

ANC ZONE 10 GALA DINNER

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SOUTH AFRICA'S SPATIAL DYNAMICS AND MIGRATION: IMPLICATIONS FOR ECONOMICS, ETHICS AND A DEVELOPMENTAL STATE IN THE CITY

Let me start off by expressing my gratitude to the leadership of Zone 10 of the ANC in the Greater Johannesburg Region for this invitation to share views on matters that affect citizens of the city, the province and the country. I have personally not been to many gala dinners, and thus know very little about what they entail and how they differ from ordinary meals. As such, the remarks I make may be ill-suited for the occasion; and they may even negatively affect the appetite of the guests. You will need to bear with me if that turns out to be the case.

Among other reasons behind my apprehension is that I intend to present as a researcher and will therefore bore you with data and analysis. In this regard, I may also disappoint the hosts who might have expected a stump speech for the election hustings. On mulling over this issue, I came to the conclusion that, for a gathering such as this, reflection on facts, figures and analysis is in fact necessary. One proceeds in this regard from the perspective that, for the guests who have honoured this invitation, engaging issues at that level of abstraction is and should be the starting point in determining how to improve the environment in which we live, work and play.

Many of us come from the black community – ‘clever blacks’, so to speak. In this regard, we would be concerned about a falsehood that has become the stock-in-trade in analysis of electoral trends. This is that black people vote in the manner they do merely out of sentiment. In the research that the Mapungubwe Institute (MISTRA) has conducted, the exact opposite is in fact the case. To quote from MISTRA’s analysis of the 2014 elections: “white support for the DA+ [including the historical configurations of NP/NNP/DP/DA] has remained solid over the years, averaging above 90% in this community. As such, while epithets of ‘historical sentiment’, ‘racial solidarity’ and so on have been levelled against African voters in particular, the trend among [African] voters has in fact shown greater openness and variety. Race and class intertwine more intimately within the white community than most other sections of society”. So, to use the logic of the superficial analysis, it is in fact within the white community that you find voting based on ‘sentiment’ – which in reality is representative of profound social self-interest.

The request was that we should this evening reflect on spatial dynamics and migration, and their implications for economics, ethics and a developmental state in the City (and I assume the hosts didn’t have in mind a certain sitcom about something in the City – that is, if it’s still screened in these days of local content ‘distinctions’ at the SABC).

To understand this evening’s complex theme, it is critical, first and foremost, to appreciate where we are today as a nation. Lest we forget, the mid-1990s delivered a political compact in which the contending forces chose, in pursuit of the interests of their constituencies, to recoil from a scorched earth policy, from which any victor would have inherited a wasteland. Eighteen years later, in 2012,

with the adoption of the National Development Plan (NDP), a unique possibility presented itself for us to forge a social compact, more intently and more speedily, to address the socio-economic legacy.

As we are all aware, in the recent period, concerns have been raised about whether we are not in fact squandering that unique opportunity presented by the adoption of the NDP. This applies to such matters as state capture and institutionally entrenched venality. It is natural that these issues should define much of public discourse, and we'll come back later to their relevance for the City. But, I would argue that, as we lament, mourn and protest, we should also appreciate that contained in these dark clouds is a silver lining. In brief, that silver lining consists of five realities.

The first one is that, faced with an extreme stress test, our constitutional institutions have emerged as robust and dependable.

The second element of the silver lining is that South Africa's 9/12 conveyed a simple but profound lesson in Economics 101, about the limits of political power in a small open economy.

The third one is about the reminder to societal leadership, particularly government, business and labour, that there is no alternative to social compacting, regular interactions and pursuit of the national interest.

The fourth element is about sensibility in the management of public resources and macro-economic indicators, lest we attract the wrath of rating agencies and a global short-term investor community that, like a herd of sheep, need a small trigger to escape to safety.

The last element of the silver lining in the dark cloud is about efforts at self-correction within the ANC and the government. If anything, the fact that discourse on corruption and state capture has intensified – within and outside the ANC – is itself a good sign. It lays the basis for the self-correction that is desperately needed.

And so, as we lament, mourn and protest, we should focus our glance on that silver lining, which is itself a function of agency: it is dependent on what individuals, sectors and society at large do. In other words, how the weaknesses play themselves out going forward, and how they are corrected, depends on what we ourselves do.

Last week, Statistics South Africa released the outcome of the 2016 Community Survey, which updates data about our society since the release of Census 2011. There are many indicators in that publication, of which Gauteng in general and Johannesburg in particular can be proud. These relate to: massive improvements in access to formal housing, potable water, sanitation and so on. Further, the proportion of people living below the poverty line – low as it already was in the Johannesburg Metro – has declined.

Yet if we were to dig deeper into the data, we'll find many factors that should concern us.

While, between 2011 and 2016, the populations of the other provinces increased by some 7%, the Gauteng Province's population increased by over 9%, and about 30% of the province's population is made up of migrants.

While the number of households with access to potable water in Johannesburg has increased by some 300-thousand in the past five years, the number without access has also increased.

While the number of households in formal housing has massively increased, this has not reduced the number of people in informal housing – in fact this has increased by about a 100-thousand.

While the number of households in Johannesburg has increased, the average size of the household itself has declined, meaning an increase in the units of people requiring services.

While the number of people living below the poverty datum line in Johannesburg has declined, the intensity of poverty has gone up – meaning that inequality in the City has increased. Figures from a while ago, showed that among the districts or metros with the highest percentage of those living in poverty (below the minimum living level), Johannesburg was among the top 20, along with Ethekewini, Cape Town and Ekurhuleni.

We can go on and on with the factual outline.

But, what these figures communicate, relates to the very theme of today's discussion – spatial dynamics and migration. As some have complained, the success of Gauteng in general and Johannesburg in particular lead to larger inflows, and create a sense of marking time.

Can such migration be avoided? The answer is a simple, No!

We can devise all manner of strategies to discourage people from moving to urban areas. But this will come to naught. When we were in Zambia in the 1980s they had campaigns such as *shishita* and 'back-to-the-land'; but people kept on flocking to the towns – and this is a global phenomenon. There is a simple logic that attaches to this, both within and among countries.

The core of that logic is that the poor, and indeed broader sections of society, have a sixth sense of what is good for them. It is easier for people to benefit from economic opportunity if they are located around advanced economic centres. Location is fundamental for those in search of opportunity. Because areas like Johannesburg have greater diversity of income sources, they have the potential to offer better social protection, and are therefore most conducive for tackling poverty. In other words, the decisions that the poor make are very rational and logical. Besides, developmental convergence between regions does take a long time. For instance, as the National Spatial Development Perspective (2007) document noted, 50% of the GDP of the United States of America is produced in 2% of the geographic space; and it took a 100 years for Southern States to reach the level of development of the North.

Although there may be variations in terms of the spectacular growth of East Asian developmental states with some level of inter-regional developmental convergence, the logic about glacial pace of developmental convergence does apply broadly across the globe. Similarly, international migration will continue, whatever walls and fences some may dream of building.

This then imposes major strategic obligations on planners and policy-makers. It is, on the one hand, the responsibility of government to ensure that, wherever people are located, they are provided with basic services to enjoy a decent standard of living. Yet, expenditure on fixed investments has to take into account that sixth sense of society: it should prioritise localities of real or potential economic growth. As such, in the allocation of fiscal resources, metros such as Johannesburg and the corridors that link growth nodes, should receive greater emphasis than is currently the case. A city that contributes some 16% of the country's gross domestic product, with a history and culture of

developmental learning, needs to be nurtured as one of the core drivers of national economic growth and development.

However, if this principle applies to national dynamics, it is even more relevant to the spatial arrangements within the City itself. As the Johannesburg Metro has noted in the recently-released Spatial Development Framework, the legacy of apartheid and how we have since 1994 implemented the housing programme, have resulted in a situation in which the “location and concentration of jobs does not match that of where people live. This job-housing mismatch”, the Framework continues, “significantly contributes to inequality in the City as – for many residents – access to economic opportunities is stifled by costly and distant commuting”.

Such commuting impacts negatively on family life, with major implications for the nurturing of the young, educational performance, community activism and social cohesion. It affects productivity at the workplace. It places huge pressure on cash wages; and it impacts on the country’s competitiveness.

The question has been asked why, for instance, we are unable to take advantage of growing consumer demand in our country and sub-Saharan Africa, by manufacturing the very goods that people require, such as the toasters, microwave ovens and suitcases: goods that we import from China. There may be many reasons behind this; but one of them is that many a Chinese worker producing these goods lives in a compound and walks to work; while a South African worker spends up to 40% of wages on transport. This, in fact, is a form of apartheid tax on the poor.

Of course, one way of alleviating this problem is through public transport subsidies. Indeed, according to National Treasury, some R167-billion has been spent on these subsidies and infrastructure over the past decade; and this has grown at about 18% per year. And the taxi industry, quite justifiably, is demanding its pound of flesh. However, it does not require rocket science to appreciate that, on its own, this approach is not sustainable.

In the immediate, the question does arise whether such subsidies should originate only from the fiscus! Should the issue of this apartheid tax on the poor not feature prominently in the efforts to forge a social compact between government, business and labour?

Of course, in the long-term, there has to be a fundamental reconfiguration of the City’s spatial dynamics, to create, in the words the Metro Council, “a spatially just world class African city”. The ‘compact polycentric city’ vision that has been put forward constitutes one step change required to deal with the spatial injustice.

But along with this are fundamental questions that will need to be faced head on.

Firstly, perhaps more than in many parts of the country, the reality of two economies presents itself starkly in the Johannesburg Metro. And so, on the one hand, there are efforts to sustain and enhance the City’s excellence in financial and other service, information and communications technology, pharmaceutical industries, green technologies and so on; at the same time as we promote meaningful participation by black people and women in these and other cutting-edge sectors. On the other hand, intensified efforts are required to give a leg-up to marginalised youth, co-operatives as well as small and micro-enterprises.

But beyond this, a tectonic shift in global economic realities is taking place before our very own eyes. This pertains to how off-shoring of manufacturing sites is playing out against the backdrop of a China that is climbing up the manufacturing sophistication ladder. When this happened in Japan about four decades ago, some 10-million jobs were transferred to other parts of Asia; when the same development later took place in South Korea, some 2m jobs were transferred. According to estimates, offshoring from China will release about 85m jobs (Hai:2016). Bangladesh, Vietnam and other Asian countries cannot absorb all of these; and a number of African countries such as Rwanda, Ethiopia and Kenya are already starting to absorb some of the manufacturing operations. How does South Africa, and a Johannesburg that seeks to bring economic opportunities closer to where people live, take advantage of this? Will initiatives such as the Spatial Economic Zone for ICT electronics near NASREC assist? How shall we deal with concerns of the labour movement about a dual labour market?

Secondly, reconfiguration of spatial dynamics includes, as the City has asserted, a regeneration of the city centre and high housing densities in these areas of economic activity. This demands changes in delivery mechanisms and governance structures, as well as the capacity to assert state authority and legitimacy. On the part of the residents and commercial partners, it requires a level of partnership that eschews a dependency syndrome and corruption. You will agree that experiences in localities such as Hillbrow and Brickfields contain lessons that should stand us in good stead going forward.

The third fundamental question, as we address the spatial disjuncture between workplace and residence, pertains to the implementation of Land Use Management legislation. Spatial Visioning is critical to this, and so are clear programmes of implementation. But beyond this, the City, as with all other municipalities, needs to respond firmly to what some refer to as ‘the tyranny of developers’ – tyranny not because the developers bear any arms; but because they are faster, nimble-footed, more driven and responsive to immediate pressures, and they do not miss any whiff of commercial opportunity. An even higher level of agility and drive is therefore required of the City if it is to exercise leadership in this regard.

These then are some of the conceptual and practical issues for reflection, as the City introduces a paradigm shift to how people live, work and play. As data from the Community Survey has indicated, there are many positives to build on. These positives also include the international accolades that the City continues to rake up, from credit ratings to green initiatives and the recent ranking among the top 25 cities in the world which promote high-potential women entrepreneurs. At the same time, the City has to take into account the social tinder that more and more threatens to catch fire, deriving from impatience with delivery and concerns around issues mainly in other spheres of government.

Having examined the shifts that the Metro is putting in place, I would argue that Johannesburg’s incumbents are the genuine representatives of real change: not change of the colour of a t-shirt in the Mayor’s office; but substantive enhancements in the content and quality of interventions, and improvements in the pace and efficiency of delivery. In this regard, adherence to the attributes of a developmental state – in terms of visioning and strategic capacity, the ability to win over sectors of the population to the Metro Council’s point of view and forge a social compact, macro-organisation of the city government in a manner that enhances implementation capacity, and technical efficiency

of the bureaucratic machine... adherence to these attributes will definitely stand the City in good stead.

Needless to say, the ability to lead the residents of the City onto this new trajectory requires that the residents accept the legitimacy, legality and authority of the Metro Council. And, as all of us know, the burghers of this City are rigorous in their assessment; they brook no empty spin; they hate corruption with a passion; but, at the same time, they are open to rewarding good governance and good service.

Let me conclude by taking this observation further, informed by debates that I have recently come across. Precisely because of their rigour, the residents of the City, especially the middle strata, have been expressing their disappointment with state capture and other allegations of corruption at national government level; and some argue that they should use the coming municipal elections to teach the ANC a lesson.

Having studied the indicators in the Community Survey, and having interrogated the City's programmes, I would agree with the retort that the impending elections are about local government; they are about the City. It is therefore illogical to want to punish Parks Tau and his team for sins they have not committed. Judge them on what they have done and intend to do. These modernisers – in terms of their age, their outlook, and their courage – deserve our support.

Our strategic duty, I would argue, is to remove the impurities and the dirt that are reducing the adhesive capacity of the glue that is the ANC. This undertaking, to which the Greater Johannesburg Region is fully committed, is not linear; and it is protracted.

In that sense, the simple words ring even truer today: the struggle continues!