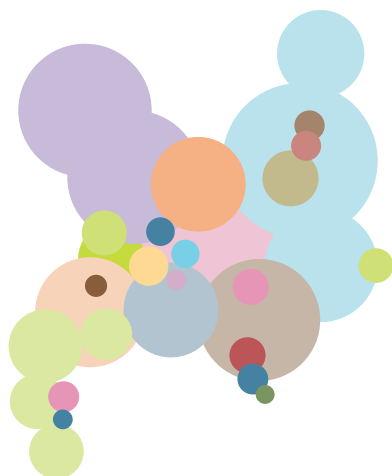






City of Cape Town GOVERNANCE at a glance

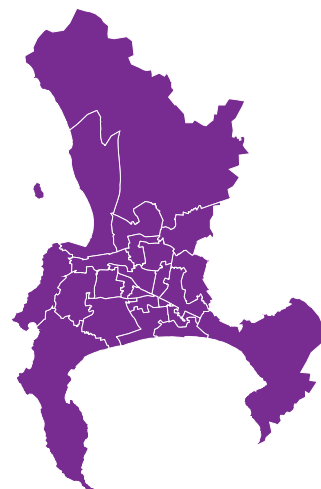
Consolidation into one City



1996
Fifty-eight administrations
and local authorities
merge into



seven interim councils:
Blaauwberg, Cape Town, Helderberg, Oostenberg,
South Peninsula, Tygerberg and
the Cape Metropolitan Council



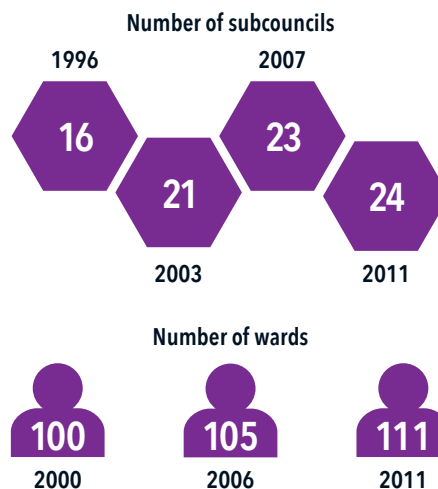
2000
and at midnight on
4 December into the 'Unicity' –
the City of Cape Town.

Serving a fast-growing population ...

... in a more representative manner

1996
2 563 095
residents
which became ...
2001
2 893 249
residents
(12,9% growth)
which became ...
2011
3 740 026 residents
(29,3% growth)

Cape Town's
population
grew by
45,9%
between 1996
and 2011



Key events

1994	1996	1998	2000	2003
First democratic elections. Process of amalgamating 1 260 municipalities countrywide into 843 begins, in terms of the Local Government Transition Act of 1993.	Adoption of the Constitution. Fifty-eight municipal structures that made up metropolitan Cape Town merged into seven councils.	Municipal Demarcation Act 27 of 1998 and Municipal Structures Act 117 of 1998 promulgated.	Municipal Systems Act 32 of 2000 promulgated. December 2000 local government elections. 'Unicity' formed on 4 December 2000 through amalgamating seven interim councils. First Integrated Development Plan (IDP) formulated. First Integrated Environmental Policy (IMEP) adopted. Metropolitan Spatial Development Framework (MSDF) redrafted.	Municipal Finance Management Act 56 of 2003 promulgated.

● South Africa/National

● City of Cape Town

Responding to residents



100
FreeCall lines linked directly to the City's
Corporate Contact Centre by June 2014.
38 566
calls from FreeCall lines in 2013.

1 059 378
calls answered by the City's corporate call centre
between 1 July 2012 and 30 June 2013 – around
4 200 a weekday.



2002
Five City libraries offer Smart Cape free internet
access in a pilot project.



2014

98 City libraries offer Smart Cape facilities.



Customer Satisfaction Survey (CSS)
The average rating of overall performance
(on a five-point scale)

Residents' satisfaction rating
2007/8 – **2,4** 2013/14 – **2,9**

Business' satisfaction rating
2007/8 – **2,9** 2013/14 – **3,5**



Solid financial stewardship and internal systems

14 years of budget growth in R billions



Cape Town has earned **10**
consecutive unqualified audits
from the Auditor-General.



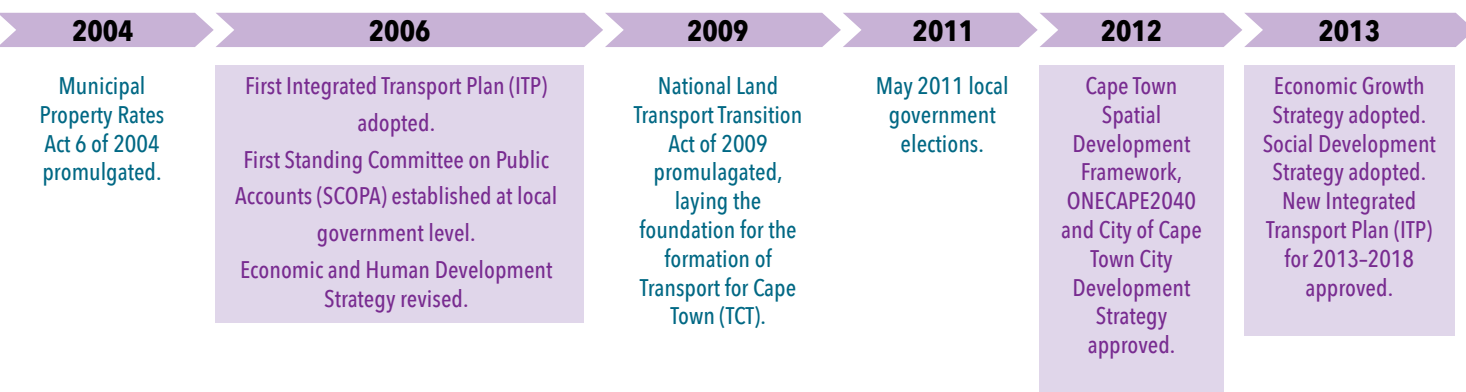
The City's credit rating from
Moody's – the highest that a South
African municipality can obtain.

Enterprise Resource Planning (ERP)

2001 – 2003
113 key legacy
systems inherited
from 7 different
councils.



2003 onwards
A single ERP system
streamlines operations,
reduces costs and
improves service
delivery.



Sources: For detailed information regarding sources refer to the relevant chapter of the State of Cape Town Report 2014.



1. Introduction

Urban governance is increasingly gaining importance as cities around the world as well as in South Africa are recognised as producers of a larger-than-proportionate share of their region or province's GDP, and as places of social impact and change, innovation and creation. Metropolitan authorities have new, expanded mandates, including those pertaining to transport and human settlements, instead of their previously limited scope of work relating to infrastructure and services provision alone.

Against this backdrop, this chapter outlines the political and institutional changes over the last 20 years that specifically shaped local government and its mandates, powers and functions in post-apartheid South Africa, and particularly in the City of Cape Town.

Not unlike other countries that had undergone political and economic transition, post-apartheid South Africa has placed a strong emphasis on the development of a viable and effective system of local government.¹ Since the 1990s – and specifically since the transition to democracy – the country has embarked on the long journey of reconstruction, planning and development in the post-apartheid era. As such, local government has been instrumental in bringing about change – especially as the South African Constitution of 1996 highlighted the developmental role of the local government sphere.² This, of course, required the strengthening of capacity in areas that for decades had been neglected under the apartheid government.

In South Africa, the local government transformation since 1994 has included a range of complex processes, including:

- building the legislative and policy framework that would guide local government institutions and practices in a democratic South Africa;
- de-racialising local government and doing away with a fragmented system of structures set up to govern communities based on population classification; and
- embracing an ethos of “developmental local government” to address not just access to basic services, but also broadly seek to improve residents’ quality of life.

Following apartheid, some of the larger urban areas³ gained transitional metropolitan status under the Local Government Transition Act of 1993, as granted by the provincial demarcation boards and governments in 1994/5. Under this act, “metros”⁴ had to include former white and black areas under “one city” government, while

several also included previously autonomous suburban areas. After the 2000 local government elections, the new National Demarcation Board recognised the six largest urban areas as “metropolitan” areas⁵ in terms of the Municipal Structures Act of 1998, which were subsequently governed by “unicity” local government bodies. These urban areas included Johannesburg, Cape Town, eThekweni/Durban, Tshwane/Pretoria, Ekurhuleni/East Rand and Nelson Mandela/Port Elizabeth.⁶

The chapter provides a summary and overview of the national context and background to – and constitutional imperatives for – local government transformation, and the policy and legislative developments in the 1990s that set the framework for the establishment of post-apartheid local government; the implementation of the local government transition, with specific reference to the Unicity of Cape Town, and subsequent actions taken by the City of Cape Town administration to implement its mandate as a category A metropolitan local government.

2. Establishing local government – the national context and processes

City government – as expressed through the Local Government Transition Act 209 of 1993 (LGTA) and informed by the civic struggles of the 1980s – was predominantly focused on structures. The emphasis was on the attainment of “one city” government that would take on a primarily redistributive role and be responsible for the provision of services to all, specifically public services to the poor. Local government was to close the gap between “spaces of opportunity” and those marginal spaces where the poor lived, and to take on the mission to dismantle the apartheid city and its myriad and fragmented structures.

Some analysts suggest that this backward look in order to define the future South African municipality led to missed spaces and opportunities to envision a new city government that could have been potentially more adapted to the emerging challenges to which cities were being exposed⁷ – and which they still face.⁸

The 1993 Local Government Transition Act (LGTA) provided an institutional base for the disbanding of race-based municipalities, the scrapping of apartheid laws relating to local government, and the establishment of transitional local councils.⁹ The LGTA set out three phases for local government reform in South Africa.¹⁰ The first of these three phases, the pre-interim phase (1993 to



Local government was to close the gap between “spaces of opportunity” and those marginal spaces where the poor lived, and to take on the mission to dismantle the apartheid city and its myriad and fragmented structures.

1. Mawhood, 1993; Maharaj, 1997.

2. See section 152 and 153 of the 1996 Constitution.

3. SACN, 2004:22-24, for the differences between large cities and other types of human settlements in South Africa.

4. Maharaj, 1997:4; Steytler & De Visser, 2009.

5. The White Paper on Local Government (1998) defined metropolitan areas as “large urban settlements with high population densities, complex and diversified economies, and a high degree of functional integration across a larger geographic area than the normal jurisdiction of a municipality. Economic and social activities transcend municipal boundaries, and metropolitan residents may live in one locality, work in another, and utilise recreational facilities across the metropolitan area.” Department of Provincial Affairs and Constitutional Development, 1998.

6. The SACN also included in its programmes the three non-metro members Mangaung/Bloemfontein, Buffalo City/East London and Msunduzi/Pietermaritzburg, being large municipalities that included large rural areas.

7. Mabin, 2006:140.

8. As pointed out by some, the focus on the structures and functions of local government was too limited, and more care should have gone into understanding the relationship between (local government) structure and the actions (and effects) of local government. There needed to be exploration of the evolving meanings of city government, and how approaches to – and the understanding of – local government in cities had shifted locally and globally, and continued to do so. See Mabin, 2006:136.

9. Khan & Maharaj, 1997.

10. See Pieterse, 2002:20.

● ● ●

Integrated development planning depends on the coordination of a range of services and regulations, including land-use planning, household infrastructure, environmental management, transport, health and education, safety and security and housing".

1995), started with the negotiated settlement in 1993, and ended with the election of transitional local councils in 1995/1996. Local governments of unity were established and consensus-seeking was promoted through measures such as a two-thirds majority vote to adopt the budget and proportional representation on the executive committee. The act provided for provincial commissions to demarcate the boundaries of the transitional urban, rural and metropolitan municipalities, which led to the creation of 843 municipalities (from the previous 1 260 municipalities) governed by transitional councils elected in 1995/6.

The second interim phase (1995 to 1999) coincided with the Mandela presidency, the adoption of the new Constitution in 1996, the development of the Local Government Green and White Paper processes, as well as the first laws that would shape the local government sphere, namely the Municipal Demarcation Act 27 of 1998 and the Municipal Structures Act 117 of 1998. The former created a demarcation board to determine the boundaries of the new municipalities, 284 of which were eventually established. The Municipal Structures Act provided for the structural, political and functional institutions for metropolitan, district and local municipalities, with the latter two tiers sharing jurisdiction over rural areas. It set out the administrative structures that would enable the intended tasks of local government to be carried out.¹¹

The proposal for single-level "unicity" structures for large urban areas was not universally accepted by all stakeholders in the major cities, and required further justification and research. Following the adoption of the White Paper on Local Government in 1998, research was undertaken in four of the major urban areas – Cape Town, Durban, Johannesburg and Pretoria – with a view to refining aspects of the administrative, financial, political and legal frameworks. This research further underscored the argument for large municipalities as single entities.¹² Unicities were established in South Africa's six metropolitan areas (Johannesburg, Pretoria, East Rand, Durban, Port Elizabeth and Cape Town). For non-metro areas, a two-tier municipal system was established, comprising both umbrella district councils and local councils.¹³

The 2000 local government elections launched the third and final phase of local government reform, and started under the first term of the Mbeki government (1999 to 2004). This phase was focused on establishing and consolidating new systems of local government, as

well as completing the policy, legislative and regulatory frameworks for municipal planning, service delivery, finance and administration. Unicities and local municipalities produced the first IDPs, which were regarded as "an important strategy to help municipalities become more developmental ... Integrated development planning depends on the coordination of a range of services and regulations, including land-use planning, household infrastructure, environmental management, transport, health and education, safety and security and housing".¹⁴

The large part of the work of building developmental local government started during the first Mbeki presidency. The legislative framework was completed through the adoption of the Municipal Systems Act 32 of 2000, which regulates planning, service delivery, performance monitoring and public participation; the Municipal Finance Management Act 56 of 2003, which regulates financial management, accounting, supply chain management, reporting and budgeting; the Traditional Leadership and Governance Framework Act 41 of 2003, which provides for relations between traditional leadership and municipalities, and the Municipal Property Rates Act 6 of 2004, which regulates property evaluations and taxing.

The second Mbeki presidency (2004 to 2009) continued to build local government capacity – including, firstly, linking the poor with economic opportunity and facilitating increased capital expenditure in the built environment through public transport, energy and the 2010 FIFA World Cup stadia, which in turn would aid job creation, and, secondly, deploying and building technical expertise in the local government sphere.¹⁵

The deployment of technical expertise to municipalities became a de facto acknowledgement of a crisis in local government. A 2009 assessment of the state of local government¹⁶ by COGTA led to the assessment that local government is "in distress", and became the basis for a local government turnaround strategy. All municipalities were expected to adopt a turnaround strategy as part of their IDPs. The guidelines from COGTA required municipalities to focus on improving access to basic services, deepening participatory democracy, and improving financial management and administrative capacity.¹⁷

The finance management legislation introduced international standards for financial management in all municipalities, and progressively located local government policy¹⁸ within the ambit of National Treasury. The inter-

11. Ward committees became the primary vehicles for advancing people's participation in local government. These committees represented diverse interests and provided a platform to make recommendations to the ward councillor, who would then table these to Council via the appropriate channels and structures. Ward committees were then conceptualised as the major vehicle for advancing participatory democracy.

12. See Reddy 2003.

13. See Mabin, 2006.

14. Department of Provincial Affairs and Constitutional Development, 1998:39.

15. Project Consolidate (2004-2006) was a two-year national intervention to support 136 municipalities without the expertise to exercise their

mandate effectively and deliver basic services, mainly in rural areas and/or former homelands, while the Development Bank of South Africa deployed additional numbers of people to build financial management and infrastructure planning skills. However, it is unclear what value these capacity-building interventions brought, given that the Auditor-General found that their performance had only improved fractionally. See Powell, 2012:18.

16. COGTA, 2009b.

17. COGTA, 2010.

18. Powell, 2012:19.

governmental grant system was also undergoing major reform, with National Treasury introducing performance-based grants¹⁹ to incentivise better service delivery and performance. The Municipal Infrastructure Grant (MIG) was phased in in 2003 as a conditional grant to upgrade and maintain municipal infrastructure. Since then, a number of conditional grants – some of which are more sector-specific – have been introduced to support local government service delivery.

More recently, in 2013, National Treasury began phasing in the Cities Support Programme (CSP), with the express purpose to incentivise cities to bring about urban transformation at the socio-spatial level, and shift the persistent racially segregated settlement patterns of the apartheid city. Using a performance grant mechanism called the Integrated City Development Grant (ICDG), National Treasury is seeking to provide implementation support for cities in the four critical areas of governance and built environment planning, human settlements management, public transport, and environmental sustainability and climate resilience.

The grant will fund technical assistance, peer learning and collaborative performance reviews linked to incentives to strengthen planning and delivery capacity. It will also target infrastructure spending to transform the spatial form of South African cities to become more inclusive, productive and sustainable.²⁰ Being performance-based, metros' implementation will be monitored and evaluated against their ability to meet the broad objectives of the grant.

2.1 The evolving vision for local government

The foundational concept of developmental local government can be traced back to the civic struggles of the 1980s.²¹ Developmental local government became defined as "local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives".²²

The developmental outcomes of local government would include the provision of basic infrastructure and services, the creation of integrated cities and liveable environments, the encouragement of local economic development initiatives, and the empowerment of communities.²³ The introduction of the "wall-to-wall principle" in the White Paper on Local Government was in-

tended to ensure that all parts of the country, including the poor rural peripheries, would be included in the new demarcation process.

The key vision of the role of city governments shifted with time and as the debate deepened. The Green Paper – as well as the White Paper – argued for cities to take on an economic development role, which, in the first instance, was argued to be primarily a redistributive role, for cities to advance citizens' access to basic services. However, this view existed alongside a growing notion of the city as champion rather than major driver of the development process. Throughout, though, very little consideration was given to a social development role for city governments, and municipalities in general.²⁴

The imperative of the economic and financial sustainability of city governments took a stronger hold as the fiscal crisis and bankruptcy of Johannesburg in the late 1990s demonstrated the danger of a highly redistributive approach by local government, within a context where the inter-governmental fiscal policy was calling for expenditure cut-backs in service delivery.²⁵

Fiscal discipline – alongside the pursuit of investment and economic growth – became a primary strategy, and replaced an overtly redistributive agenda within cities.²⁶ In time, the growing understanding of the complexity of cities, and the acknowledgement that city administrations cannot transform cities on their own, led to the realisation of the importance of partnerships.²⁷ For the most part, however, partnerships with private business dominated, while the same was not necessarily true of partnerships to advance a social development agenda at scale.

The formation of large metropolitan governments has created the conditions for large cities to engage in global strategy and to locate themselves as global cities. This has given rise to the question of whether South African metropolitan cities would in future be able to act autonomously similar to global cities elsewhere in the world. For now, the discussion of large city futures is framed within an urban system where cities are (theoretically) able to develop particular strengths (or comparative advantages) within the whole.²⁸ However, "[a]t present, local government in the larger cities seems reasonably settled on a modest idea of what local government can do, mostly in partnerships and through 'special interventions' rather than broad programmes and city-transformative agendas".²⁹



In time, the growing understanding of the complexity of cities, and the acknowledgement that city administrations cannot transform cities on their own, led to the realisation of the importance of partnerships.

19. Financial and Fiscal Commission, 2013.

20. National Treasury, 2013.

21. Three inter-linked approaches were proposed to help municipalities play an effective developmental role, namely "(i) integrated development, (ii) planning, budgeting, and performance management; and (iii) working together with local citizens and partners". Department of Provincial Affairs and Constitutional Development, 1998:16).

22. Department of Provincial Affairs and Constitutional Development, 1998.

23. Idem: 15.

24. Mabin, 2006:144.

25. Beall et al., 2000.

26. International literature cautions and points to the need for a more

balanced approach: Many city administrations have pursued fiscal discipline and strategies to build a productive city in a global economy, although often at the expense of other notions of local government. See Lipeitz, 2004; Brenner & Theodore, 2002, both cited in Mabin, 2006:145.

27. By improving "economic intelligence" – and the growing importance of economic research – city administrations are seeking closer engagement with business and taking on the role of convening partnerships.

28. Mabin, 2006:149.

29. Mabin, 2006:152.



Unfunded mandates arise as a result of provincial and national policy decisions to delegate or devolve to local government those functions that they find difficult to execute, without also devolving the accompanying staff and finances to implement these new mandates effectively. Services commonly cited in discussions on unfunded mandates include housing, health-care services, roadworks, libraries and museums.

2.2 Overlapping and unfunded mandates

As local government mandates evolved, so did those of the provincial and national spheres of government. The Constitution³⁰ allocates powers and functions to the three spheres of government. Provinces share powers with National Government in functional areas listed in schedule 4, and have exclusive powers with regard to matters stipulated in schedule 5. Municipalities have powers in respect of the functional areas listed in schedules 4B and 5B.³¹ However, defining the cut-off points between the schedules and the two parts of the schedules has proven challenging, and has caused confusion about the precise delineation of each function,³² as well as non-alignment – and overlapping – of municipal and provincial mandates.

Municipalities have also indicated that they are obligated to perform functions that have not been allocated to them either in terms of the Constitution and/or legislation on powers and functions. This phenomenon is called “unfunded mandates” and is defined as “perform[ing] the functions of other spheres of government and bear[ing] significant costs out of [municipalities'] own revenue sources”.³³ Unfunded mandates arise as a result of provincial and national policy decisions to delegate or devolve to local government those functions that they find difficult to execute, without also devolving the accompanying staff and finances to implement these new mandates effectively.³⁴ Services commonly cited in discussions on unfunded mandates include housing, health-care services, roadworks, libraries and museums.

The Constitution makes allowance for mandates to be devolved from the provincial and national spheres of government to local government, provided that municipalities are best placed to deliver the service and have the capacity to do so. To deal with unfunded mandates and the constraints they place on local government, National Government has sought to institute measures to curb this phenomenon.³⁵

While the issue of unfunded mandates is not completely resolved, some lessons have been learnt. The key mandates of public housing and public transport provision were recently devolved from the provincial to the local government sphere – specifically to the six metropolitan governments with the requisite capacity, including the City of Cape Town. Provincial governments’

relatively slow progress in providing human settlements prompted the direct transfer of the Human Settlements Development Grant (HSDG) to the six metros, together with the transfer of human resources, projects and assets. This shift will aid attempts to start to address the human settlements challenges that continue to trigger violent protests in the local government sphere. Similarly, the public transport function has been devolved to the six metros in terms of provisions contained in the National Land Transport Transition Act of 2009. In 2012, the City of Cape Town Council approved proposals for the City to apply to National Government to be awarded contracting authority functions. Transport for Cape Town (TCT) was established as a local government entity in October 2012 with a view to transforming Cape Town’s current fragmented transport system into an integrated, multi-modal system that provides more efficient, affordable and safer public transport.

3. Implementing local government – from the Cape Town Unicity, 2000, to the current City of Cape Town

The Cape Town Municipality was established in 1840. In 1900, there were 11 local authorities, and by 1913, eight of these had merged into Cape Town. By 1994, prior to the first democratic local government elections held in May 1996, greater Cape Town had 39 local authorities and 19 separate administrations.³⁶ On the eve of the 1996 local government elections, the 58 administrations and local authorities that made up metropolitan Cape Town were merged and replaced by a two-tier local government system comprised of seven councils: the municipalities of Blaauwberg, Cape Town, Helderberg, Oostenberg, South Peninsula, Tygerberg and the umbrella Cape Metropolitan Council (figure 5.1 and 5.2).

In accordance with the Municipal Structures Act, a single Unicity Council replaced the two-tier structure after the local government elections in November 2000. The seven councils were dissolved and their employees, assets and commitments transferred to the new Unicity Council.³⁷

The Unicity Commission was set up to supervise the smooth transition of municipalities in the Cape Metropolitan Area (CMA) to a unicity.³⁸ A key mandate of the commission was to develop recommendations on new service delivery and institutional arrangements for consideration by the new Unicity Council during its first term of office. A Unicity “rationalisation plan” included uniform

30. Specifically sections 44, 104 and 156 (read with schedules 4 and 5).

31. All residual matters fall under National Government’s jurisdiction.

32. Palmer, 2004.

33. SACN, 2007:78.

34. Cloete, 2008.

35. Through the 2003 amendments to the Municipal Systems Act of 2000, specifically sections 9 and 10, which aim to prevent unfunded mandates flowing from legislative assignments, and through the 2003 amendments to the Financial and Fiscal Commission Act of 1997, which requires organs of state to assess the financial and fiscal implications (and obtain the Commission’s recommendations) before functions that are assigned to other organs of state in another sphere of government become law. See

Ntenga, 2013.

36. This was already a consolidation of structures from the pre-1994 arrangements, which comprised 61 entities, including 19 white local authorities, six local councils, 29 coloured management committees and seven black local authorities.

37. City of Cape Town, 2011:4.

38. A temporary political body created by provincial notice in terms of section 14(5) of the Municipal Structures Act 117 of 1998. This was a multi-party body consisting of 11 politicians (five African National Congress, one Democratic Party and five New National Party councillors) and an independent chairperson.

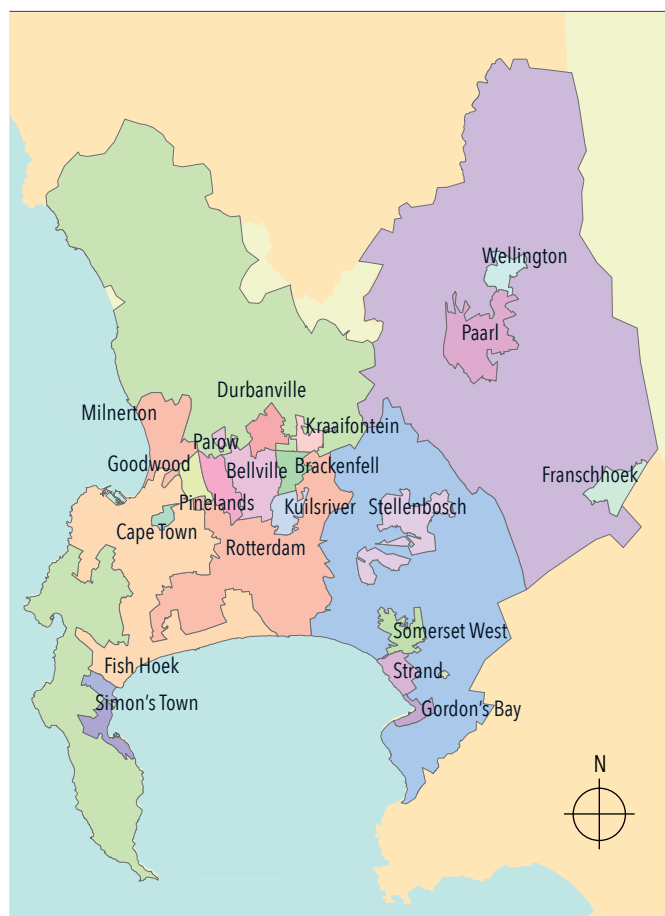


Figure 5.1: City of Cape Town former administrations and local authorities, pre-1996

Source: DI&GIS Department.

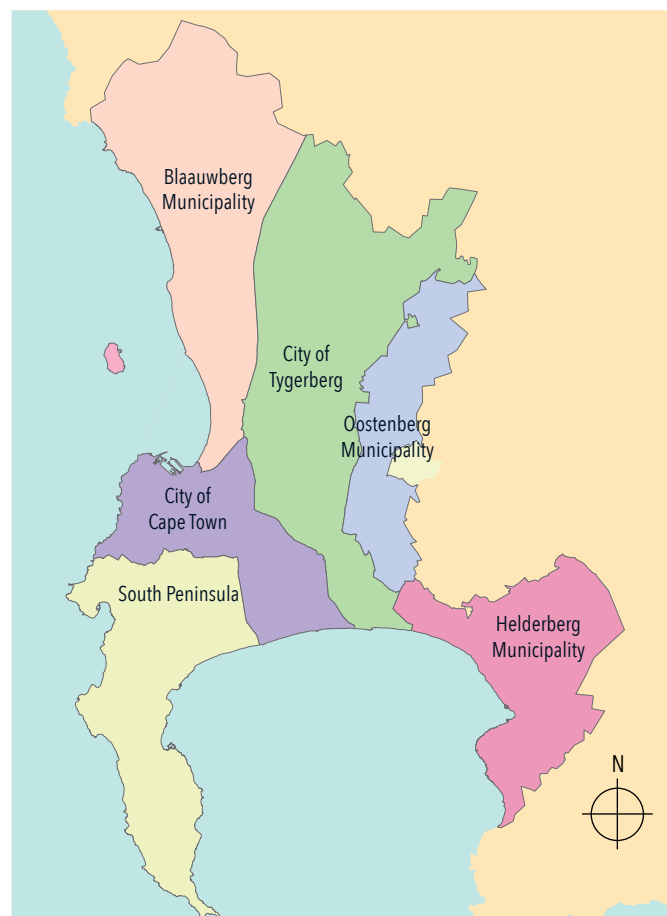


Figure 5.2: City of Cape Town former interim Councils, 1996 to 2000

standards of service, contracts and employee benefits. At a practical level, there was the considerable challenge of merging staff, functions, systems, infrastructure and equipment from the seven administrations into one entity. A complex proposal was implemented to bring about a single set of service conditions for the Unicity. With regard to the standardisation of services, the focus was to bring about intra-urban equality with regard to access to water, electricity and sanitation.

In 2000, the new Cape Town Unicity had more than 27 000 staff and a budget of R8,9 billion (a capital budget of R2,1 billion and an operating budget of R6,8 billion). At present, the City has a staff complement of just over 25 000 employees and a total budget of R31,59 billion (a capital budget of R5,45 billion and an operating budget of R26,14 billion).³⁹

3.1 Setting a governance agenda for the first Unicity

The key governance concerns captured in the Cape Town Unicity Commission discussion document⁴⁰ centred on how to manage the tension between being (or wanting to be) an agile metropolitan local government – putting

in place a government and governance structure capable of effective and rapid decision-making – while remaining open to inputs from residents and promoting “dynamic local democracy and participation”.⁴¹

The initial draft framework for new governance arrangements⁴² included proposals such as the following:

- Establishing executive leadership to provide strong political guidance on policy and strategy, and tackling local urban development issues
- Instituting a participatory policy development and monitoring system that is open and transparent to all members of Council as well as “City stakeholders and citizens”
- Delegating decision-making to the appropriate level
- Instituting mechanisms for ensuring transparency, accountability and good decision-making, limiting the influence of vested interests, and minimising corruption
- Providing support (including training) to increase councillors’ capacity
- Facilitating improved citizen engagement and participation, using a range of means to obtain citizens’ views on policy and services

● ● ●

The key governance concerns captured in the Unicity Commission discussion document centred on how to manage the tension between being an agile metropolitan local government while remaining open to inputs from residents.

39. City of Cape Town, 2011; City of Cape Town, 2013a:92.

40. Unicity Commission, 2000b.

41. Unicity Commission, 2000a.

42. Unicity Commission, 2000a: section 7.3.

4. Local government in transition – City of Cape Town structures and partnerships

Currently, the Cape Town Unicity – now named the City of Cape Town – is in its third term following municipal elections held in November 2000, March 2006 and May 2011.⁴³ The three local government terms of office are 12 March 2000 to 7 March 2006, 8 March 2006 to 20 May 2011, and 21 May 2011 to May 2016.

Across these three terms of office since 2000, Cape Town has had six executive mayors and six City managers, having had a leadership change approximately every two years (table 5.1 and 5.2).

Council is the legislative and executive body responsible for governing Cape Town,⁴⁴ and is comprised of both ward councillors and proportional representation (PR) – or “party list” – councillors. The different terms of office served by ward and PR councillors are as listed in table 5.3. Following the 2011 local government elections, the size of Council increased from 210 to 221 councillors – 111 of whom are ward councillors and 110 PR councillors.

Portfolio committees (or section 79 committees) are responsible for recommending policy, monitoring the implementation of policy, and assessing performance within their specific functional areas. Before the 2011 local government elections, there were 11 Council-appointed portfolio committees,⁴⁵ which were chaired by councillors

appointed by full Council. Currently, there are 12 Council-appointed portfolio committees, namely Corporate Services; Economic, Environmental and Spatial Planning; Social and Early Childhood Development; Finance; Health; Human Settlements; Utility Services; Transport for Cape Town; Safety and Security; Tourism, Events and Marketing, Community Services, and Homeless.

In 2003, the City established ward committees,⁴⁶ which serve as the crucial link with communities at grass-roots level, as legislation requires. Ward committees have an overarching mandate to “enhance participatory democracy in local government”. There have been, and continue to be, concerns regarding the functioning and effectiveness of these committees, and how residents’ disillusionment has affected both their establishment and functioning. While this remains a challenge, ward committees are a vital link between local government and the people they serve.

The ward committees are coordinated by subcouncils, which serve as an administrative link and support to the structures of Council. Subcouncils are established to assist the municipality in performing its duties and exercising its powers on a decentralised basis. Table 5.4 shows that, generally speaking, the increase in the number of wards has been matched by an increase in the number of subcouncils in Cape Town. At present, there are 24 subcouncil areas (figure 5.3).

Ward committees have an overarching mandate to “enhance participatory democracy in local government”. Despite concerns regarding the functioning and effectiveness of these committees, they are a vital link between local government and the people they serve.

Table 5.1: Executive Mayors since 2000

No.	Name	Council resolution	Majority political party	Date
1	Ald Peter Marais	C 15/12/00	New National Party	15 December 2000
2	Ald Belinda Walker	Acting Mayor, mid-August 2001 to 13 December 2001	Democratic Alliance	Between 14 August and 2 September
2	Ald Gerald Morkel	C 13/12/01	Democratic Alliance	13 December 2001
3	Ald Nomaindia Mfeketo	SPC 04/06/03	African National Congress	11 June 2003
4	Ald Helen Zille	C 08/03/06	Democratic Alliance	15 Mar 2006
5	Ald Dan Plato	SPC 02/05/09	Democratic Alliance	13 August 2009
6	Ald Patricia de Lille	C08/06/11	Democratic Alliance	1 June 2011

Table 5.2: City Managers since 2000

No.	Name	Council resolution	Date
1	Dr S Fisher	Interim Municipal Manager appointed by Western Cape MEC for Local Government in terms of section 18(i) of the section 12 notice, 22 Sep 2000	1 November 2000
2	Dr S Fisher	Acting Municipal Manager – C 16/12/00	15 December 2000
3	Mr R Maydon	City Manager – SPEXIC 01/08/01	1 July 2001
4	Mr D Daniels	Acting City Manager – SPEXIC 01/11/02	26 November 2002
5	Dr W Mgoqi	City Manager – EXIC 03/01/03	29 January 2003
6	Mr A Ebrahim	City Manager – CIC 02/05/06	31 May 2006
7	Mr A Ebrahim	City Manager – CIC 05/10/11	26 October 2011

43. The next local government elections will be held in 2016.

44. Council elects its executive mayor, executive deputy mayor, the speaker and the chairpersons of section 79 committees, and appoints the City manager, the chief whip and the section 57 managers.

45. Community Services, Corporate Services and Human Resources, Economic Development and Tourism, Finance, Health, Housing, Planning and Environment, Safety and Security, Social Development, Transport, Roads

and Major Projects, and Utility Services.

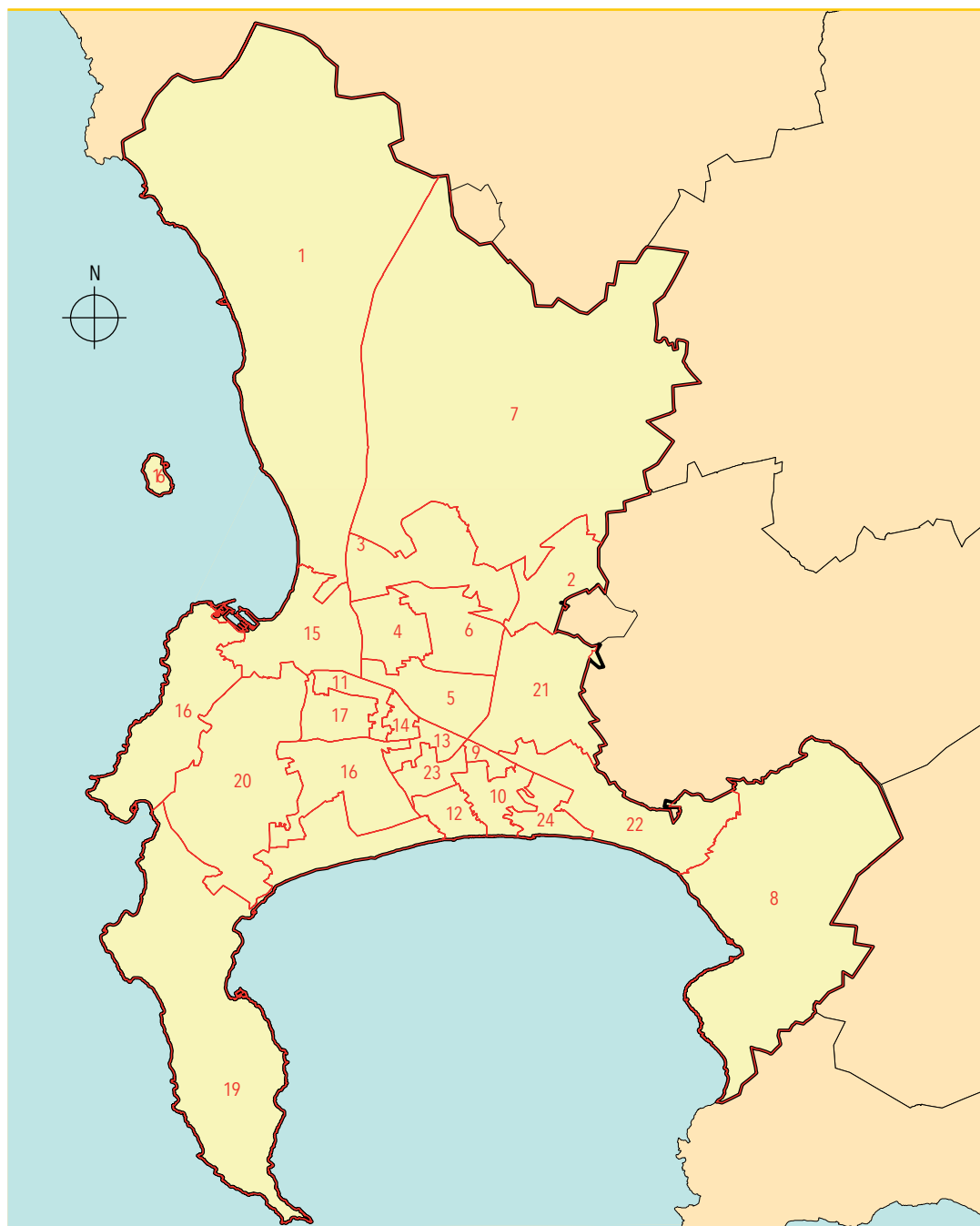
46. Representation on these committees has to take into account diverse interests, and must particularly ensure that women of the ward are equitably represented. Ward committees can make recommendations to the ward councillor on matters that affect the ward, who may then table such recommendations to Council through the appropriate political structures.

Table 5.3: Number of ward councillors by term of office

Year	Number of ward councillors
3 December 2000 to 7 March 2006	100
8 March 2006 to 20 May 2011	105
21 May 2011 to current	111

Table 5.4: Number of subcouncils in Cape Town

Year	Number of subcouncils
2001	16
May 2003	20
December 2003	21
January 2007	23
August 2011	24

**Figure 5.3: The 24 subcouncil areas of the City of Cape Town, 2014**

Source: DI&GIS Department, using Census data.

Subcouncils are established to assist the municipality in performing its duties and exercising its powers on a decentralised basis. At present, there are 24 subcouncil areas.



The restructuring of the Unicity led to the promotion of municipal operations as private business. In the absence of adequate transferable funds for their expanded responsibilities, local governments were encouraged to be entrepreneurial and improve local revenues through private-sector participation and the use of market-based strategies.

4.1 Municipal entities⁴⁷ and sector body partnerships

The City of Cape Town has established municipal entities⁴⁸ and entered into strategic partnerships with a number of organisations in order to extend and enhance Council's governance, leadership and developmental delivery roles.

The City currently has only one municipal entity,⁴⁹ the Cape Town Convention Centre Company (Pty) Ltd (Convenco). Convenco, which operates the multi-award-winning CTICC, is tasked with improving tourism, creating jobs and increasing economic benefits for Cape Town and the Western Cape through the CTICC. It is currently planning an expansion adjacent to the existing convention centre.

4.2 Public-private partnerships in the local government landscape

The restructuring of the Unicity, together with the effects of fiscal austerity approaches, led to the promotion of municipal operations as private business. In the absence of adequate transferable funds for their expanded responsibilities, local governments were encouraged to be entrepreneurial and improve local revenues through private-sector participation and the use of market-based strategies. Entrepreneurial municipalities may opt to out-source basic services to private companies and aim for

full cost recovery through user fees – on a “no fee, no service” basis. Alternatively, a municipal government may make selected zones of the city more marketable and attractive for lucrative consumption and investment, such as through special rating areas (SRAs).⁵⁰

SRAs, which are also known as city improvement districts (CIDs), are an example of entrepreneurial urban governance.⁵¹ Local governments in Johannesburg and Cape Town adopted CIDs in 1997 and 1999 respectively to generate income for government through real-estate development and tourism, with the promise to also create jobs. The City of Cape Town approved the adoption of CIDs in partnership with business and property owners. Since the establishment of the first CID in the Cape Town CBD in 2000, the number of CIDs has increased to the current 25, including a combination of commercial, industrial and residential areas. Generally, CIDs have become part of City urban management and regeneration policies, and the City's SRA Bylaw⁵² and Policy⁵³ provide the framework for their establishment.

The Municipal Systems Act also provides the legal framework for the City – as the service authority and regulator within the municipal boundary – to exercise its duty and prerogative to select a suitable, equitable and sustainable service delivery mechanism for waste management services. The City uses private-sector entities to provide solid waste removal services.⁵⁴

47. Municipal entities are independent organisations that perform municipal services on a municipality's behalf. The municipality controls the majority shareholding in these companies, and monitors their service delivery. See City of Cape Town, 2013c.

48. The City is also responsible for ensuring that its municipal entities comply with all relevant legislation, that they are managed responsibly and transparently, and that they meet their statutory and contractual obligations. The City's municipal entities are monitored by its Shareholding Management Department – a unit within the Finance Directorate – which is responsible for regulating, managing and monitoring these organisations for maximum shareholder returns, financial performance, and legislative and policy compliance.

49. The Khayelitsha Community Trust (KCT) was a municipal entity from 2003

until 30 June 2011, when the City relinquished control over it. The KCT was created in 2003 to develop the community of Khayelitsha through the establishment of commercial, residential and community facilities in the area. It formed part of the City's broader Urban Renewal Programme.

50. A criticism levelled against CIDs or SRAs is that they often have a negative impact on urban integration and social cohesion. See Mirafra, 2007:604.

51. CIDs are defined as “zones that receive privately funded, additional services for security, cleaning and marketing”. See Mirafra, 2007.

52. City of Cape Town, 2012a.

53. City of Cape Town, 2013b.

54. Provided for by the Municipal Systems Act, section 77 and 78, and substituted by section 41 of the Local Government Amendment Laws, Act 51 of 2002.

5. Local government planning, policies and implementation tools

Following the Unicity, the City of Cape Town set in place a range of processes, systems and policies to ensure service delivery and support the implementation of its developmental role. As the City progressed, its systems and processes also started to evolve. This is evident from the processes for the production of the IDP – the key implementation tool for local government – and the annual IDP reviews, processes for consultation with local stakeholders, as well as the rationalisation and refinement of the planning tools available.

Additional examples of this development are the CTSDF, long-term strategies such as the CDS, the Economic Growth Strategy and the Social Development Strategy, and – with a more organisational focus – the City's SAP implementation in 1997/8 and its projects to prove its responsiveness to the residents of Cape Town.

5.1 The Integrated Development Plan (IDP)

The IDP is a five-year management plan that links the municipal budget to the strategic plan and sectoral plans, including the CTSDF, transport plans and infrastructure roll-outs.

Since 2000, the City has produced 13 annual IDP Reviews. The annual IDP Review processes include a series of IDP engagements with residents – predominantly in the poorer areas of Cape Town – to afford residents the opportunity to raise their concerns as well as express their opinions regarding the priority concerns in their areas. These annual IDP engagements are intended to inform any refinements to the IDP, which are subject to review by the Mayoral Committee and approval by the City Council.⁵⁵

a) The context and trends that faced the Unicity in 2000

The Unicity Commission's 2000 review of global changes noted a number of key shifts: Connectivity and new technology were reducing the impact of distance, and were making communication both easier and cheaper; globalisation was leading to greater economic and social disparities across the globe, and cities globally were not only delivering services, but taking leadership in tackling poverty, social exclusion, economic development, safety and the environment, as well as innovating in how they were discharging their local government mandates.

Closer to home, the Unicity Commission noted that,

"if all things remain relatively equal, and current social, economic and ecological trends continue unhindered into the next decade, a bleak scenario could unfold". The commission noted the following in particular:

- Cape Town's economy had grown significantly faster than other metropolitan areas during the 1990s,⁵⁶ but was also experiencing negative trends that threatened to retard economic growth and reinforce social divisions and inequality. These trends included a decline in the traditional manufacturing sectors in the face of global competition, and a growing mismatch between low skills levels available and the requirements of the major growth sectors (such as information technology). At that stage, only 15% of the people in Cape Town between the ages of 18 and 65 had obtained a qualification higher than matric, which created the prospect of increased income inequality and the growth of a substantial informal economy (which, at the time, constituted 18% of the economically active population).⁵⁷
- Cape Town's demographics were leaning towards the emergence of a younger, poorer and unhealthy population, as population growth was highest among the poor, bringing an increase in the proportion of youth below the age of 25. In 2000 already, close to 43% of the population were younger than 21, and HIV/Aids and TB loomed as a major threat to youth, and increased the prospect of larger numbers of HIV/Aids-orphaned children.
- Metropolitan Cape Town had the highest crime incidence (based on March 2000 data) in respect of murder, attempted murder, common assault, residential and business burglaries, theft from motor vehicles, and other theft. The city had the second-highest crime incidence of other robberies, shoplifting, theft of motor vehicles, and rape assault. The majority of lethal violence consisted of young men killing other young men.
- Metropolitan Cape Town was doing well with regard to service infrastructure levels, and saw itself well able to address the historical backlogs in the "foreseeable future" and achieve service equity,⁵⁸ while remaining financially responsible. However, it viewed the key challenges as relating to extensive spatial inefficiency, inequality, and growth patterns that reinforced urban sprawl and social division.⁵⁹

In its assessment, the Unicity Commission regarded the six local councils and one umbrella metropolitan council (which preceded the Unicity) as having demonstrated good practice and innovation, and having made progress

Cape Town's economy had grown significantly faster than other metropolitan areas during the 1990s, but was also experiencing negative trends that threatened to retard economic growth and reinforce social divisions and inequality.

55. Theoretically, IDPs are meant to articulate how investment by parastatals, other government spheres and the private sector would affect local needs, the planning framework and the budget. In practice, this has proven to be difficult to do, and remains a work in progress. From the City's perspective, it is challenging to include in the IDP those programmes and activities that it cannot fully account for in an auditing process.

56. Based on a relatively diverse range of sectors, with strong growth potential in the knowledge, information and services sectors (especially tourism). The city also had strong information technology, financial and communications infrastructure.

57. These trends remain largely in place in 2014 and are reviewed in the

chapter on Cape Town's economy.

58. Service levels at the time were reported as follows: 91% of households had refuse disposal once a week; 90% made use of a flush or chemical toilet; 88% of households used electricity for lighting, and 80% for cooking, while 98% had access to piped water. Note that almost all households who lacked access to these facilities were black African households. See Unicity Commission, 2000a.

59. Other challenges included a housing backlog of 221 200; an urgent need for safe, affordable and efficient public transport, as well as the need to protect unique floral and marine biodiversity from the pressure of pollution, lack of public awareness, population growth and urban sprawl.



Cape Town's economy has a number of key strengths on which to build. It is known to have solid economic infrastructure and a good services base with which to attract international and national industry.

with extending basic services to poor communities. Nevertheless, it identified the following key challenges in the governance sphere:

- Service delivery was characterised by limited citizen involvement and understanding of needs.
- The revenue streams of local government were under pressure, including a decline in intergovernmental transfers of some 55% from 1997, and a decline in the important electricity surpluses as a result of tariffs determined by NERSA.
- Inadequate credit control resulted in an increase in debtors.
- Inappropriate skills and low levels of training affected the quality and efficiency of service delivery.
- The gap between the services and development needs of the city, and local government's capability to address them was growing.

The foundational IDP – the term of office plan for the first Unicity Council – was developed for 2000/1. This first IDP reflected the range of priorities of the early Unicity, including:

- structure changes – to establish a single organisation and set of systems to support the Unicity's work;
- process changes – to set up and develop the capacities of the organisation and its staff; and
- strategy changes – to have a development focus, attain service excellence, and promote partnership.

All these changes were to be targeted at three core urban development challenges in Cape Town, namely addressing the divided city, dysfunctional communities and a dual economy.

b) Current context: The trends and opportunities for Cape Town in 2014

The information and analyses in earlier chapters of this report indicate that while there have been considerable achievements in the past 14 years in particular, many of the challenges identified by the Unicity Commission con-

tinue to prevail to this day, pointing to the imperviousness to change and the length of time needed to address complex and deep underlying social and economic challenges.

Some positives that are being leveraged include the following:

- Cape Town's economy has a number of key strengths on which to build. It is known to have solid economic infrastructure and a good services base with which to attract international and national industry. During the past decade, Cape Town has remained the second-largest contributor to total national GDP, with a 2012 contribution of 11,25%, up from the 10,7% contribution in 2011.
- The same sectors that dominate Cape Town's economic performance also contribute most to employment. Between 2011 and 2012, the number of people employed increased in all sectors. However, the key focus is to increase the opportunities for job creation and entrepreneurship.
- While the population is showing very early signs of ageing, Cape Town still has a sizeable young population who can drive the demand for consumer goods and services, provided they have the ability to earn an income and have the requisite disposable income. However, unemployment among youth (those in the age category 15 to 25) is a specific challenge.

5.2 Spatial development framework

Spatial development frameworks typically reflect a 20-to-30-year vision for the future spatial form and development of a municipality, and contain all the supporting policy statements of the built environment sector. For such a framework to have any force, it must firstly be approved by the city council and, ultimately, by the provincial government.⁶⁰

The first spatial development framework for the City of Cape Town was approved in 2012 as part of the IDP

60. As per the Municipal Systems Act, 2000.



2012-2017. The CTSDf is a long-term plan to manage growth and change in Cape Town, and to ensure that it becomes a more sustainable, integrated and equitable city. It seeks to ensure that Cape Town remains a quality place in which to live, work and invest, as well as to visit.

The CTSDf is a landmark document that replaced a number of outdated guide plans that used to apply within the Cape Town metropolitan area. It has been recognised as a best-practice example of balancing sustainability and the need for economic expansion, without compromising the principle of densification and urban compaction.⁶¹ It won the South African Planning Institute's planning award for best municipal project in 2012. The award recognises the exemplary formulation and implementation of municipal IDPs, spatial development plans and other forward-planning initiatives.⁶²

Since the approval of the CTSDf in 2012, the City has started preparing to develop a 15-year growth management plan to unpack and refine some of the long-term goals, and break them down into shorter periods with specific, earmarked strategies and spatial outcomes.

5.3 Cultivating a long-term view: The City Development Strategy, Economic Development Strategy and Social Development Strategy

In October 2012, the City approved the long-term City of Cape Town City Development Strategy (CDS), which is aligned with both the NDP 2030 and the Western Cape Government's long-term strategy for the province, ONECAPE2040.

The CDS speaks to Cape Town's place in the region in the next 30 years, and identifies the key levers and transitions required to create a city of social inclusion and economic opportunity. It was developed after engagement and consultation with numerous stakeholders, from academia to civil society and from business to residents, and is a plan to take Cape Town to the next level.

The value of a CDS lies in providing long-term goals to guide the City's actions, programmes and projects.

At an organisational level, the CDS is supported by the medium-term Economic Growth Strategy and Social Development Strategy, which were both approved in 2013, as well as the statutory IDP with its five strategic focus areas: the opportunity city, the safe city, the caring city, the inclusive city and the well-run city.

The Economic Growth Strategy is an inter-directorate, or "whole organisation", strategy targeted at growing the economy and creating jobs, which relates to the overarching objective of the opportunity city. It encapsulates the City's response to one of the more intractable challenges facing Cape Town – the large numbers of unemployed and poor – within the context of a Cape Town economy that, firstly, is not growing fast enough to keep up with the jobs demand and, secondly, generates jobs that are mismatched with the low skills levels available among a large proportion of those employed.

The Social Development Strategy provides the framework within which the City can coordinate and integrate inter-directorate initiatives to address poverty and social ills, alongside initiatives for social crime prevention. The strategy articulates the City's role in promoting and maximising social development, where "social development" is broadly understood as the overall improvement and enhancement of residents' quality of life, especially among the poor and/or marginalised. At its core is a focus on addressing poverty, inequality and social ills, while providing for people's participation in their own development. The Social Development Strategy sets out what the City is doing and still plans to do, and articulates where external stakeholders – such as contracted service providers and organisations receiving City grants – can contribute to creating an opportunity, safe, caring, inclusive and well-run city that allows people to achieve their potential.⁶³



The long-term City of Cape Town Development Strategy speaks to Cape Town's place in the region in the next 30 years, and identifies the key levers and transitions required to create a city of social inclusion and economic opportunity.

61. See <http://www.capetown.gov.za/en/Planningportal/Pages/SDFAward.aspx>
62. See <http://www.capetown.gov.za/en/Planningportal/Pages/>

[SpatialDevelopmentFramework.aspx](#)
63. City of Cape Town, 2013d.



The City has installed more than 80 FreeCall customer service lines in outlying areas and disadvantaged communities with a view to encouraging reporting and facilitating the resolution of service delivery issues. Many informal settlements, including some where there is no Telkom infrastructure, benefit from these new lines.

5.4 SAP and enterprise resource planning in the City of Cape Town

The City has been running the SAP enterprise resource planning (ERP) system for more than 10 years. Development started in 2000, and the SAP system went live in 2003. The City's SAP implementation is considered one of the world's largest in local government. In 2013, the City's SAP system encapsulated 420 business processes and handled 1,2 million consolidated invoices per month. The SAP system provides a single record of citizens, with a unique identity allocated to each person, against which all their interactions with the City are recorded. SAP's core value is that it provides a set of procedures for Council and its employees to follow in running the city. Rather than implementing SAP piecemeal, the City is using SAP for its entire back office, including logistics, human resources and finance. The City is continuing to invest in SAP, and has started to provide an electronic platform for employee and citizen self-service. The administration is further exploring how to deploy SAP modules in innovative ways in line with the municipality's functions – including, for example, using the real-estate module for the management of graveyards in the city and for the police and fire services' safety and security planning and implementation.⁶⁴

The City's implementation of the SAP software has become central to its success, enabling better monitoring of its service delivery, as well as maintaining accurate billing systems and sound financial management. Thus, SAP is central to the City having achieved ten consecutive unqualified audits, as well as having received the highest credit rating that a South African municipality can obtain from an international credit rating agency, demonstrating its ability to meet its short and long-term financial obligations.⁶⁵

64. Saran, 2013.

65. City of Cape Town, 2014a.

66. For quality assurance purposes, all calls are recorded. To track progress on

5.5 Improving the City's responsiveness

The City of Cape Town continuously wants to improve and add to the mechanisms available to residents to provide input to the City on service delivery concerns. It has launched a number of platforms to facilitate engagement with City stakeholders, including specific measures targeted at poorer residents of Cape Town. These include the following:

a) Call centres

To expedite the various types of service queries, the City has established seven dedicated technical operations centres for emergency, electricity and water-related queries.⁶⁶ The City also has a dedicated toll-free hot line for the Copperheads, the City's task team dealing with metal theft. Since the first City call centre opened in 2000, the number of calls has levelled out from 8 000 to 4 200 calls per day. The call centre has consistently been able to exceed the target of 80% first-time call resolution.

b) FreeCall lines

The City has installed more than 80 FreeCall customer service lines in outlying areas and disadvantaged communities with a view to encouraging reporting and facilitating the resolution of service delivery issues. The pilot phase of this project was launched in July 2009, when four FreeCall lines were installed in City facilities. Residents can use these lines to report faults, register complaints, and make service requests and enquiries, free of charge. As the caller lifts the receiver, the phone automatically connects to the call centre, where the agent answers the phone in the language of the caller's choice, logs the service request, and gives the caller a reference number. The FreeCall lines are located in municipal housing offices, cash offices, libraries and community halls. Many

complaints, callers are given a reference number and the name of the agent to whom they spoke.



informal settlements, including some where there is no Telkom infrastructure, benefit from these new lines. The roll-out of FreeCall lines to disadvantaged areas is ongoing, allowing growing numbers of people to contact the call centre at no charge.

c) C3 notifications

The City has used system analysis and program development services since 2003. However, after growing calls from a number of City departments for more consistency and reliability in handling complaints and requests from citizens, the C3 notification system was developed as a way of revolutionising local government service delivery.

The C3 notification system is part of a larger notification system operated by the City, and was created to ensure the efficient receipt, tracking and resolution of citizens' complaints and requests by City departments. A C3 notification is created every time a service request is received, either telephonically at the City's centralised call centre, via SMS, e-mail, over the counter or through written correspondence. Complainants are given a reference number, allowing them to follow up on the complaint, and as soon as it has been resolved, the notification is closed. This system enables the City to measure how long it takes to deal with complaints, and where and how often particular services fail. It can thus be used as an indicator of service delivery success and improvement over time. Understanding service delivery trends can better equip the City to plan more proactively and make more appropriate budget provision for areas of need.⁶⁷

Tracking C3 notification responsiveness is intended to aid the management of service delivery through the service management programme. Responding to the service needs of all citizens, the City's corporate call centre answered a total of 1 059 378 calls for the period 1 July

2012 to 30 June 2013. These calls were answered in the customer's preferred language (English, Afrikaans or Xhosa) and were recorded. The majority of calls related to accounts and service enquiries and requests, as well as motor vehicle registration and traffic fines. Calls are directed to the relevant departments in the tracking system. Response times from opening to completing the service request are tracked and reported on in the City's service delivery and budget implementation plan (SDBIP).

d) eServices

The City's Information Services and Technology Department started developing and testing the City's eServices platform in 2010, which was subsequently launched in 2012. The online eServices platform allows residents and businesses to transact with the City from the comfort of their own homes or offices, saving them time and money. The site allows users to log a service request, pay municipal accounts, register their pets, access the City's careers portal, as well as link to third-party websites, where residents and businesses can transact on related matters such as paying traffic fines, among others.⁶⁸

e) Smart Cape

Internet access is a key tool for economic and social development. While providing this service is not constitutionally required of a local municipality, the City recognised the value of computer and internet literacy and access in enabling citizens to take advantage of the developmental opportunities this technology offers.

In 2002, the Smart Cape access initiative was piloted in five City libraries. The project's initial success quickly led to the introduction of a Smart Cape corner in each of the 98 libraries in the city.⁶⁹ Soon thereafter, the initiative

● ● ●

The Smart Cape access initiative, with a Smart Cape corner in each of the 98 libraries in the city, was recognised for its innovative efforts in equipping residents with free public access to computers when the City was presented with the Access to Learning award by the Bill and Melinda Gates Foundation.

67. City of Cape Town, 2014b:96.

68. See <http://www.capetown.gov.za/en/Eservices/Pages/default.aspx>.

69. Although most facilities are based in libraries, those in Ikwezi,

Bonteheuwel, Ravensmead and Uitsig are based in community centres, which reflects the programme's adaptability to fit particular community needs using existing infrastructure. City of Cape Town 2014b:107.



● ● ●

Annual Community Satisfaction Surveys enable the leadership of the City to gauge and monitor the perceptions of residents and business, and guide the planning and implementation of municipal services accordingly. The results of the CSS for the last five consecutive years reflect a consistent and increasing level of satisfaction with the City's service delivery efforts among both residents and business.

was recognised for its innovative efforts in equipping residents with free public access to computers, when the City was presented with the Access to Learning award by the Bill and Melinda Gates Foundation.

The Smart Cape webpage⁷⁰ is the landing page on Smart Cape computers, and serves as a directory of useful articles in different categories, including health, careers, women, government and others. As this is many people's first encounter with the internet, it is a powerful channel for users to access the wide spectrum of information and opportunities available online.

f) Community Satisfaction Survey

Since 2007/8, the City has undertaken an annual Community Satisfaction Survey (CSS) to gather detailed feedback from Cape Town residents and businesses regarding the services it renders. Strict sampling rules are applied when selecting the respondents for the residents' survey, to ensure that the respondents represent the entire population of Cape Town as well as all the City's health districts. Up until June 2014, the City has conducted seven CSSs.

Every year, these surveys enable the leadership of the City to gauge and monitor the perceptions of residents and business, and guide the planning and implementation of municipal services accordingly. The results of the CSS for the last five consecutive years reflect a consistent and increasing level of satisfaction with the City's service delivery efforts among both residents and business. The 2013/14 survey results showed that both residents and business rated the City's services and performance highly, and indicated that the municipality's performance continued to improve. The average rating for the City's overall

performance by residents increased to 2,9 (on a five-point Likert scale) in 2013/14 from 2,6 in 2009/10. The average rating for the City's overall performance by business has increased every year, from 3,1 (on a five-point Likert scale) in 2009/10 to the most recent 3,5 in 2013/14.

6. From government to urban governance

Local government has the constitutional obligation to provide residents with the opportunity for real engagement and influence over matters that affect their daily existence.⁷¹ As the sphere of government closest to communities, local government carries a greater responsibility to provide accountable governance and "to encourage the involvement of communities and community organisations in the matters of local government".

The remainder of this chapter will review the City's accomplishments in terms of advancing from the implementation of local government systems to practising urban governance, and the opportunities for deepening that work.

6.1 Building urban governance for the future

Increasingly, urban governance is becoming a priority as cities look for ways to innovate. For the first Guangzhou Award for Urban Innovation⁷² in 2012 – co-sponsored by United Cities and Local Governments (UCLG), the World Association of the Major Metropolises (Metropolis) and the City of Guangzhou (China) – a total of 250 submissions were received from around the world, 45 of which were shortlisted as deserving.⁷³ About 60% of the deserving city initiatives addressed issues of governance as their top priority, while the rest included governance as

70. See www.smartcape.org.za.

71. Section 152 of the South African Constitution highlights a number of rights applicable to the people of South Africa, which include communities' right to be involved in local governance.

72. See You, 2013.

73. The City's submission for the competition focused on its electricity-savings campaign.



a major underlying theme.

What clearly emerged from the submissions for the first Guangzhou Award for Urban Innovation was a discernable trend of cities from various sociocultural, economic and political contexts to engage with their citizens and stakeholders in order to devise ways and means of improving living conditions and sustainability for all. Thus, as city governments review their performance in relation to developmental goals – amidst conditions of rapid urbanisation and growing complexity – improved urban governance is increasingly proposed as a foundational aspect to address the massive urban challenges they face.

Progressively, urban governance is understood as both government responsibility and civic engagement, and is seen to extend beyond the notion of mere “urban management”, which refers to the operation and maintenance of a city’s infrastructure and services. Instead, urban governance is premised on partnerships between stakeholders, sometimes with divergent interests: “It refers to the processes by which local urban governments in partnership with other public agencies and different segments of civil society respond effectively to local needs in a participatory, transparent and accountable manner. Good governance will indeed be essential in our urban future. However, its concerns and planning horizons must extend beyond our current needs.”⁷⁴

Urban governance is thus both the processes and structures that emerge from this relationship between civil society and local government.⁷⁵ Key elements of an

action agenda for, and measures of, good urban governance practice revolve around inclusivity,⁷⁶ transparency, participation as well as holding a long-term perspective.⁷⁷ The capacity of the local government is another key ingredient and support mechanism for the exercise of urban governance.

a) Inclusivity

One of the five strategic focus areas of the IDP 2012-2017 is to build Cape Town as an “inclusive city”, which is understood to be “one where everyone has a stake in the future and enjoys a sense of belonging” As part of this work, the City is looking at connecting various parts of the city through, among others, effective public transportation programmes, recognising people’s different heritage as a primary means of social redress, as well as allocating resources to address the backlog in the provision of community facilities in underdeveloped areas.

b) Transparency

Increasing transparency is one of the building blocks for developing a “well-run” city, which is another one of the five strategic focus areas of the City’s current IDP. To that effect, the minutes of the City Council meetings are made available on the internet. Furthermore, City budgets are published and accessible for public scrutiny. In September 2012, the Executive Mayor in a press briefing⁷⁸ released details of how much of the 2012/13 budget was to be earmarked for pro-poor spending and disadvantaged areas.⁷⁹

Increasing transparency is one of the building blocks for developing a “well-run” city, which is another one of the five strategic focus areas of the City’s current IDP.

74. UNFPA, 2007:67.

75. Lange, 2009.

76. This renewed inclusivity can be seen from, for example, the emergence of global efforts to draw more actors into a global dialogue and new formations in order to find solutions to multiple, intersecting crises. For example, the G7 has been expanded into the G20 to include developing countries, some of which are fast becoming the new centres of global power. In parallel, global civil society has given rise to new, transworld,

cross-cutting non-governmental formations, such as the 99% movement, the Occupy movement and the Arab Spring. See Institute for Futures Research, 2012.

77. UN-HABITAT, 2012.

78. See <http://www.capetown.gov.za/en/Pages/Cityoutlinesitargetedpropoorspending.aspx>.

79. Executive Mayor Patricia de Lille is also championing major urban regeneration projects in the city.



The City has demonstrated the capacity to administer its resources with due regard for good management practices, and received its tenth consecutive unqualified audit from the Auditor-General.

Internally, the City has approved 12 political oversight committees, also known as portfolio committees or section 79 committees, which monitor Council portfolios and are able to hold departments, municipal entities and members of the Mayoral Committee accountable.⁸⁰

The City also recently prepared an open-data policy, which aims to make select municipal data available to the public for creating new information and service products. This will both increase the City's transparency as well as support economic development efforts. The policy will undergo public participation, and is scheduled to serve before Council before the end of 2014.

c) Participation

For purposes of inclusivity and engagement, the City has established 111 wards. Ward councillors and ward (sub)committees are the vehicles through which residents can channel their concerns and inputs to Council meetings, and represent a cross-section of issues within the specific ward and/or community. Engagements occur directly between elected ward councillors, the relevant ward committee and any other substructures in that ward and/or community, as well as smaller, neighbourhood-level organisations that seek to advance local involvement in defining the development priorities at

community level, and to be engaged in building liveable neighbourhoods.⁸¹

However, the system is not without its challenges: "Despite widespread requirements of participation and a vast calendar of meetings, ward committees and representative forums, many barriers separate people from influence (transport, language, etc.) and a lot of trust has been lost."⁸²

Research elsewhere has shown that ward committees – contrary to intent – may instead foster competition among and alienate some community members.⁸³ While many aspects about ward committees – such as their size, constitution and structure – are legislated, evidence may suggest the growing need for innovation by local governments to cultivate flexibility and openness in order to explore alternative avenues to secure broad and divergent community input. It is unlikely that Cape Town is an exception to this phenomenon, and the task of (re)building trust as well as new processes for fostering engagement within communities remains.⁸⁴

There are examples of how to excel at public participation, and the City won the International Association for Public Participation's (IAP2) 2012 award for project of the year.⁸⁵ Going forward, the challenge is how to replicate and institutionalise such processes at scale.

80. In terms of section 79 of the Municipal Structures Act 117 of 1998, the City is required to establish one or more committees necessary for "the effective and efficient performance of any of its functions or the exercise of any of its powers". Council then appoints councillors to the committees. The City's 11 oversight committees are divided into three clusters: corporate, community, and economic growth, development and infrastructure.

81. The City's engagement with non-state actors – such as engagements around the IDP, and the annual CSS – is in line with the legal provisions and requirements for public participation.

82. Mabin, 2006:151.

83. Stuurman, 2009.

84. Also see Kabane, n.d.

85. City of Cape Town, 2012b.



d) Holding a long-term perspective

The City's capacity for long-term planning has steadily grown and has come a long way from the 2000 foundational IDP, which looked only one year ahead. Partly driven by imperatives such as National Treasury's introduction of the MTREF, which introduced a three-year budgeting framework, the City has developed its systems and capacity with a view to medium-to-long-term planning. This capacity is illustrated by the development of the CDS and the medium-term strategies for social development, economic growth and growth management respectively. Within the organisation, these medium-to-long-term strategies are broken down and detailed via the five-year IDPs and the mandatory sector plans (such as the ITP, the five-year Housing Plan, etc.).

e) Building local government capacity

In the context of growing complexity in the world, local government's capacity can be analysed in terms of its ability to respond to an increasingly tumultuous environment by, among others:

- managing its budgets and using its available resources efficiently and effectively to stimulate and foster innovation in the organisation, as well as its outputs and/or outcomes;
- creating favourable conditions and an enabling environment for private investment (and job creation); and

- facilitating co-production of public services by state and non-state actors.

Much work has gone into developing government systems in the City. While the work to build a well-run city is ongoing, the City has demonstrated the capacity to administer its resources with due regard for good management practices, and received its tenth consecutive unqualified audit from the Auditor-General for the 2012/2013 financial year. Over the years, the City has also won a number of accolades that attest to the skills and expertise within the organisation.

The resourcing within South African metropolitan government has also influenced the decision to devolve some provincial mandates to the city level. The devolution of the mandates for public housing and public road transport to the metros has given the City more control over the decision-making processes and resources, and has enabled it to align decisions regarding public housing, land management and public road transport.⁸⁶

To ensure that the developmental outcomes of initiatives are amplified, the City is strengthening its capacity to work in a transversal manner, with greater horizontal coordination of service delivery across directorates and departments, alongside attempts at vertical integration across different spheres of government. The strengthening of internal collaboration systems through transversal committees and work groups comprising elected repre-



The City has demonstrated the capacity to administer its resources with due regard for good management practices, and received its tenth consecutive unqualified audit from the Auditor-General for the 2012/2013 financial year.

86. For the immediate future, passenger rail will remain within the ambit of PRASA. The City has signed a memorandum of understanding with PRASA to promote integrated rail and growth corridor densification within the Cape

Town municipal area. For a copy of the MOU see <http://www.capetown.gov.za/en/MOUs/MOU%20PRASA%20Integrated%20Rail%20and%20Growth%20Corridor%20Densification.pdf>.



● ● ●

Citizens must be encouraged to participate in community groups such as sports bodies, religious organisations and volunteering at various levels to build social capital at this level.

representatives and appointed officials is geared towards improved delivery on the City's five-year IDP. Within the City, departments and directorates are pursuing new ways of working, including testing an area-based model for planning and project implementation. A pilot phase for testing area-based transversal planning and programming will be undertaken.

6.2 Dialogue, community engagement and collective action to enhance governance

Nationally, new special-interest civil society formations have emerged, often defining themselves as defending the South African Constitution. These organisations – such as Freedom Under Law, Corruption Watch and Section 27 – seek to re-ignite the energy and engagement of the 1980s to address institutional ills such as corruption, as well as persistent poverty and deepening inequality across the country – particularly in cities (including Cape Town), where most poor South Africans are migrating to and becoming part of the “urban poor”.

In Cape Town, NGOs that are active around urban development concerns have also sought to build constructive dialogue by raising civil society awareness and capacity to participate in, for example, “right to the City” dialogues, and by attempting to form broad urban fora that can potentially engage with the City across different ward boundaries and across communities.⁸⁷ These efforts are amplified by the NPC's call for an active citizenry as an essential ingredient to help deliver on the NDP 2030.⁸⁸ This has spawned a number of public forums to unpack what it may mean to be an “active citizen” in the South African context, to understand the barriers to active citizenry, and to propose solutions of how these might be addressed.⁸⁹ What is emerging is a clear understand-

ing within communities and civic organisations that “participation” is neither considered “real engagement” nor “influence”.

For this to happen, government institutions must use community-based organisations' connectedness to their local feeder communities to provide an opportunity to engage government. Citizens must be encouraged to participate in community groups such as sports bodies, religious organisations and volunteering at various levels to build social capital at this level. Research shows that there is a strong positive link between a network of civic bodies and the level of political participation.

7. Conclusion

One of the remaining challenges is to evaluate the effectiveness of developed and implemented plans, and whether and how programmes reach their intended goals. Monitoring and evaluation of programmes is key in order to understand what works and why – or not, as the case may be – to be able to assess what activities and programmes to scale up and when and where to change approach.

The City recently changed its logo and byline to signal its intent to approach urban development in partnership with residents, in their communities and social formations. In line with this approach, the City may need to consider ways of how best to work together – and how to actively measure the extent and quality of that cooperative relationship. This would extend and deepen the quality of urban governance to another dimension, and establish the basis for measuring and tracking the quality of the relationship with the intended beneficiaries of the City's programmes and projects.

87. See, for example, the Development Action Group (www.dag.org.za), Isandla Institute (<http://isandla.org.za/>) and other dialogues to draw in broad-based thought leadership around the current development challenges in South Africa (see <http://www.goedgedachtforum.co.za>).

88. The NDP was approved by Cabinet in September 2012.

89. In a different context, active citizenship has been defined as follows: “[P]ractising active citizenship involves empowering individuals, enabling them to feel comfortable in democratic culture, and feeling that they can make a difference in the communities they live in.” (European Commission, 2007)

Chapter 5 reference list

- Beall, J., O. Crankshaw & S. Parnell. 2000. 'Local government, poverty reduction and inequality in Johannesburg.' *Environment & Urbanization*, Vol 12. No 1. April, p 107-122. Available at http://www.ucl.ac.uk/dpu-projects/drivers_urb_change/urb_governance/pdf_capa_building/IIED_Beall_Local_Gov_JoBurg.pdf.
- Booyesen, S. (ed.). 2012. *Local Government Elections in South Africa. Parties, People, Politics*. Bloemfontein: Sun Press. Available at <http://www.africansunmedia.co.za/Portals/0/files/extracts/Local%20Elections%20Extract.pdf>.
- Brenner, N. & N. Theodore. 2002. Cities and the geographies of "actually existing neoliberalism." *Antipode*, 34(3):349-379.
- City of Cape Town. 2011. *City of Cape Town Council Overview*. Available at http://www.capetown.gov.za/en/stats/CityReports/Documents/CoCT_Councillor_handbook_v3.pdf.
- City of Cape Town. 2012a. *Special Rating Areas Bylaw 2011/2012*. Available at <http://www.capetown.gov.za/en/Budget/Budget%20201213/Annexure%204%20-%20Special%20Rating%20Areas%20By-law.pdf>.
- City of Cape Town. 2012b. "City scoops major award for excellence in public participation." Available at http://cityweb.capetown.gov.za/en/achievementsandawards/Pages/Cityscoopsaward_excelPublicParticipation.aspx.
- City of Cape Town. 2013a. *City of Cape Town Integrated Annual Report 2012/13*. Available at http://www.capetown.gov.za/en/IDP/Documents/2012-2013_int_annual.pdf.
- City of Cape Town. 2013b. *Special Rating Areas Policy*. Available at <https://www.capetown.gov.za/en/Budget/Budget%20201314%20Final/Annexure%203%20-%20Special%20Rating%20Areas%20Policy.pdf>.
- City of Cape Town. 2013c. *Municipal Entities Policy*. July. Available at <http://www.capetown.gov.za/en/Policies/All%20Policies/Municipal%20Entities%20-%20%28Policy%20number%2012619%29%20approved%20on%2031%20July%202013.pdf>.
- City of Cape Town. 2013d. *Social Development Strategy*. Strategic Policy Unit. Available at <http://www.capetown.gov.za/en/IDP/Documents/SocialDevelopmentStrategy.pdf>.
- City of Cape Town. 2014a. *Credit rating*. Available at <https://www.capetown.gov.za/en/Treasury/Pages/Creditrating.aspx>.
- City of Cape Town. 2014b. *Showcasing excellence: Mayor's Portfolio of Urban Sustainability*. Draft.
- Cloete, F. 2008. "Service delivery: Conceptual and practical issues and challenges". In Bertus de Villiers (ed.). *Review of provinces and local governments in South Africa: Constitutional foundations and practice*. Konrad-Adenauer-Stiftung Occasional Papers. Johannesburg: Konrad-Adenauer-Stiftung. Available at http://www.kas.de/wf/doc/kas_15071-1522-2-30.pdf?090204111036
- Department of Cooperative Governance and Traditional Affairs (COGTA). 2009a. *State of Local Government: Overview Report*. Pretoria: COGTA.
- Department of Cooperative Governance and Traditional Affairs (COGTA). 2009b. *Local Government Turn-around Strategy: Working together, turning the tide in local government*. Pretoria: COGTA.
- Department of Cooperative Governance and Traditional Affairs (COGTA). 2010. *Local Government Turnaround Strategy 2009-2014*. Available at <http://www.cogta.gov.za/index.php/resources/documents/flagship-programmes-1/Igtas-1/451-lg-tas-booklet-1>.
- Department of Provincial Affairs and Constitutional Development. 1998. *White Paper on Local Government*. Available at http://www.polity.org.za/polity/govdocs/white_papers/localgov/wp0.html.
- Department of Provincial and Local Government. 2006. *Project Consolidate: The impact made through the deployment of service delivery facilitators*. Pretoria: DPLG.
- European Commission. 2007. *Learning for Active Citizenship: A Significant Challenge in building a Europe of Knowledge 2005*. Available online at http://ec.europa.eu/education/more-information/doc/activecit_en.pdf.
- Financial and Fiscal Commission (FFC). 2013. *Improving the Performance of Municipalities through Incentive-Based Grants*. Submission for the 2014/15 Division of Revenue. Available at http://www.ffc.co.za/index.php/component/docman/doc_download/512-2014-15-chapter-11-improving-the-performance-of-municipalities-through-incentive-based-grants?Itemid=.
- Institute for Futures Research. 2012. *Business Futures 2012*. Launch presentation. University of Stellenbosch Business School, Bellville. 28 November.
- Kabane, N. N.d. *Active Citizen Participation through Ward Committees*. Available at <http://www.afesis.org.za/index.php/local-governance/93-local-governance-articles/1207-active-citizen-participation-through-ward-committees>.
- Khan, F. & Maharaj, B. 1997. "Metropolitan government and local restructuring in South Africa." In P S Reddy (ed.). *Metropolitan government and development in South Africa: Present and future challenges*. Konrad Adenauer Stiftung.
- Lange, F.E. 2009. "Urban Governance: An essential determinant of city development?" *World Vision Institute for Research & Development. Theory and Practice Scientific Series*. Available at http://www.worldvisioninstitut.de/_downloads/allgemein/TheorieUndPraxis_6_UrbanGovernance.pdf.
- Lipeitz, B. 2004. "Muddling through': Urban regeneration in Johannesburg inner city." Paper presented at N-Aerus Annual Conference.
- Mabin, A. 2006. "Local government in South Africa's larger cities". In Pillay et al. (eds.). *Democracy and Delivery: Urban Policy in South Africa*. HSRC Press.
- Maharaj, B. 1997. *Apartheid, Urban Segregation and*

- the Local State: Durban and the Group Areas Act in South Africa. *Urban Geography*, 18:135-154.
- Mawhood, P (ed.). 1993. *Local government in the third world: The experience of decentralization in tropical Africa*. 2nd ed. Pretoria: Africa Institute of South Africa.
- Maylam, P. 1995. "Explaining the Apartheid City: 20 Years of South African Urban Historiography". *Journal of Southern African Studies*, Vol 21, No 1, Special Issue: Urban Studies and Urban Change in Southern Africa (March), p 19-38. Available at <http://abahlali.org/files/maylam.20yearson.pdf>.
- Mirafat, F. 2007. *Governing Post Apartheid Spatiality: Implementing City Improvement Districts in Cape Town*. *Antipode*, 39(4):602-626.
- National Planning Commission (NPC). 2011. *National Development Plan: Vision for 2030*. Available at <http://www.npconline.co.za/medialib/downloads/home/NPC%20National%20Development%20Plan%20Vision%202030%20lo-res.pdf>. (Accessed 20 March 2012).
- National Planning Commission (NPC). N.d. "Major challenges facing local government." Available at <http://www.npconline.co.za/pebble.asp?relid=76>.
- National Treasury. 2013. *The 2013/2017 National Treasury Strategic Plan Update*. Available at <http://www.treasury.gov.za/publications/strategic%20Plan/Strat%20Plan%202013-2017.pdf>.
- Ntenga, Lydia. 2013. Chapter 15: The Impact of Unfunded Mandates in South African Intergovernmental Relations. In *Financial and Fiscal Commission. Submission for the 2012/13 Division of Revenue: Technical Report*. Available at <http://www.ffc.co.za/index.php/submissions/commission-submissions/submission-chapters#Submission2015>.
- OECD. 2008. *OECD Territorial Reviews: Cape Town, South Africa*. Available at http://www.keepeek.com/Digital-Asset-Management/oecd/urban-rural-and-regional-development/oecd-territorial-reviews-cape-town-south-africa-2008_9789264049642-en#page1.
- Palmer, 2004. *Local Government powers and functions*. Idasa Occasional Papers. Cape Town: Idasa.
- Pieterse, E. 2002. *Metropolitan governance under construction*. Isandla Institute. Dark Roast Occasional Paper Series No. 7. Available at isandla.org.za/download/assets/dr7-0.pdf.
- Pillay, U., R. Tomlinson, J. du Toit (eds.). 2006. *Democracy and Delivery: Urban Policy in South Africa*. HSRC Press. Available at http://www.hsrcpress.ac.za/full_title_info.asp?id=2153.
- Powell, D. 2012. "Imperfect Transition - Local government reform in South Africa 1994 - 2012." In Susan Booysen (ed.). *Local Government Elections in South Africa. Parties, People, Politics*. Bloemfontein: Sun Press. Available at <http://www.africansunmedia.co.za/Portals/0/files/extracts/Local%20Elections%20Extract.pdf>.
- Reddy, P.S. 2003. "Metropolitan unicity development in South Africa: A case study of the greater Johannesburg area". Paper delivered at a conference titled "Public administration: Challenges of inequality and exclusion", Miami, USA, 14-18 September. Available at <http://unpan1.un.org/intradoc/groups/public/documents/IIAS/UNPAN011208.pdf>.
- SALGA. 2013. *SALGA Technical Input on the Framework for the Transfer of Assets, Staff, Liabilities, and Projects to Municipalities as Part of the Assignment of Human Settlement Functions to Metro Municipalities*. Available at <http://www.salga.org.za/app/webroot/assets/files/Document%20Storer/Submission%20to%20DHS%20on%20Framework%20for%20Transfer%20as%20per%20Assignment%20Final%2014June2013.pdf>.
- Saran, C. 2013. "Case study: How SAP runs Cape Town". *Computer Weekly*, 30 April. Available at <http://www.computerweekly.com/news/2240182802/Case-study-How-SAP-runs-Cape-Town>.
- South African Cities Network (SACN). 2004. *State of Cities Report*. Johannesburg: SACN.
- South African Cities Network (SACN). 2007. *State of Cities Finances Report 2007*. Pretoria: SACN.
- Steytler, N. & De Visser, J. 2009. *Local government law of South Africa*. Durban: LexisNexis.
- Stuurman, Sonwabo Happyboy. 2009. *The role of the ward committee as an interface between local government and community: a case study of Makana Municipality*. Master's thesis, Rhodes University.
- Turok, I. & Susan Parnell. 2009. "Reshaping Cities, Rebuilding Nations: The Role of National Urban Policies". *Urban Forum*, 20:157-174. Available at http://www.africancentreforcities.net/wp-content/uploads/2013/10/turok_and_parnell_2009.pdf.
- UN-HABITAT. 2012. *State of the World's Cities 2012/2013. Prosperity of Cities*. Kenya, Nairobi.
- Unicity Commission. 2000a. *Discussion Document*. 17 May. Internal document. Unpublished.
- Unicity Commission. 2000b. *Discussion Document: Developing the future City of Cape Town*. August. Internal document. Unpublished.
- United Nations Population Fund (UNFPA). 2007. *State of World Population 2007: Unleashing the Potential of Urban Growth*. New York: United Nations Population Fund.
- Van Donk, M. & E. Pieterse. 2006. "Reflections on the design of a post-apartheid system of (urban) local government". In Pillay et al. (eds.). *Democracy and Delivery: Urban Policy in South Africa*. HSRC Press.
- You, Nicholas. 2013. *Urban innovation and governance – emerging trends and priorities of 21st century cities*. Available at <http://cityminded.org/urban-innovation-and-governance-emerging-trends-and-priorities-of-21st-century-cities-7303>.

● EXPERT ANALYSIS

Why urban governance matters in the urban century

Professor Edgar Pieterse

Director: African Centre for Cities
University of Cape Town

A vital shift in perception and understanding has set in during the past five years. Cities, or the urban transition engulfing the world, are now firmly on the radar screen of investors, policy-makers, social movements and public intellectuals. Slowly, consciousness is emerging that there is a profound connection between demographic growth, economic crisis, environmental stress, resource depletion, and intensifying migration and mobility of people. At the fulcrum of these forces are cities as both the driver and receptor of these dynamics. Yet, the international development system is still locked into a paradigm of nation states tied in with the power of multinational corporations as the primary arbiters of market viability. The frustrating lack of progress on climate change imperatives, trade agreements, a new global financial architecture, and so on, all point to this stubborn problem.

Scientific opinion, most recently expressed in the findings of the fifth Intergovernmental Panel on Climate Change report, is clear: The current model of growth and social development is simply unsustainable and not an option for newly industrialising regions in Asia and Africa if run-away impacts are to be avoided. Fundamentally new models of economic production, consumption, exchange and renewal are called for. This, by definition, is only possible if the primary territorial base of the globalised economy – city-regions – are fundamentally rethought, remade and, in essence, re-imagined. City governments and their various networks (e.g. C40 Cities Climate Leadership Group or International Council for Local Environmental Initiatives - ICLEI) are the only actors who can drive this global imperative. National governments and transnational regional bodies are too far removed from the “action” to fully understand what is at stake or which levers to pull, nor can they foster the requisite democratic consensus to ensure coordinated action.

In light of this, it is heartening to see how important the urban question has become in the international discussions on sustainable development goals for 2030 once the Millennium Development Goals (MDGs) lapse. For example, the High-Level Panel of Eminent Persons on the Post-2015 Development Agenda argues in A New Global Partnership that “cities are where the battle for sustainable development will be won or lost”. Indeed, there is a growing realisation that the investments that will have to be made into various infrastructure systems to accommodate six billion urbanites by 2050 holds the key to the realisation of a low-carbon economy and peaceful coexistence.

In institutional terms, this implies empowering democratic urban governments that can execute the following critical tasks:

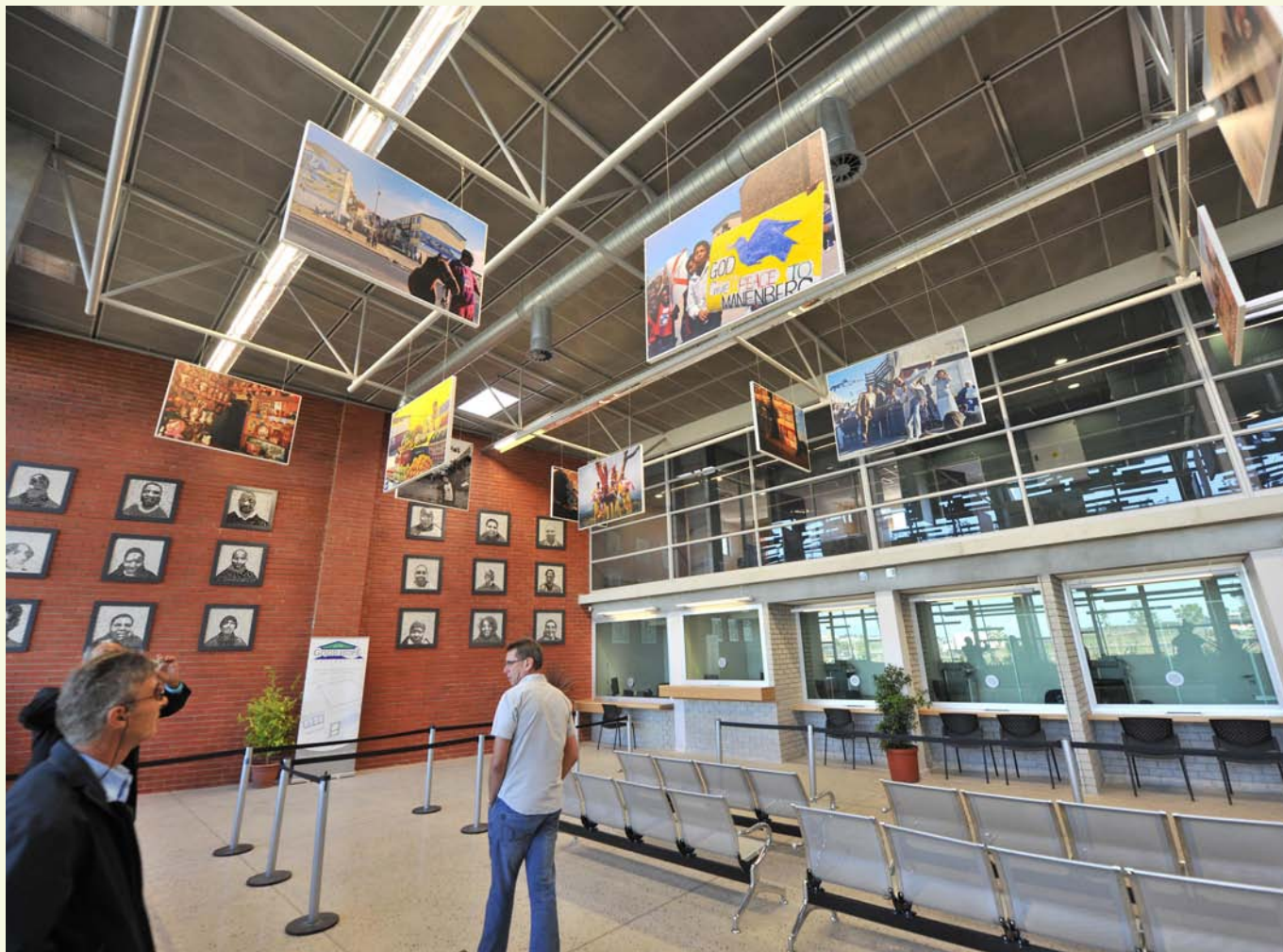
1. Foster a widely shared understanding of a 20-30-year economic growth path that will progressively become more inclusive and environmentally regenerative. In light of extremely high unemployment and environmentally corrosive urban sprawl across South Africa, this imperative cannot be overstated.
2. Specify how the long-term (10-20 years) infrastructure investment agenda will serve as the primary catalyst for this growth path, underpinned by an interventionist spatial development plan that can enable the requisite land reforms to ensure inclusion, ecological restoration and growth.
3. Prioritise radical mobility reforms (i.e. decentring car-based mass transit) combined with land management to ensure optimal utilisation of scarce resources that can only stem from more compact and efficient urban forms.
4. Popularise these agendas through numerous platforms for deep democratisation and social mobilisation. These priorities are not simply technical questions. They go to the heart of democratic citizenship because they involve choices, reprioritisation and upending vested interests. Building on the experiments of innovative cities in Latin America and Asia, South African municipalities need to embrace the power of the internet and mobile telephony to allow for crowd-sourcing of grassroots innovations as well as more structured mechanisms such as regular “Ideas Festivals”. Local government funds such celebratory events, but they offer a creative forum for social enterprises and grassroots organisations to showcase their innovations with an eye on disseminating it more widely and inspiring municipal staff and departments.
5. Once a more innovative milieu for social innovation is established, it is also important to institutionalise more effective and fine-grained processes of co-production and implementation between local government and society. For example, innovative public-private partnerships are a precondition for catalytic interventions that showcase how urban sprawl can be reversed through mixed-use, mixed-income and transit-oriented developments. Similarly, enrolling residents into the production and maintenance of fine-grained social processes to deal with complex everyday challenges around safety, mobility, trading, child-care and so forth in poor neighbourhoods, demands tailor-made



"

Scientific opinion, most recently expressed in the findings of the fifth Intergovernmental Panel on Climate Change report, is clear: The current model of growth and social development is simply unsustainable and not an option for newly industrialising regions in Asia and Africa if run-away impacts are to be avoided.

"



community-public partnerships. Appropriate regulatory and institutional mechanisms will have to be established to effect public-social synergies.

There are encouraging signs on the horizon that the soon-to-be-released Integrated Urban Development Framework of the South African government will establish a shared policy platform and mandate to bring these kinds of reforms to the doorstep of local government. It will prove critical for South African metropolitan governments such as the City of Cape Town to take the lead in exploiting this window of opportunity and, in the process, become world leaders in city-making in this vexed urban century.

References

- Johnson, H. & G. Wilson. 2009. *Learning for development*. London: Zed Books.
- Pieterse, E. 2013. Rethinking the purpose and modalities of community development in South African cities. In GGLN (ed.). *Active Citizenship Matters*. Cape Town: Good Governance Learning Network.
- Smit, W. & Pieterse, E. 2014. Decentralization Imperatives in Africa. In Parnell, S. & Pieterse, E. (eds.). *African's Urban Revolution*. London: Zed Books.
- SDSN Thematic Group on Sustainable Cities. 2013. Why the world needs an Urban Sustainable Development Goal. Concept note supported by UN-Habitat, UCLG, Cities Alliance, ICLEI, and Metropolis. Available at <http://urbansdg.org/> (Accessed on 10 November 2013).

Biography

Edgar Pieterse is holder of the South African Research Chair in Urban Policy. He is founding director of the African Centre for Cities (ACC) and is professor in the School of Architecture, Planning and Geomatics, both at the University of Cape Town. Edgar is consulting editor for *Cityscapes* – an international biannual magazine on urbanism in the global South. His most recent co-edited books are: *Africa's Urban Revolution* (Zed, 2014); *Rogue Urbanism: Emergent African Cities* (Jacana, 2013); *African Cities Reader II: Mobility & Fixtures* (Chimurenga, 2011). At present he is chairperson of the panel of experts supporting the South African government policy process to formulate the "Integrated Urban Development Framework." He is also preoccupied with co-curating a major exhibition on Cape Town – *City Desired* – that will manifest from 30 October – 10 December 2014.





VOX Cape Town

1. Introduction

This section provides an overview of results obtained from a short, focused survey conducted among residents of Cape Town for the 2014 State of Cape Town report. The residents were of various ages and from a range of communities, and were asked about their thoughts on the past, present and future, and the transitions in their lives. Such sharing of stories and histories often reveals fundamental elements that connect citizens, and provides insight into real change, challenges and opportunities as experienced and expressed by Cape Town residents. The residents interviewed were recruited from Mayor Patricia de Lille's award-winning¹ *Portfolio of Urban Sustainability* projects and the various project beneficiary communities.

Seven projects were identified, each with different geographical areas and focus, ranging from social development and urban agriculture to economic development and income-earning opportunities. The project managers then identified three persons involved in each project based on different age cohorts (25 years and younger, 26-40 years, 41-60 years, 60 years and older) and different genders, who were subsequently interviewed.

A rigorous research process was followed, with 22 residents interviewed by Development Information and GIS Department team members during May 2014. At all stages of the research, research quality guidelines and standards were followed.

As part of the research ethics, a consent form was signed by each interviewee, consenting to the interview, stipulating that their opinions were their own and did not necessarily constitute the views of the City of Cape Town, and permitting the team to use the contents of the interviews for the *State of Cape Town* report. Respondents also specified whether or not they agreed to be quoted and, if so, whether or not it should occur anonymously, as well as gave permission for photographs to be taken.

Interviews were conducted in English, Afrikaans and Xhosa by means of a questionnaire. Interviews were then transcribed and summarised, and key commonalities and issues identified. Although a small sample, the survey offers some insight into residents' reflections on the period from 1994 up to 2014, as well as their thoughts on the future, ten or 20 years from now.

Of the 22 residents interviewed, seven were men and 15 were women. Eight were volunteers, one was self-employed, five were working part-time, six were working full-time, while two were pensioners. All employed interviewees – four men and ten women – were working away from home (table V1).

V1 Summary of sample of Cape Town residents interviewed, May 2014

Age cohort	Number of interviewees	Gender	Respondents	Work status
25 years and younger	2	Female	A1, 2	Two full-time
26-40	2	Male	B3, B8	One full-time, one part-time
26-40	4	Female	B4, 5, 6, 7	Two volunteers, one full-time, one part-time
41-60	4	Male	C9, 10, 11, 12	Three volunteers, one unemployed
41-60	5	Female	C13, 14, 15, 16, 17	Three volunteers, two full-time
61+	2	Male	D18, 19	Two part-time
61+	3	Female	D20, 21, 22	One part-time, one self-employed, one pensioner

1. The City of Cape Town recently won a 2014 Eco-Logic Award for being the best municipality that cares for the environment.

2. Results of the interviews

2.1 Interviewees in the age cohort 25 years and younger

The two residents interviewed in this age category were both women and were both working full-time away from home.

*Research note

As residents in this age group would have been very young in 1994, as a proxy, it was decided to rephrase the question pertaining to 1994, and ask them to reflect on how the lives of their respective families may have changed from 1994 up to now.

a) Reflections on the period 1994-2014

Only one respondent spoke about the changes from a general perspective, i.e. about how life has changed for South Africans in general over the past 20 years.

The respondent perceives life to be worse now than what it was in 1994. Government dependency and lack of appreciation for the benefits and resources the government provides for free, have caused people to take things for granted, which, in her view, makes the current situation much worse than in 1994.

"Things are worse now because we get everything for free, but we don't appreciate it and that time, people didn't have these." [Respondent A1]

b) Current context

With regard to the current situation, other pertinent issues such as social ills in the form of drug and alcohol abuse arose. Respondent A1 reflected on her personal use of alcohol and substances during her teen years. Since she became employed, however, there has been a sense of personal growth and self-realisation, which is motivating her to make positive changes. Her occupation has therefore served as a catalyst for her to rehabilitate and improve her life and standard of living.

"I used to smoke a lot of dagga, I drank a lot ... now I am calmer ... I have something to keep me busy at the crèche." [Respondent A1]

Respondent A2 draws on her family as a support system, though also experienced the social challenge of alcohol abuse by her parents, who first lived in an informal settlement. However, after the family's move to a formal settlement, her parents have stopped drinking, the family has started to function as a unit, and the environment has become harmonious. Involvement in various projects has had a positive impact on their lives. Acquiring various skills, such as laying tiles, obtaining a driver's licence as well as the general expansion of knowledge, has been a major achievement in the respondent's life.

"We used to live in informal settlements; now we live in a formal settlement. My parents used to drink, but now they no longer drink and we're just a happy family." [Respondent A2]

c) Future - next 10-20 years

Both respondents have high expectations for the future, mentioning hopes of intergenerational improvement of circumstances, their lives and the lives of their children. Respondent A1 would like to use her life experiences to educate the future generation on how to tackle social challenges and build positive self-esteem, regardless of the obstacles. She sees a role for herself in influencing the younger generation and guiding them to make better choices in life.

"I have a good job ... I will be a better person ... and have my own family and show them a better way than what I chose in my life." [Respondent A1]

Similarly, respondent A2 has big plans for herself and her daughter, carefully planning for the future and being cautious in terms of financial decisions so as to fulfil her dreams of improving her daughter's standard of living.

"I have got a little girl, and we currently live in a poverty-stricken place. My dream is to take her out of that area and make a difference in her life and provide a good life for her and for me." [Respondent A2]

d) Summary

Those born after the end of apartheid in 1994 – the so-called "born-frees" – have known nothing but democracy. The two respondents in this age category did not experience the 1994 elections, and their views of the past are therefore limited and largely informed by hearsay or their families' experiences. Having picked up on public discourse about "entitlement" among the youth, one respondent declared the current situation as "worse than before".

In the cohort 25 years and younger, certain characteristics such as alcohol and/or drug abuse can be identified in most unequal societies, which could possibly be linked to unemployment. Both respondents had encounters with alcohol and other substance abuse – one as an abuser, while the other was affected by alcohol abuse in the family, which is a highly prevalent social ill in the Western Cape and Cape Town. However, both respondents have also experienced



"

I have a good job ... I will be a better person ... and have my own family and show them a better way than what I chose in my life.

"

"

I can now sit on the train with people from different races in 1st class. Now there are many opportunities for the youth.

"

and/or seen behaviour change as an outcome of their involvement in/beneficiation from a City project – whether having been employed (part-time) in a social development project and/or been given the opportunity to move to formal housing with less exposure to the elements.

With these two respondents, the experience of change in their young lives has opened up the possibility of hope for the future. Having a job, being more involved with family, and focusing on positive changes in their lives have been major contributing factors to restoring their self-esteem.

2.2 Interviewees in the age cohort 26-40

Six respondents – four women and two men – were interviewed in this cohort. Two were working full-time, two part-time and two were volunteers. All six were working away from home.

a) Reflections on the period 1994-2014

The majority of the respondents were able to speak about their feelings around 1994, as some were in high school and others studying at a tertiary institution at the time. They recall feelings of excitement and jubilation that the country was going through a positive transition. They harboured dreams of studying and securing good careers in well-paid positions such as medical doctors, lawyers and engineers, which had previously mostly been pursued by white South Africans.

"I wanted to become a chemical engineer; second option was to become an accountant." [Respondent B7]

"I wanted to be a pilot or doctor, and wanted to go to university. I actually wanted to have a white lifestyle."

[Respondent B3]

One of the respondents reflected on how she had been "forced" into a nursing career, even though she wanted to be a prosecutor. Only one respondent claimed not to have had dreams of becoming "something" or "someone"; rather, her dream was to have a lot of children, as she had grown up in a children's home, without anyone encouraging her to strive for more. Another respondent said she could not pursue her dreams because she got married, and that looking after her husband and children came first.

Asked about their expectations around the 1994 national elections, the majority of the respondents recall how they were looking forward to a new country that would provide many opportunities – specifically free education, service delivery and more employment opportunities. They also had expectations of peace and reconciliation, as well as an end to discrimination based on the colour of their skin.

"I believed things would go smoothly and we would be a rainbow nation." [Respondent B6]

b) Current context

Most of the respondents spoke of positive changes in their lives, and also acknowledge that there are more opportunities now than before. Respondent B5 listed the examples of scholarships, apprenticeships and learnerships as learning opportunities that the youth are being granted today, which were not available in the past. She also mentioned the pleasure of sharing a carriage class on the train with people she had been isolated from previously. One respondent (B7) felt that the youth of today are out of control and rebellious; they do not listen, have no manners and are unorganised, and even though there are grants to further their education, they do not make use of the opportunities available.

"I can now sit on the train with people from different races in 1st class. Now there are many opportunities for the youth." [Respondent B5]

"The children and youth are not eager to study, even though scholarships are available." [Respondent B7]

Two of the respondents spoke about the changes in their family systems. Respondent B5 stated that her life changed when she had a baby at a young age; now, whenever she is facing problems, her family is there to support her, and since their recent move to a new house, the family has been very happy. Respondent B8's relationship with his wife has changed for the better, to one filled with happiness, also involving attending church.

"I was working, but my relationship with my wife was not strong ... now I go to church and we are happy together."

[Respondent B8]

c) Future - next 10-20 years

The majority of the respondents in this age cohort are looking forward to a bright future: Two aspire to be self-employed and have their own businesses. Another respondent's focus is more on being able to traverse the city, including obtaining a driver's licence and buying a car. Yet another respondent is happy with the life that she has chosen for herself and her children, and believes that it can only get better.

"I imagine I would have started my own business." [Respondent B6]

d) Summary

During the 1994 elections, three pertinent issues seemed to have been of significance to the youth and their expecta-



tions at the time, namely formal housing, free education and more employment opportunities. The respondents recall how they were looking forward to the “new” South Africa and the promise it held. All hoped that South Africa would change for the better and that there would be peace and harmony in the country.

Secondly, they feel that there have been major improvements in service delivery in terms of moving people from informal to formal settlements, and the many opportunities created for the previously disadvantaged (such as affirmative action, access to education anywhere in the country, as well as programmes and projects targeting the unskilled). However, not all is positive: The respondents also mentioned high school drop-out rates, youth alcohol and drug abuse, as well as the growing unemployment rate.

The reasons underlying the respondents’ failure to realise their aspirations of being self-employed or owning a business could vary from a lack of adequate qualifications to sustain a good job, lack of skills, or lack of employment opportunities. Nonetheless, these aspirations demonstrate their willingness and ability to be self-reliant and self-sufficient, rather than depending on government for handouts.

None of the respondents specifically spoke about having been politically active in trying to bring about political change. However, they are the age cohort that would have been living through and affected by political activism in schools and universities in the late 1980s and early 1990s. Their predominantly positive view of the 1994 elections and the democratic transition was likely shaped by the public discourse and activism of the period, and their lived experience of the possibility of positive change.

2.3 Interviewees in the cohort 41-60

Nine respondents – five females and four males – were interviewed in this age cohort. Six were volunteers, two were working full-time, and one was an unemployed job seeker.

a) Reflections on the period 1994-2014

The majority of the respondents recall the atmosphere around 1994 and that life was extremely difficult for them at the time. One respondent told of how he had been forced to drop out of school to find work and support his family. Many had dreams of furthering their studies and having professional careers, such as being a policewoman, carpenter or teacher. Two of the respondents dreamt of having their own business, but circumstances at the time were not conducive.

“I wanted to be a teacher, but I could not do so because I was married.” [Respondent C13]

“I had lots of dreams and plans, yes, I dropped out of school, but I did ... I wanted to be a carpenter.” [Respondent C17]

All respondents remember the excitement on the eve of the 1994 elections, as some were about to vote for the first time and were happy at the prospect of gaining a say in how the country would be run. Election Day was exhilarating, and everyone – from the children to the adults – was in harmony. One respondent told the interviewer how happy he had been with the negotiations, and filled with hope of helping to bring about change in the country. Many recall their high expectations for job creation, the building of clinics, more schools and hospitals. One of the respondents also recounted how extremely excited he had been at the prospect of owning a house for the first time in his life.

“The line was long, like a snake uncoiling.” [Respondent C9]

“We wanted leadership that was elected by the masses.” [Respondent C10]

b) Current context

The majority of these respondents acknowledge that they have seen many changes since 1994, more particularly in community development and service delivery, including the upgrade of informal settlements, distribution of electricity and the provision of running water. They now receive basic services, which were not available in the past and, thus, constitute an improvement in their lives compared to 1994.

“Like, we living on the squatter camp received many rights, such as lights and water.” [Respondent C11]

One respondent used the analogy of giving birth and then expecting the child to attend university the very next day to describe how, even though a lot has changed in South Africa, people need to be more patient, because it will take time to reverse the mistakes of the past.

“You don’t give birth to a child today and next day, they go to varsity; it takes time.” [Respondent C14]

Respondents in this age cohort are dissatisfied at the weakening of the rand as well as the effect of petrol price hikes on the cost of food, making it much harder to sustain themselves and their families. Respondent C10 believes that current politicians should be held accountable for the promises they make yet fail to keep, and that respondents’ and the general electorate’s complaints should be taken more seriously. At the same time, the respondent acknowledges that she has acquired various skills through the project she has been involved in, and has even managed to build her own home, which serves as a source of positivity in her life. Another respondent expressed her excitement at the prospect of finally becoming independent, being on the waiting list to receive a formal public house, and that it would



“

I sometimes feel our voices will never reach the politicians’ “high” level, but we’ve still got to vote ... I have also built myself a home, I stopped drinking, and I am just leading a positive life.

”

"

Perhaps my child can make me proud and improve our lives.

"



be a bonus if she could find employment.

"I sometimes feel our voices will never reach the politicians' "high" level, but we've still got to vote ... I have also built myself a home, I stopped drinking, and I am just leading a positive life." [Respondent C12]

c) Future - next 10/20 years

According to the majority of the respondents in this age cohort, life is set to become much harder because of all the social ills that are not being attended to currently, and which will continue to restrict the lives of the young. They believe that crime, gangsterism and drugs will become even more prevalent, and also mentioned the likelihood of "reverse apartheid".

However, some respondents seem to have a more positive outlook and feel that life will become much better because of government's projects, interventions and income opportunities that assist in improving economically unequal communities' living conditions.

"Now the government is busy with the community." [Respondent C17]

All of the respondents seem to have high hopes and dreams for their children, some of whom are in college and others employed. They believe that their children will be the keys to unlock doors of empowerment and improvement in the family's standard of living. One respondent remarked that, in ten or 20 years' time, she would be retired from her job, spending a lot of time with family, having time to relax and possibly take holidays.

"Perhaps my child can make me proud and improve our lives." [Respondent C15]

d) Summary

The year 1994 marked a historical political turning point in South Africa for this age cohort, who were young adults and in the prime of their lives at the time. A Government of National Unity was established in 1994 – very likely by means of the votes of people in this age cohort. The respondents in this age cohort had high hopes and dreams for themselves and their fellow citizens living in a democratic South Africa.

The respondents agree that there have been significant improvements in their own and other, previously disadvantaged South Africans' standard of living through the implementation of different projects to serve communities, including the building of new houses and delivery of basic services. Through these projects, government also assists in building skills and enabling the unskilled to directly improve their lives.

Despite the various positive changes, however, there is general concern about the weakening economy, as it directly affects them. The majority of the respondents in this age cohort are volunteers – probably because they cannot find paid employment – and depend on other means as sources of income. In most instances, the little they receive needs to cover the entire family's needs. They also seem apprehensive about the high incidence of gang violence and/or gang affiliation among the youth within their communities. Informed by their awareness of the initial goals set for the democratic South Africa, this age cohort also expressed concern about politicians' accountability – or perceived lack thereof – and would like an external entity to be able to hold politicians accountable for the promises they make.

Even though the current situation may appear bleak for some in this age cohort, they are generally hopeful and have involved themselves in projects as volunteers rather than to wait on government to provide work for them.

2.4 Interviewees in the age cohort 61 years and older

Five respondents – three females and two males – from this age cohort were interviewed. Three respondents were working part-time, one was self-employed, and one a pensioner.

a) Reflections on the period 1994-2014

Similar to the age cohort 41 to 60 years, respondents in this group also expected a better South Africa with more opportunities and an improved standard of living around the 1994 election. At that time, two of the respondents were particularly looking forward to owning their own homes – an asset that could be passed on to their children. During the interview, one of these respondents mentioned that even participating in this survey meant a lot to him, as it illustrated to him that he was reaping the fruits of democracy. He recalls getting married to his "beautiful wife" back in 1994 and having three "beautiful children", of whom he is very proud today.

"I knew I was going to have a house for the first time." [Respondent D21]

"No more struggling, receiving food and stuff from the government." [Respondent D19]

Another respondent said that even though she was in her forties at the time, she was oblivious to what was happening, as she lived in a secluded area where politics did not really affect them, and did not know what freedom meant. However, two friends started teaching her about politics and the transitions that were taking place in South Africa.

b) Current context

Most of the respondents in this age cohort feel that "their time has passed", and are now looking to their children and grandchildren to do better. They all believe in the importance of family systems. All of the respondents want to see

their children succeed and have a better life than they had. In the interview, one of the respondents excitedly spoke about her current role as the founder of numerous organisations in the community that assist in offering creative extra-mural activities for the youth to keep them from becoming involved in socially unacceptable behaviour.

"... encourage them (grandchildren) to educate themselves and also to squeeze them in where I am involved to follow in my footsteps." [Respondent D20]

Another respondent reported that he had an opportunity to travel abroad as part of a sports delegation from South Africa, and that this was very exciting for him, as it would be his first time flying. He noted that it was an opportunity that, if it had not been for the democratic transition, would not have been presented to him.

Respondent D20 expressed her disappointment with her children: One of her sons is a tik addict and has been making life at home very difficult for the family, taking household belongings and selling them to support his drug habit. She feels that the current government is not doing anything about the drug problem, "because they are corrupt themselves". Even if they were to stand up against drug lords as a community, or identify a drug den in the community, those who operate the drug dens would not get convicted, as – she claims – bribes are passed on from the police to the judges. She also believes that, as an individual, her voice will not be heard, and has taken the initiative to write to the "Mayor of the Western Cape" about her concerns. Her hopes, she says, are now fastened on her grandchildren, as one is in college and the other recently completed matric, and that they make her look forward to another day. Although she is afraid that they may also fall prey to drug abuse, she remains hopeful that they will create a good life for themselves.

c) Future - next 10-20 years

All of the respondents in this age cohort are hopeful that their children and grandchildren will have a better life, because they have been given opportunities that were not available before. Drawing on lessons from their own struggles, they encourage their families to seize all opportunities that may come their way. Even though the majority of the respondents do not seem happy with the current state of the youth, they remain positive that things will change for the better in the future. Some of the respondents are engaged in youth-focused activities, with a view to keeping the youth from going astray and engaging in harmful activities and social crime. One respondent is involved in a sports organisation in his community, which seeks to groom young sportsmen and sportswomen in their respective sporting codes; this is available as an after-school extra-mural activity. Another respondent is a founder of a musical and dance group, which also assists in keeping the youth involved in positive activities.

"I got quite a few organisations ... I want them to take it forward." [Respondent D22]

d) Summary

The respondents in this age cohort were in their forties in 1994 and had spent most of their lives under the apartheid regime. As such, they did not have access to many opportunities. However, none of them hold grudges and/or are bitter about what happened and how their lives turned out. Instead, they are very hopeful that, in the years to come, their children will have a brighter future than they had, and will use the opportunities available to them. Not only are they hopeful about the future of the current youth, but they are also engaged in project initiatives for youth to help facilitate a path towards a brighter future.

3. Conclusion

The South African government successfully navigated the transition from apartheid to democracy by implementing a strategy that was essentially a basic-needs programme, focusing on the provision of infrastructure, housing, free and compulsory schooling, electricity, running water and toilets, health care and land to the poor. In the process, some inroads have been made in stabilising the economy and laying a firm foundation for higher economic growth and a broad-based improvement in living standards, and although it will take a few decades to become a fully developed country, South Africa is well on its way.

Many older people still feel grateful to the current ruling government for winning their freedom. However, the "born-frees" are not as swayed by history as their elders.

Throughout the different age cohorts, the respondents noted some negatives. The issue of drug abuse seems to be a significant common problem that needs to be addressed, as all the cohorts have been affected by it in some or other way. Substance abuse seems to go hand in hand with gang affiliation and social crimes. Another pertinent concern that arose in discussions with most of the cohorts is unemployment, which may confirm claims by some researchers that a correlation exists between unemployment and alcohol and drug abuse.

The overall picture that the respondents painted of their lives over the past 20 years is a positive one, of families having made positive gains, including access to formal housing, upgrades to informal settlements and access to higher-learning institutions. They have also attained different skills through their involvement with the various City projects.

All of the respondents seem very happy with their harmonious and fulfilling family environments, which encourage them to do better, either for themselves or their families.







..... CONCLUSION

INTRODUCTION

SUMMARIES

SOCIAL

ECONOMY

NATURAL WEALTH

URBAN GROWTH

URBAN GOVERNANCE

CONCLUSION



● ● ●

The challenge to manage urban growth and form in Cape Town – and bring about a more compact and spatially transformed city – is being tackled with the implementation of the approved CTSDf and the steady roll-out of the integrated public transport system.

As we now often hear, the world's urban population has surpassed the number of people living in rural areas. More than half of the world population now live in an urban setting, and the majority of urban dwellers are found in cities. Moreover, the greatest demographic expansion of the urban population has not been in the historical "world cities", but rather in "big but not powerful" developing-country cities such as Lagos, Bombay and the like. As many as 27 of the 33 urban agglomerations predicted to dominate the global urban space are located in the global South.¹

Rapid urbanisation in the global South has increased awareness of the sharp rise of informality in the expanding urban centres of the world, and has seen a growing discourse on megacities. Two modes of analysis and interpretation have come to dominate: firstly, predictions of an urban dystopia in the developing world, which also has implications for developed countries' future urban landscape, and secondly, hopeful models and methods that seek innovation and solutions in respect of urbanism, particularly in the practice of informality.

As in other parts of the global South, South African cities are increasingly at the forefront of efforts to meet the social and developmental needs of the nation's people as more South Africans urbanise. The national development agenda is increasingly devolved to cities and to the broad local government sphere, as is evidenced by the recent devolution of the public transport and public housing mandates. At the same time, urban development priorities are expanding to include new, evolving concerns, such as what constitutes basic human rights and the elements of quality of life. This may lead to ad-

ditional demands being made on cities and city administrations, for example with respect to improved access to connectivity and recreational space.

Twenty years after the democratic transition, South African cities have made relatively little progress in changing racially based spatial patterns of urban settlement, which has now led to the introduction of national grant-based incentives to support and bring about urban transformation. To date, the creation of housing opportunities for poor households in South African cities has reinforced historically racially-segregated settlement patterns, mainly because the cheapest land is available on the edge of cities, and at the scale required for greenfield developments. For example, there are still very few infill developments in the inner-city areas, because of the prohibitive costs of centrally located land (especially in Cape Town).

The challenge to manage urban growth and form in Cape Town – and bring about a more compact and spatially transformed city – is being tackled with the implementation of the approved CTSDf and the steady roll-out of the integrated public transport system. The City's *urban network strategy* connects different spatial elements – nodes, integration zones (or corridors) and townships hubs – across the city and provides a focus areas for public transport, investment opportunities and densification in the city.

With a population of less than five million, Cape Town is not a megacity. However, it is faced with similar challenges as megacities in the global South. As in other urban areas in South Africa, Africa and the developing world, informality in Cape Town seems to be a given part of the urban landscape for at least the short to medium term. This corresponds with urbanisation trends across

1. See Gandy, M., 2005, Learning from Lagos. *New Left Review*, (33):37-52, quoted in Zeidermann, A., 2008, 'Cities of the Future: Megacities and the

Space/Time of Urban Modernity', *Critical Planning Summer*:22-39.



the globe, where the bulk of new urban residents are from the ranks of the poor, with limited resources to meet their housing and other developmental needs, largely depending on public-sector assistance. In many cases – including Cape Town – the scale of the need outstrips the speed with which local governments can respond. In Cape Town, this is evident in the increase in the number of informal dwellings in informal settlements and backyards between 1996 and 2011. The scale of the need is further compounded by the rise of smaller households in Cape Town, especially among the black African population group, as households split off and form new ones. The bulk of these new households are housed in informal dwellings.

Access to municipal services is increasingly available to households in informal dwellings, and 14 officially endorsed mayoral urban regeneration projects across the city, combined with wider public transport roll-outs, will seek to connect marginalised communities to economic opportunity.

A further key issue in the Cape Town economy is the structural mismatch in the labour market between the skills demand and supply, and the growth in the number and proportion of unemployed in the city. Cape Town has an oversupply of unskilled and semi-skilled workers, which is further boosted by new labour-market entrants – male and female high-school dropouts and high-school graduates alike – with similar skills deficits. The link between education and employment – and therefore, poverty and inequality – is significant. Therefore, keeping learners in educational institutions and seeing them

progress to tertiary education is increasingly regarded as a key element of an economic development strategy for Cape Town (not unlike other South African metros). Of equal concern is the relatively low number of adults with tertiary education, which requires special attention, the unlocking of opportunity, as well as closer connections between policy intention and operational reality.²

However, in the short to medium term, the challenge for Cape Town is to create opportunities for income earning and job creation among the low-income and poor households. This is currently being addressed through strategies that seek to make informal trading more accessible and sustainable through an ongoing engagement with informal traders, as well as efforts to connect the unemployed and low-income households with economic development nodes across the city through public transport, including the City's MyCiTi BRT system as well as PRASA's creation of new rail connections linking the metro south-east with the Voortrekker Road corridor.

Generally, inclusive urban development policies and practice are located within one of two dominant approaches: the mobility paradigm or the place-making paradigm. Generally speaking, a mobility paradigm is centred on the physical movement of people from one place to another, in order to meet specific social goals, and has a long history in urban policy and practice, especially in the United States.³ The place-making approach refers to "the construction (or making) of more 'good' (i.e. socially and economically healthy) places in metropolitan spaces"⁴ as a corrective approach to the mobility paradigm and population movement.



the challenge for Cape Town is to create opportunities for income earning and job creation among the low-income and poor households. This is currently being addressed through strategies that seek to make informal trading more accessible and sustainable through an ongoing engagement with informal traders, as well as efforts to connect the unemployed and low-income households with economic development nodes across the city.

2. Wilson, F. & Cornell, V. (eds). 2014. Guide to Carnegie 3: Strategies to Overcome Poverty and Inequality –Conference Report. Conference held at University of Cape Town, 3-7 September 2012.

3. See, for example, Imbroscio, C., 2011, "Beyond Mobility: The limits of Liberal Policy", *Journal of Urban Affairs*, 34(1):1-20.

4. Idem: 11.



● ● ●

The City of Cape Town has 14 officially endorsed urban renewal projects under way under the championship of Mayor Patricia de Lille. These projects are modelled on a place-making pilot project undertaken by the Violence Prevention through Urban Upgrading (VPUU) programme in Khayelitsha.

Both these approaches are evident in the current City policies and strategies, though they take a very different form.

In Cape Town, the mobility paradigm is seen in strategies to address the marginal location of poor communities, on the edges of South African cities, by linking workers and poor communities to economic opportunity. The strategy is first and foremost about getting working-age individuals in poor communities and households closer to jobs, which are largely seen to be located in the CBD and other economic nodes across the city. Thus, for example, programmes around the MyCiTi routes are about connecting people to job opportunities by providing affordable and more seamless ways of traversing the city using public transport, which also add to the long-term sustainability of the city, its natural wealth and overall liveability. The next phase of the MyCiTi implementation will focus on the metro south-east, where the largest concentration of poorer households are located in the Khayelitsha and Mitchells Plain areas.

Another dimension of the mobility paradigm specific to South Africa is invoked through the call for more integrated communities, where people from different population groups live together – that is, an urban transformation that would reverse the effects of segregationist policies on neighbourhood composition in South African cities. One of the remaining challenges in our cities is the intransigence of spatially segregated communities, underscoring the call for urban development that would reverse the spatial effects of apartheid policies.

In general, place-making is understood as either

urban renewal (which is viewed positively) or gentrification (which is generally viewed less positively, because of the potential negative impact on affordability for poorer communities in areas that gentrify).⁵ In the South African context, one might say that place-making tends to dominate, being concerned with the faster delivery of affordable housing opportunities and access to basic services across the city, and improved quality of life for growing numbers of poor and low income households.

The City of Cape Town has 14 officially endorsed urban renewal projects under way under the championship of Mayor Patricia de Lille. These projects are modelled on a place-making pilot project undertaken by the Violence Prevention through Urban Upgrading (VPUU) programme in Khayelitsha. These special projects will provide important learning opportunities to inform future approaches to the design of communities and communal spaces in Cape Town.

One of the ways in which the City may also advance the transformation of the spatial economy and form is through participation in National Treasury's Cities Support Programme, which was phased in during 2013 and is incentivised through National Treasury's Integrated City Development Grant (ICDG). The programme and concomitant grant mechanism are intended to support South African cities to overcome apartheid spatial patterns, and to become more inclusive and liveable, more productive, resilient to climate change, and sustainable in all respects.⁶

Through the use of transit-oriented planning, current City plans are focused on two transit corridors. Firstly, con-

5. In Cape Town, poorer areas closer to the central city are being gentrified in pockets – generally through the actions of private individuals – as neighbourhoods closer to the city centre find appeal with both the professional and creative classes. While much of the areas being gentrified are vacated industrial areas closer to the central city, the danger exists that

poorer households in close proximity will be pushed to the periphery as the central areas become more expensive.

6. National Treasury. 2013. The 2013/2017 National Treasury Strategic Plan Update. Available at <http://www.treasury.gov.za/publications/strategic%20plan/Strat%20Plan%202013-2017.pdf>.



necting people to opportunity in the city through public transport along key transit routes such as the Voortrekker Road corridor and the metro south-east corridor has the potential to counter deepening income poverty and the rise of food insecurity among the city's poorer households. Secondly, these corridors will be the focus of efforts to densify urban development in Cape Town, providing mixed-income housing opportunities close to accessible public transport routes.

In the global policy space, there is growing consensus on cities' importance in finding solutions to the challenges of sustainable development. By 2050, the world's cities will be home to six billion people, while past models of development have generated a range of complexities, including peak energy, global water scarcities and climate change.

The City has taken pioneering steps to address Cape Town's multiple and interconnected energy challenges, which include a comparatively high carbon footprint, national electricity supply insecurity and rising energy costs, widespread energy poverty, and energy service access challenges. The municipal and city-wide consumption reduction targets have been achieved and exceeded; yet, there is much more to be done in future. As Cape Town's urban footprint densifies, the city's natural resources will require continuous protection as providers of ecosystem services and benefits. Water scarcity will continue to present a challenge for Cape Town into the future, including balancing the growth in urban demand with sustained water supply for agriculture and production of food. As such, programmes that address water demand management form a key component of the City's approach to dealing with water resource scarcity in the future. The impacts of climate

change are not yet fully understood, but have significant potential to affect already scarce water resources in the Cape Town area. Changes in seasonality of rainfall or the intensity of rainfall events may disrupt agricultural activities in the region, and increase the risk of floods and severe weather impacts on Capetonians. In addition, waste minimisation efforts of all in Cape Town and the sustainable provision of new landfill sites will be key in the future. As an expert puts it: "Fundamentally new models of economic production, consumption, exchange and renewal are called for. This ... is only possible if the primary territorial base of the globalised economy – city-regions – are fundamentally rethought, remade and in essence, re-imagined. City governments and their networks ... are the only actors who can drive this global imperative."⁷

In this complex global environment, the solutions called for are complex and nuanced. Eliciting these solutions and evaluating their feasibility will require partnerships and participation across all sectors, including the people who inhabit these urban spaces. The development and application of fine-grained processes of co-design and co-production of an inclusive sustainable urban environment will demand innovative partnership approaches and commitment, involving local government, the private sector and the residents of our cities – Cape Town included.

Globally, emerging notions of "good urban governance" recognise the complexity of cities as systems, and collaborative governance and implementation approaches are increasingly being adopted. More than anything, cities must be guided by the growing notion of urban governance as both government responsibility and civic engagement.



As Cape Town's urban footprint densifies, the city's natural resources will require continuous protection as providers of ecosystem services and benefits.

7. See expert analysis by Edgar Pieterse in this publication.

DI & GIS staff contributions

Interns placed through the Urban Sustainability Internship Programme for the period March 2014 to February 2015 conducted the interviews with Cape Town residents who are users and/or beneficiaries of projects included in the Mayor's Urban Sustainability Portfolio. They include Ayanda Dalingozi, Rafeeq Josephs, and Sibongiseni Nyangiwe as well as EPWP intern Amy Weimann. They were supported by DI&GIS staff members Ameen Benjamin, Carol Wright, Sivuyile Vuyo Rilityana, Janet Gie, and Natasha Primo. Ayanda Dalingozi also provided overall project management support and drafted the chapter on the Cape Town residents' inputs.

DI&GIS colleagues Karen Small, Janet Gie and Nontembeka Poswa assisted with making urban development information and city statistics available as and when needed.

Overall editorial guidance and feedback was provided by Carol Wright and Natasha Primo, with project management by Natasha Primo. Keith Smith provided guidance and input into the conceptualisation and framing of the project.



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

Making progress possible. Together.