FOREWORD BY THE CHAIRPERSON OF THE SOUTH AFRICAN CITIES NETWORK

This report is timely. It comes on the eve of the very important 18 May local government elections. It would be useful if some of the key issues raised in this report infuse the local government discourse around the elections. But, of course, in an election campaign parties and candidates will be tempted to focus on issues in a report such as this that most advance their respective cases to win votes. Fine – but at least the issues get to the public! And, as the South African Cities Network (SACN), we will present in a more user-friendly, accessible form the key issues that emerge in this report.

But important too: there is a need for a balanced, reflective consideration of the key issues in this report in the longer term. And for politicians, policy-makers, practitioners, business people, trade unionists, activists and others to see what value the report has for action. Clearly, our cities are crucial to the country's growth and development. They are vital too, to the success of our democracy. The nine SACN cities account, in fact, for 60% of the country's economic output. All stakeholders, and residents too, need to do more to make the cities work better.

Cities cannot be left on their own. Provincial and national government need to much more actively assist the cities in the spirit of cooperative governance.

Of course, increasing attention is being paid to the rural areas. This is important. But getting the cities to work better is crucial to strengthening the rural areas. We need to have a clear and consensually shaped urbanization policy that recognizes the crucial importance of cities in many respects, not least in contributing to addressing the challenges in rural areas.

This too, the contribution of the cities to the rural areas, is part of the expression of the resilience of cities which is the theme of this report. For all the challenges, many created by conditions beyond their control, the cities have managed to cope reasonably, and have shown resilience. They showed their mettle in the way they hosted the 2010 World Cup – the best ever World Cup, according to FIFA!

The 10 years under review in this report are about the cities adapting and finding themselves as new cities. The 10 years ahead will also be about adapting – but they must, crucially, be about strengthening too. Cities, in cooperation with their residents and all stakeholders, have to do better.

We owe much to the first generation of city leaders, managers and administrators for what they have done. The next generation will inevitable be called upon to do more. We hope that this report will assist them in addressing the challenges they will face. We are keen to engage them in dialogue about the issues raised in this report.

Yunus Carrim

Deputy Minister of Cooperative Governance and Traditional Affairs

FOREWORD BY THE CHIEF EXECUTIVE OFFICER OF THE SOUTH AFRICAN CITIES NETWORK

Many developmental, societal, economic and political challenges continue to confront local government, especially the largest and most urbanised municipalities of South Africa. We need to face these problems, whatever their magnitude and size, which is precisely what the South African Cities Network (SACN) has strived to achieve since it was established in October 2002.

The SACN continues to develop a much nuanced picture of the impact of our public policy in practice, by creating spaces and platforms of interaction, knowledge and information exchange between practitioners from across our member municipalities, local government in its broad form, partners and colleagues in the other spheres of government, and the private and social sectors, including state-owned enterprises.

Through patient analysis of trends and behaviour, and through this Third Edition of the State of South African Cities Report, we can safely conclude that, through improved and differentiated support, our cities will become spaces of socio-political and, more crucially, economic growth. We know that many more challenges lie ahead, most of which will require space-specific responses.

SPATIAL GAP EFFICIENCIES

The segregated spatial inheritance continues to be a challenge. Large municipal governments, seeking to reverse the impact of apartheid, have to contend with issues such as unstable population movements, demands for better democratisation, increasing youth unemployment and unequal community participation. The built environment triplets of public transportation, land use management and human settlement, cannot be dealt with by working in silos.

NATURAL RESOURCES DEPLETION

In 2002, when South Africa hosted the World Summit on Sustainable Development, few thought that we would face the challenges of climate change so soon, or imagined electricity shortages or flooded streets with storm-water drainage problems. The vulnerability of our food, electricity, water and health infrastructure has been revealed. As we prepare to host the COP 17 in December 2011, climate change (and the depleting natural resources) is strongly on urban governance agenda.

RURAL-URBAN INTERDEPENDENCE

The prioritisation of rural development has come at the right time, as we grapple with the impact of in- and out-migration. By understanding rural and urban interdependence, we will see that our municipalities are not all the same. While their challenges may be similar, the depth and scope of their problems are different and thus cannot be solved with the same tools. For that reason, it is important and critical for the entire policy machinery to begin reconfiguring the functionality of urban spaces.

LOCAL GOVERNMENT FINANCING MODEL

The public sector machinery also needs to deal decisively with how local government has been financed over the last ten years. As this report reveals, the current revenue allocation processes are not sustainable. The result of past financial support mechanisms and changes is the unintended consequence of reduced local accountability to local demands by municipalities. Compounding the problem is reduced sources of revenue for local government (in part due to the global recession) and general financial resource instability.

STABILITY AND IMPROVED CAPACITY

All these issues have combined to create a (mis)perception that local government is the poorer cousin of the provincial and national spheres of government; another unintended consequence of our behaviour. Local government needs to admit that it has contributed to this perception by not improving the quality and reliability of its political and administrative human capacity. Throughout the 10 years, local government has been the supplier, and not the attractor, of human capacity to other spheres, including the private sector.

There are many issues to be confronted on a continual basis: problems of local government are problems for us all, in our communities and in the private and public sectors.

Therefore, much appreciation for the production of this report goes to all who have contributed to its content, administration and project management (the complete list of acknowledgements will be on the SACN website).

Sithole Mbanga

Chief Executive Officer