

# SECONDARY CITIES IN SOUTH AFRICA:

## the start of a conversation



## ACKNOWLEDGEMENTS

There are a number of individuals and organisations who assisted us with data on sub-themes addressed in the report. We are especially grateful to National Treasury, Palmer Development Group and the Municipal Demarcation Board for being extremely generous with both their data and their time. We'd also like to thank Michael Aliber, Elsabé Rossouw and Karen Heese for their support.

In addition, a number of people have interacted with us during the development of this publication. We are grateful to the following people for their invaluable insights and guidance: Ivan Turok (HSRC), Helene Verhoef, Michael Kihato (SACN) and Sithole Mbanga (SACN).

### Special Recognition:

Our pursuit to empirically ground this exploratory study in concrete South African data was made possible through a very generous donation of data from IHS Global Insight, a private company whose data is increasingly being used by the South African public sector. Municipal-level data is notoriously difficult to source in South Africa because most public sector data is disaggregated to national and provincial levels only. Our budgetary and time constraints would have made it impossible to achieve our objectives under normal circumstances (i.e. having to build up the datasets or to acquire them from the various private data vendors). However, IHS Global Insight very graciously provided us with their data for the 30 municipalities included in this study for the years 2000, 2005 and 2010 which enabled us to draw the indicator time-series and comparisons for the cities over the past decade. We thank IHS Global Insight for their support in contributing to our effort to establish an empirical foundation for future policy analysis and conversations on this important subject.



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# FOREWORD

The South African Cities Network (SACN) plays an active role in debates on our national urban agenda. A number of recent developments have triggered our desire to open up a conversation on South Africa's possible 'secondary cities'. The recent release of the National Development Plan by the Presidency has provoked the entire policy and research community to think more carefully about the country's future development trajectory. As the SACN, we are motivated to reflect more deeply on the role that different urban spaces can play in the national space economy.

“The landscape has changed since 1994. The Gauteng city-region has reinforced its national dominance and attracted growing migration. The coastal city-regions have performed less well, especially in terms of job creation, largely because the manufacturing industry has failed to gain traction. The performance of smaller cities has been uneven, depending on their dominant industries. Many small towns and rural areas have stagnated or declined, as agriculture and mining have struggled. Parts of the former homelands are changing their economic structure, supported by increased spending from social grants. This is occurring along major transport corridors, in developing tourism areas, and along national borders where trade and transport are growing.”

(from the *National Development Plan*, released in 2011 by the National Planning Commission)

Most of our nine member cities are governed by metropolitan municipalities, which have typically been the focus of our research papers. However, an increasing number of enquiries about 'secondary cities' appears to reflect a growing interest in the urban spaces that are not currently considered metropolitan areas but exhibit strong demographic and economic growth. The recent declaration of Buffalo City and Mangaung as new metropolitan areas has also reawakened interest in the layer of towns and cities that are just beneath the country's eight existing metropolitan areas. It has also prompted us to think about the changes in a city that indicate its evolution into a more complex metropolitan area.

This publication is an attempt to explore the concept of 'secondary cities' and is derived from the more detailed report *Secondary Cities in South Africa: the start of a conversation*, which can be found at [www.sacities.net](http://www.sacities.net). Secondary cities play a distinct and fairly specialised role in national life, often acting as catalysts for development in their regions, alleviating demographic pressure from a country's metropolitan areas and, arguably, offering a better quality of life than densely populated urban conurbations. In the South African context, these places and their role need to be understood from various perspectives, not least that of our national endeavour to give practical expression to the notion of 'differentiation' in matters relating to local government.

The principal aim of this publication is to act as a catalyst for debate and, hopefully, to stimulate further research into this relatively neglected subject in the urban agenda. Given its intent, we encourage policymakers, researchers and practitioners to view this report as a working or discussion paper and to engage vigorously with its contents.

As the beginning of a robust debate on secondary cities in South Africa, we have attempted to contextualise the discussion by providing some base information on possible secondary cities and by posing a few questions. In fact, this document contains more questions than answers, which we trust will stimulate readers into exploring further the issues raised. Above all, we hope that this exploration will help make us think more carefully about the role of secondary cities in South Africa's future development trajectory.



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**SITHOLE MBANGA**

Chief Executive Officer: South African Cities Network



# INTRODUCTION

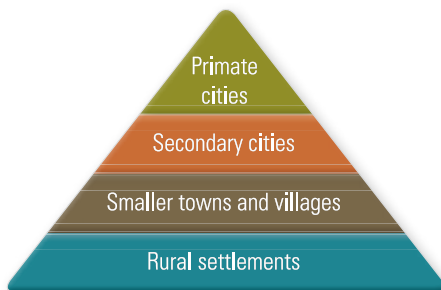
All development activity occurs in space: people settle in particular places, goods and services are produced and consumed, houses are built, infrastructure is developed and governments set up local offices in these spaces.

As society and economic activities evolve, different spatial features are seen as more important. Whereas once people settled in places with mineral wealth, agricultural promise or natural transport systems like a river, today's generation looks for places that offer jobs or a decent quality of life.

Over time, intense economic and social activity became concentrated in particular spaces, attracting more people, firms and investment. These spaces are the *urban centres* within a country, made up of different cities and towns. And within this group of urban centres, some cities are more prominent than others.

## A HIERARCHY OF CITIES

The earliest notions of a hierarchy of cities argued that a city's pre-eminence could be the result of one of three conditions: antiquity, walls and privilege (Verdier, 2006). In the 18th century, new ways of comparing cities and towns began to emerge, emphasising population and urban functions. Christaller introduced the idea that human settlements – and, more especially, urban centres – could be *differentiated* in terms of their size, economic importance, influence etc.



This publication is concerned with the apex of this pyramid and, specifically, the category commonly termed 'secondary cities'.

The idea of a global hierarchy of cities and of a 'dominant' group of cities on the world stage has existed for nearly a century. There are different views on what this 'dominance' might mean and, as a result, differing perspectives on how to define a global hierarchy of cities. The two common perspectives look at hierarchies of cities based on either population (the *mega-city* discourse) or function (the *world cities* discussion).

Developing a hierarchy of cities based on population size is not particularly difficult to do, as it simply involves comparing the populations of cities and ranking them. What is slightly

more complex is the unit of measurement: whether to look at the traditional city or the functional area that evolved around it. The UN ranks cities based on the population of the entire functional area, which is referred to as the city-region. In 2010, the UN included three African cities (Cairo, Lagos and Kinshasa) in its list of the world's 30 most populous cities (or mega-cities) and two South African cities in the top 100 mega-cities: Johannesburg at 89<sup>th</sup> and Cape Town at 98<sup>th</sup>.

In the era of globalisation, the *world city* discourse is intrinsically linked to whether the city has a significant services sector. Financial legal, media and innovation-related services are seen as signs of a strong services economy and used as a gauge of how integrated or 'connected' the city is to the world system. A widely accepted hierarchy of cities based on function is the one developed by the Globalisation and World Cities Research Network (GAWC). The GAWC ranking of world cities mentions three South African cities: Johannesburg, Cape Town and Durban.

Within a country, the criteria for defining a national hierarchy of cities may follow quite a different logic. Although there is no concrete definition for national urban hierarchies, much of the debate focuses on 'primate' and 'secondary' cities, which form the apex of the hierarchy. Defining primate cities helps to define the secondary cities that form the second rung of the urban hierarchy.

The term 'primate city' was first used to describe the city that emerged as the most populous during a country's urbanisation (Jefferson, 1939). Primate cities were typically much larger than their closest rival, and many definitions identify just one primate city in a country – the town with the largest population. Most countries identify just one primate city within their borders – either the capital city (e.g. Paris in France), or the city with the largest population (e.g. New York in the USA). Other countries choose multiple primate cities, often places which have some of the largest populations internationally (such as the mega-cities of Delhi and Mumbai in India) or are much more prominent or influential (economically, politically or culturally) than other urban centres in the country (e.g. São Paulo and Rio de Janeiro in Brazil).

The difference between the largest and second largest city in a country can sometimes be stark. For instance, Lagos is more than three times as large as its closest rival, Kano, and Kinshasa is more than five times as large as Lubumbashi. The notion of primacy becomes easier to understand in national contexts like these.

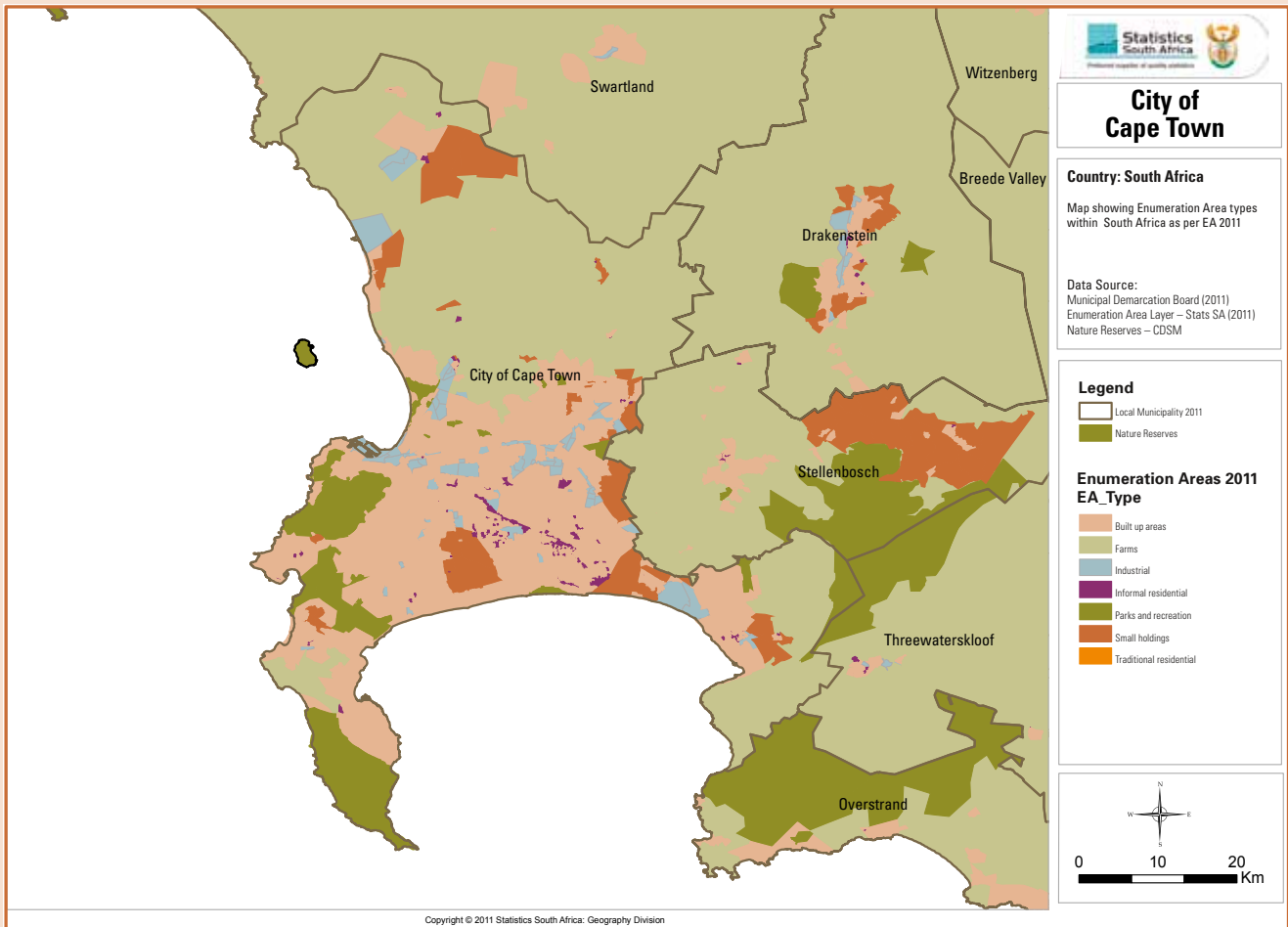
## WHAT IS A CITY?

The term 'city' conjures up an image of a built-up urban area teeming with people, vehicles and sophisticated economic activity, often centred on an historical Central Business District (CBD). However, cities have become more spread out or sprawled, as both people and businesses move out from the core city centre into outlying suburbs, leading to more complex movement patterns of workers and more intricate transport systems. Unlike the traditional city, today's city is an inter-linked functional area made up of multiple towns, interspersed with industrial areas, residential suburbs, informal settlements, green spaces and even farmlands and traditional authority areas.

Terms used to describe this functional area include *urban agglomeration*, *region*, *metropolitan area* or *city-region*. Typically these functional areas contain several traditional cities, each governed by their own municipality, although

not all city-regions have adjusted their administrative (municipal) boundaries to accommodate the entire area. In post-apartheid South Africa, local government (municipal) boundaries were deliberately drawn to capture the linkages between traditional 'cities' and their rural hinterlands, to counter the artificial segregation of spatial activity created through apartheid planning. As a result, many municipal areas in South Africa today have a combination of urban centres, rural villages and traditional authority areas within their boundaries. Even an unquestionably urban area like the City of Cape Town contains significant farmlands ('rural areas') within its municipal boundaries.

In this report, we use the term 'city' to refer to the entire municipal area that is officially recognised by government. It is important to bear this in mind when reading the rest of this report.



## WHAT ARE SECONDARY CITIES?

Secondary cities are seen as important catalysts for more balanced and dispersed growth across the country. As alternative urban centres, they relieve pressure from the country's primate cities, which is especially important in countries where most demographic and economic activity has historically occurred in just one city. They are also catalysts for surrounding areas, acting as markets for agricultural produce, as administrative and service centres, and as links to the primate cities.

Many governments have designed specific national policies aimed at nurturing secondary cities. Indeed, the international spotlight today is on secondary cities because they have the fastest population and economic growth. The World Bank's latest urban and local government strategy, for example, is directed almost exclusively at secondary cities (World Bank, 2009). The European Union is currently funding a major research programme into Europe's secondary cities, with the express intent of finding ways to strengthen them (ESPON 2010, 2011). Private sector think-tanks are also paying increasing attention to secondary cities, seeing them as the principal drivers of global economic growth (McKinsey, 2011).

Secondary cities are today seen as the principal drivers of global economic growth, with the fastest population and economic growth.

## IDENTIFYING SOUTH AFRICA'S SECONDARY CITIES

South Africa does not have an *official* hierarchy of cities, towns and settlements, but three main typologies are in use:

- The Centre for Scientific and Industrial Research (CSIR) uses an area's key characteristics and functional roles to differentiate city-regions, cities, regional service centres, service towns, local niche towns and dense rural settlements.
- The National Spatial Development Perspective (2006) uses economic activity to differentiate highly diversified economic concentrations (e.g. Durban-Pietermaritzburg area), diversified service economy concentrations (e.g. Nelspruit-Bosbokrand area), public and other service economy areas (e.g. Umtata area), and mass-produced and specialised economy concentrations (e.g. Witbank-Secunda area).

- The local government categorisation distinguishes between metropolitan areas and non-metropolitan areas but only provides clear criteria for the former. Two of these categories of municipalities are useful for the purpose of this exercise: metropolitan municipalities (Category A) and local municipalities (Category B).

The South African Cities Network (SACN) regularly issues a *State of the Cities Report (SoCR)*, in which it profiles the nine member cities. The SoCR provides an important barometer of how the country's largest cities are performing and evolving. In response to growing interest in the idea of 'secondary cities', this report extends the conversation to the next tier of South African cities: possible secondary cities. Like all the SACN reports, it is hoped that this report will provide food for thought for policymakers, researchers and the development community in general.

The aim of this report is to stimulate more rigorous thinking on the subject of secondary cities. The intention is to encourage debate rather than provide definite answers; indeed the report poses more questions than answers. Nevertheless, it does consciously attempt to contribute to the following:

- To provoke thinking on the notion of an urban hierarchy: what it consists of, why it matters and what the policy implications are of its adoption.
- To introduce the concept of a second tier of cities within the urban hierarchy – a discussion that is almost completely absent in the current urban agenda.
- To stimulate a discussion on the role that secondary cities could play in the national space economy.
- To reflect on 22 *potential* secondary cities, by applying a limited set of criteria to them.
- To compare these potential secondary cities to the eight existing metropolitan areas using the same criteria.
- To begin a conversation on the types of criteria, or indicators, that South Africans could use to identify secondary cities.
- To flag areas for further research, policy development or data collation.

# ABOUT THIS REPORT

For the purpose of this report, the following assumptions are made about South Africa's secondary cities:

- South Africa has multiple primate cities, defined as the eight current metropolitan areas.
- Potential secondary cities that may be found outside the list (referred to below) are currently governed by a local (Category B) municipality.

The country's secondary cities can be identified in a number of ways. For the purpose of this report, the only quasi-official list of secondary cities available from the South African public sector (the one drawn up by National Treasury) is used as a basis. This list represents a useful starting point to the conversation on potential secondary cities in South Africa.

While the South African debate on secondary cities is hugely under-developed, interest in the subject of metropolitan government in the country is growing. The interest has, arguably, been sparked by the recent declaration of two new metros in the country: Buffalo City and Mangaung. This declaration has led many South African cities (and national policy observers) to question what changes must occur in a town for it to be considered an 'aspiring metro'. Is a 'secondary city' the same as an 'aspiring metro' or do the two types of places offer different opportunities and contribute different things to the national economy?

## CRITERIA FOR 'SECONDARY CITIES'

Because of the under-developed nature of the subject, no official list of secondary cities exists in South Africa. The two quasi-official lists both emanate from National Treasury. The first list consists of 19 cities, selected on the basis of their municipal budget size and draws on previous work<sup>1</sup> that differentiated local municipalities (Category B municipalities) into four sub-categories. The second list forms part of Treasury's draft *Cities Support Programme (CSP)* dated August 2011. It sets out 22 South African cities, including all provincial capitals that are not currently governed by a metropolitan municipality. The CSP does not rank its 22 secondary cities in any order, but is

useful because it goes beyond municipal budget size to look at factors such as population and the size of the economy: Gross Valued Added by Region (GVA-R)<sup>2</sup>. It therefore gets closer to the indicators that define a secondary city.

The list is a useful point to begin a discussion about South African secondary cities. Therefore, this report profiles the 22 cities cited in the *CSP* and does not include collated data on any city outside that list. A more rigorous research exercise into South African secondary cities would collate data on every town in the country and compare their key variables (for example population and economic growth). The results of such an exercise may yield 'secondary cities' that are not found in the list below. However, the limitations of this study mean that it is confined to the list of 22 cities below.

The order of the cities does not constitute any type of ranking at all. They are arranged in alphabetical order, initially per province and then per municipality. Free State, for example, is the first province arranged alphabetically, followed by Gauteng and KwaZulu Natal. Within an individual province, the cities are then arranged in alphabetical order.

City	Major town	District	Province
1 Matjhabeng	Welkom	Lejweleputswa	Free State
2 Emfuleni	Vereeniging	Sedibeng	Gauteng
3 Mogale City	Krugersdorp	West Rand	Gauteng
4 Msunduzi	Pietermaritzburg	Umgungundlovu	KwaZulu Natal
5 Newcastle	–	Amajuba	KwaZulu Natal
6 Umhlathuze	Richards Bay	uThungulu	KwaZulu Natal
7 Lephalale	Ellisras	Waterberg	Limpopo
8 Polokwane	Pietersburg	Capricorn	Limpopo
9 Emalahleni	Witbank	Nkangala	Mpumalanga
10 Govan Mbeki	Secunda	Gert Sibande	Mpumalanga
11 Mbombela	Nelspruit	Ehlanzeni	Mpumalanga
12 Steve Tshwete	Middelburg	Nkangala	Mpumalanga
13 City of Matlosana	Klerksdorp	Dr Kenneth Kaunda	North West
14 Madibeng	Brits	Bojanala Platinum	North West
15 Mafikeng	–	Ngaka Modiri Molema	North West
16 Rustenburg	–	Bojanala Platinum	North West
17 Tlokwe	Potchefstroom	Dr Kenneth Kaunda	North West
18 //Khara Hais	Upington	Siyanda	Northern Cape
19 Sol Plaatje	Kimberley	Frances Baard	Northern Cape
20 Drakenstein	Paarl	Cape Winelands	Western Cape
21 George	–	Eden	Western Cape
22 Stellenbosch	–	Cape Winelands	Western Cape

1 See, for example, early versions of the Municipal Infrastructure Investment Framework (MIIF). The B1–B4 categories of local municipalities mentioned in the MIIF were used in subsequent government documents such as the Local Government Turnaround Strategy. Under these definitions, secondary cities are those areas governed by local municipalities that have a significant budget ('B1' municipalities).

2 GVA-R is the local equivalent of national GDP and describes the output of any sub-national entity (such as provinces or cities).



## OUR SELECTED INDICATORS

The key indicators, used to define whether a town is evolving into a secondary city, are interrogated over a period of at least ten years, in order to get a sense of the city's development.

### Demographics

As most international definitions of secondary cities focus on the size of the population, **city population** figures are an important indicator of whether a town is evolving into a more sophisticated urban centre (or secondary city). The demographic indicator looks at whether a city has been attracting or losing people over the past decade. Population changes can be due to factors such as high (or low) fertility rates, lowered (or increased) mortality rates or inward (or outward) migration.

**Population density** is an equally telling indication of whether a town is evolving into something more akin to an urban agglomeration. Large urban centres tend to house a significant proportion of people within a single square kilometre than, for example, rural farmlands. Population density is calculated by dividing the city population by the city area size and therefore may be affected by either population or boundary changes.

Many analysts also look at the population change *rate* in a city, for example has a city's population doubled over time? While this is a very interesting avenue to explore, this report is aimed at identifying South African secondary cities, and so it is more useful to look at whether a city is attracting a larger **percentage share of the national population** over time.

Due to data and time constraints, this report unfortunately does not cover a demographic profile of the city populace. However, future research into South African secondary cities could ask several useful questions about the nature of the people living in these spaces.

### Economic strength

The size of a city's economy is a key signal that the area is evolving into a strong urban centre. The common term used to indicate the size of an economy is Gross Domestic Product (GDP). Economists use the term Gross Value Added by Region (GVA-R) when talking about the economies of smaller spaces within a country, such as a province or city. This is the term used in this report.

It is also important to look at how significantly the city economy is growing (or declining) over a period of time. Therefore, the report also looks at **economic growth rates** over three periods: 1996–2000, 2000–2005 and 2005–2010, periods that coincide relatively neatly with the term of office for South African local government.

The last economic aspect is the **city's share of national GDP**. In other words, how much does a particular secondary city contribute to the national economy?

### Income levels

**Personal income levels** are an additional important indicator of whether a city is evolving into a sophisticated space that can be considered a secondary city. Personal income includes all the money earned by the people of that city, such as salaries, pensions or other state grants, as well as earnings from properties or other businesses.

In some places, income levels are very high because the city may house a significant proportion of the country's wealthy. Yet, as urban centres tend to attract the poor as well, this masks the fact that huge inequalities may exist *within* the city. Therefore, the report also looks at **income per capita** – an estimation of the income earned by the average person in the city – which gives a more realistic picture of the prosperity of the city's residents. It is calculated by dividing total personal income in a city by the city's population.

### Public finances

Municipal government determines what public infrastructure is built, how well services are delivered, how citizens' priorities are listened to and, most critically, the vision for the city. None of that would be possible without a municipal budget. The report looks at three aspects:

- The **annual total revenue** of a municipality, or how much money the municipality has at its disposal from grants received from national government, user charges on electricity and other services, property rates, traffic fines and so forth.
- How much of that money is generated by the municipality itself – or **own revenue** from service charges and property taxes – as a municipality that does not generate enough of its own income (and is reliant on national government for transfers) is unlikely to be particularly effective in re-shaping its city's destiny.
- How much money does the municipality have at its disposal to spend on each of its citizens, or its **per capita revenue**.

### Employment

An important element of the story of secondary cities, especially in the South African context, should be the city's ability to create jobs. Unfortunately, due to data constraints, only a snapshot of the cities in 2007 is provided.

#### A note on the indicators

Because of time and financial limitations, it was not possible to discuss all the indicators that ideally would have been selected. For example, the city's level of economic diversification, innovation within the city, ease of doing business, municipal governance and built-upness.

# Roadmap to the city profiles

All the city profiles are structured in exactly the same way. Two types of indicators are given. The indicators in purple give an overview of the city's evolution over the past decade and are important for defining whether a town is evolving into a secondary city or not. The other facts are additional indicators that say something useful about the city but do not necessarily define whether a town is evolving into a secondary city.

This document draws principally on data from IHS Global Insight, a private firm whose data is being increasingly used by government departments in public

policy-making. IHS Global Insight data is based on Stats SA data, supplemented with other sources and disaggregated to municipal level. No organisation in South Africa, either in the public or private sector, has a comprehensive set of municipal data that is derived from primary research. This may change with the recent 2011 Census by Statistics SA, but those results won't be released for some time to come. The only comprehensive sources of municipal-level data are to be sourced from private data houses such as IHS Global Insight, our primary source.

## THE CITY'S EVOLUTION

Presents the indicators that are important in defining whether a town is evolving into a secondary city or not.

## DEMOGRAPHICS

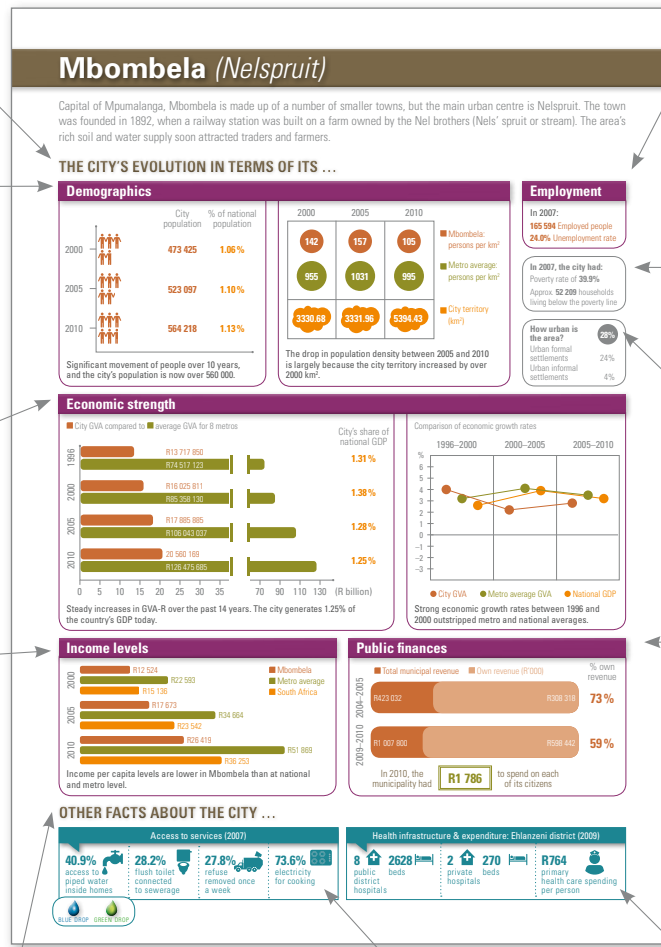
- Has the city been attracting or losing people over the past decade?
  - Is the city's share of the national population growing?
  - Has population density in the city increased or decreased?
- (Source: IHS Global Insight, 2011 and area size figures from Municipal Demarcation Board, 2011)

## ECONOMIC STRENGTH

- Is the city economy growing? (In constant 2005 prices)
- Is the city's share of national GDP increasing?
- How fast is the economy growing? (Source: IHS Global Insight, 2011)

## INCOME LEVELS

- How much does the average person in the city earn? (Current prices) (Source: IHS Global Insight, 2011)



## EMPLOYMENT

- How many people are employed in the city?
- What is the unemployment rate? (Source: Calculations done for the SACN by Dr Michael Aliber (2011), based on Stats SA's 2007 Community Survey and using a poverty line set out in Argent et al., 2009)

## Poverty rate

Presents city poverty rates, as well as the number of households living below the poverty line. (Based on calculations done by Dr Michael Aliber, 2011.)

## How urban is the area?

The extent of urbanisation within a municipal area, based on an independent assessment by Palmer Development Group, using Stats SA's 2001 census results

## PUBLIC FINANCES

- How much money does the municipality receive?
- How much of that income does it generate itself?
- How much money does the municipality have to spend on each of its citizens? (Source: National Treasury, 2011)

## OTHER FACTS ABOUT THE CITY

Presents additional indicators that say something useful about the city.

## Access to services

Based on Stats SA's 2007 Community Survey. Also includes Department of Water Affairs Blue drop (drinking water quality) and Green drop (waste water care works) certification.

## Health infrastructure

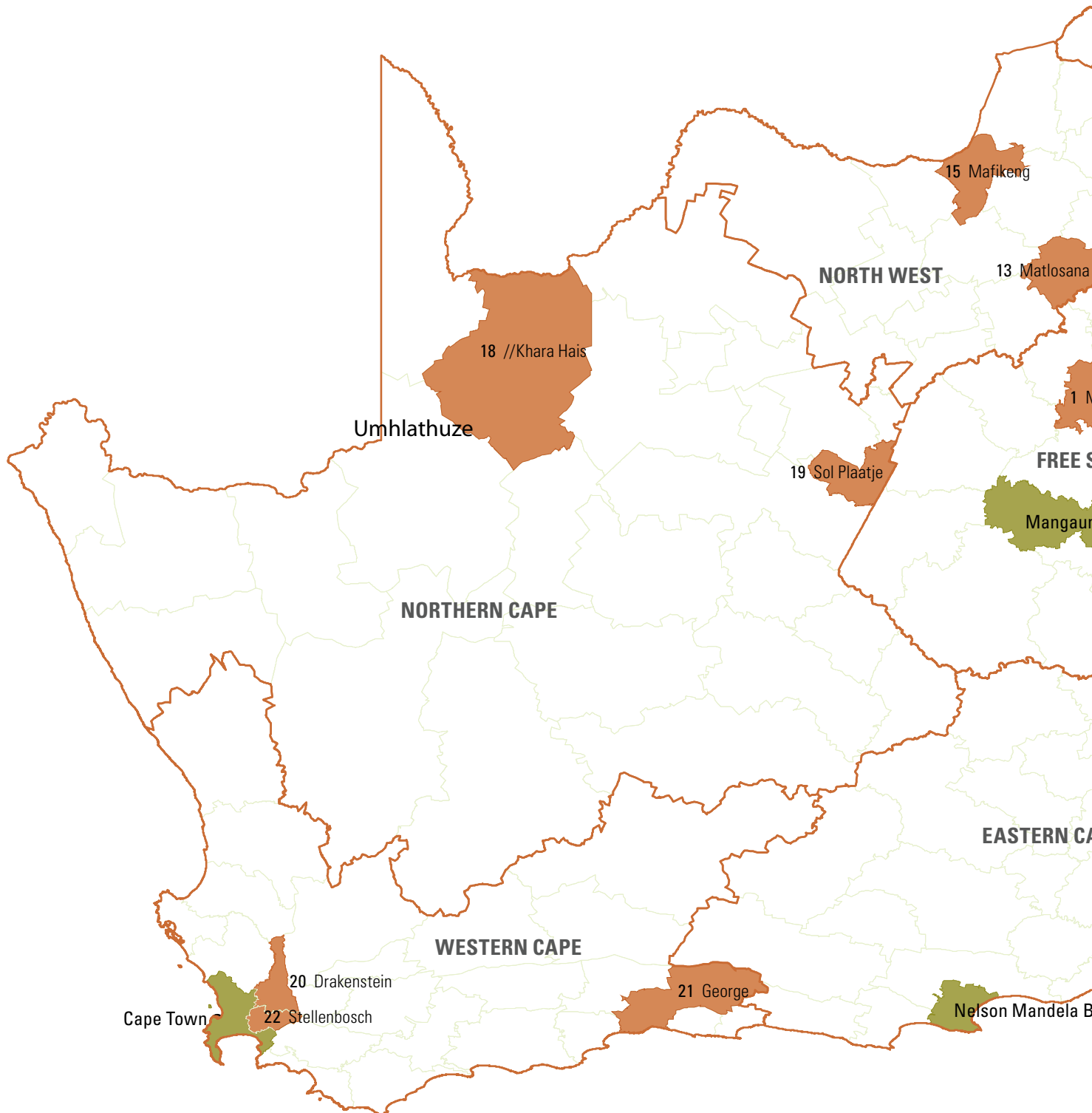
No health statistics are available in South Africa for local municipalities. Therefore, district health stats are presented, sourced from the District Health Barometer 2008/09 produced by the NGO Health Systems Trust and based on official Department of Health statistics.

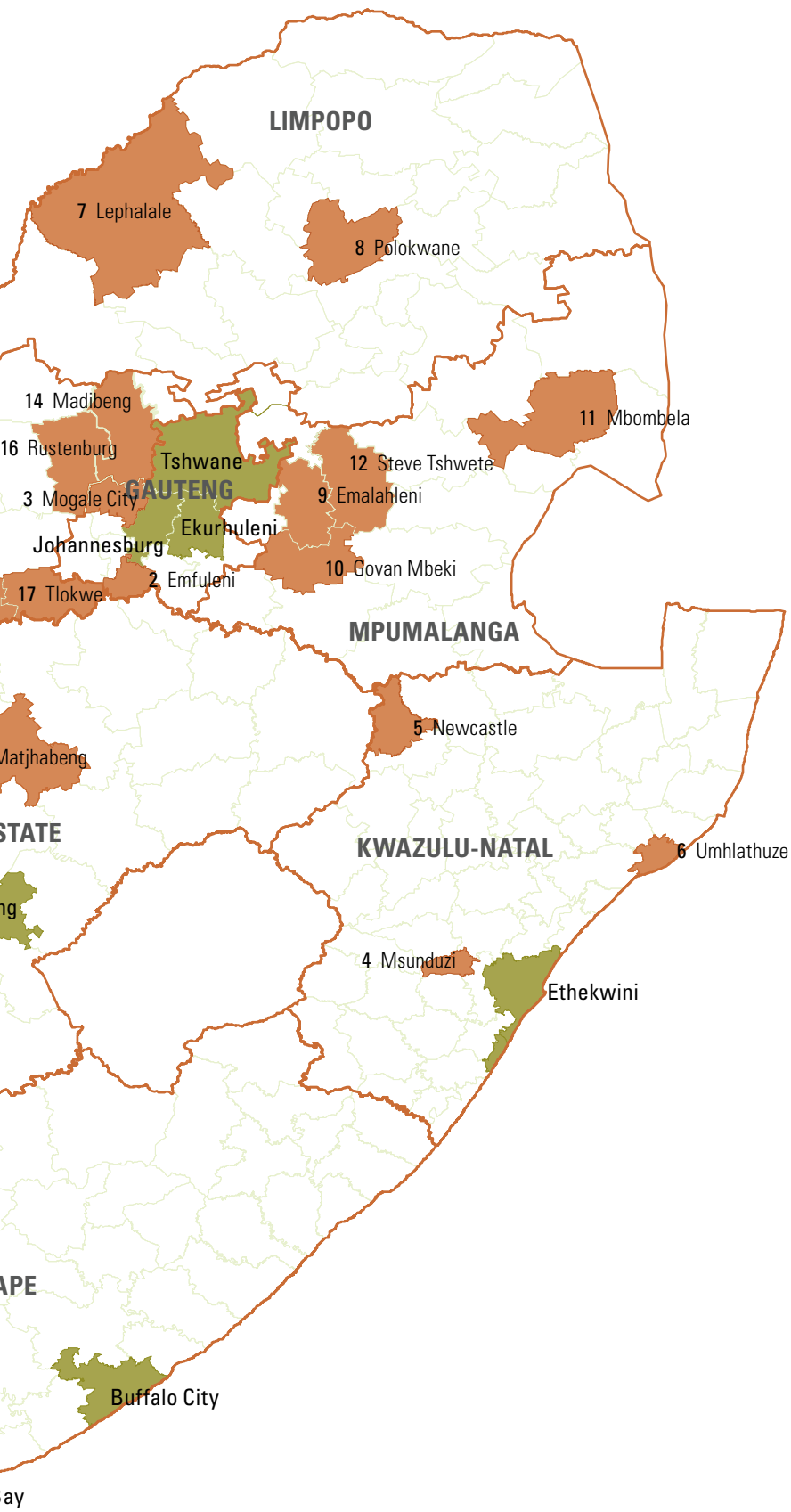
Readers should keep in mind that some of the data is generated through statistical and economic modelling techniques that might result in unintended anomalies in variables.

# Locating the secondary cities

## Legend

- Provincial Boundary
- Municipal Boundary
- Metropolitan Area
- Secondary City





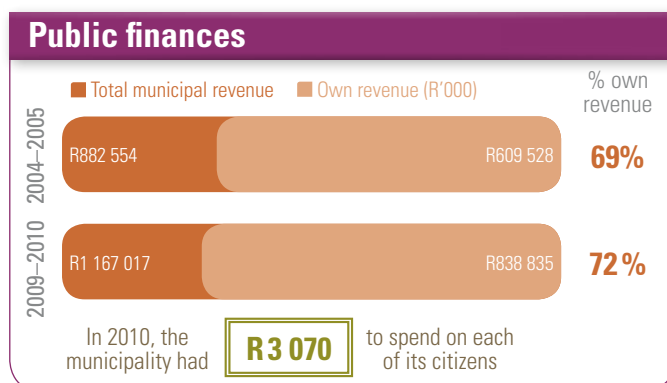
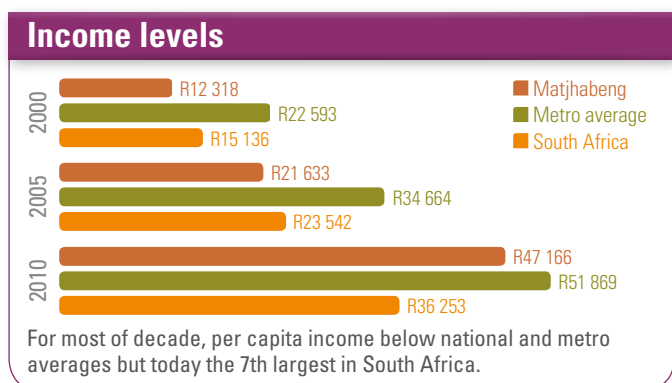
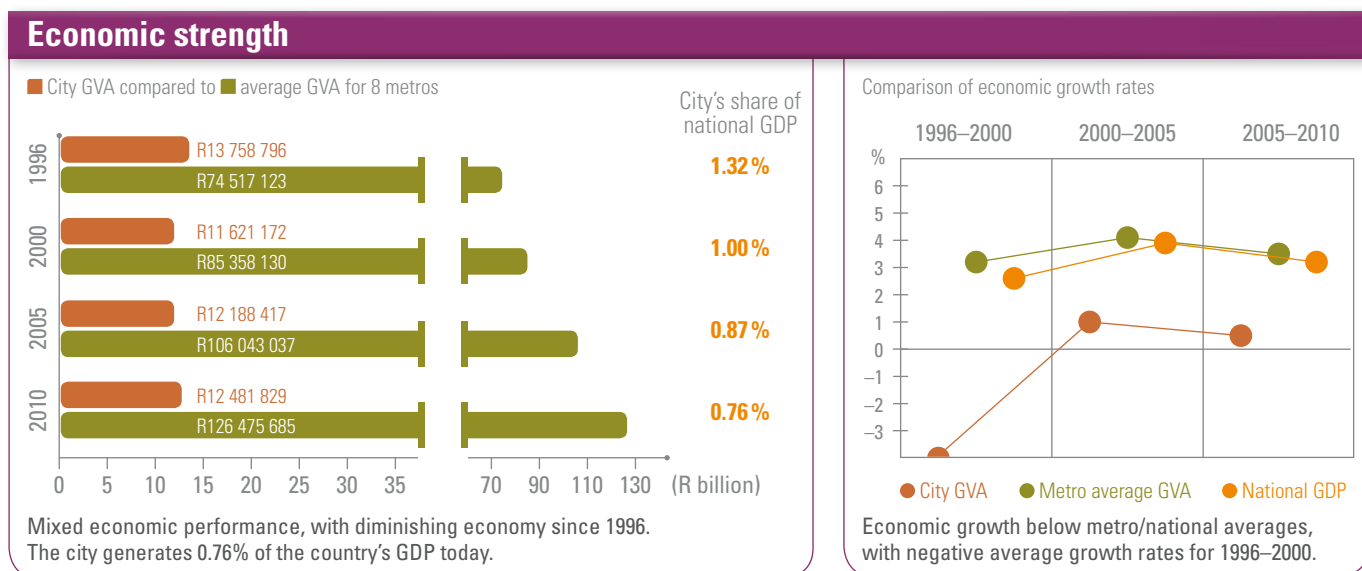
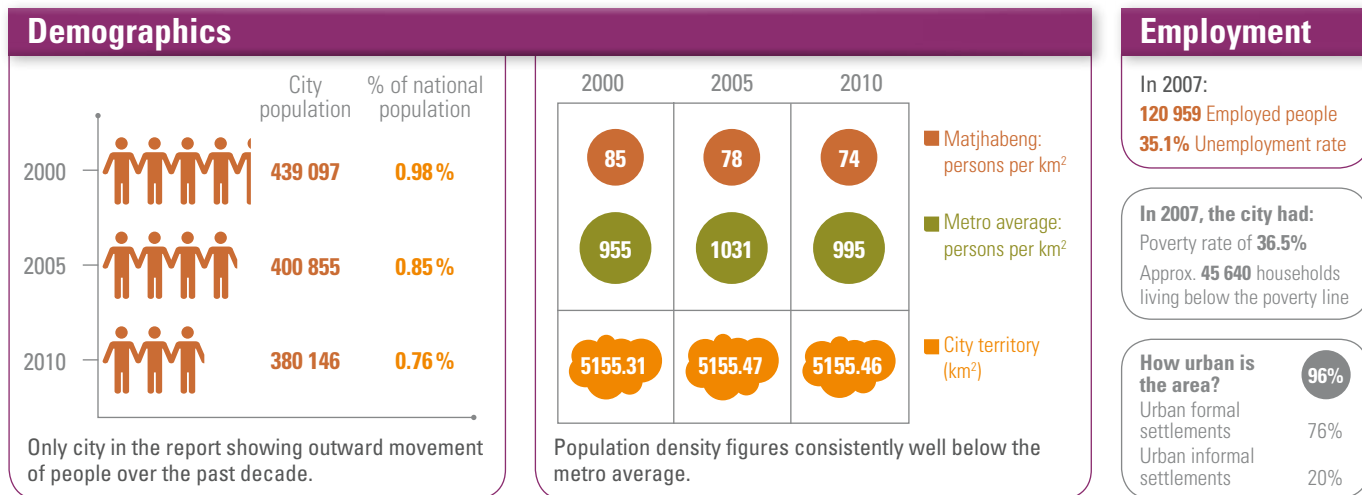
City	Major town	District	
1	Matjhabeng	Welkom	Lejweleputswa
2	Emfuleni	Vereeniging	Sedibeng
3	Mogale City	Krugersdorp	West Rand
4	Msunduzi	Pietermaritzburg	Umgungundlovu
5	Newcastle	–	Amajuba
6	Umhlathuze	Richards Bay	uThungulu
7	Lephalale	Ellisras	Waterberg
8	Polokwane	Pietersburg	Capricorn
9	Emalahleni	Witbank	Nkangala
10	Govan Mbeki	Secunda	Gert Sibande
11	Mbombela	Nelspruit	Ehlanzeni
12	Steve Tshwete	Middelburg	Nkangala
13	City of Matlosana	Klerksdorp	Dr Kenneth Kaunda
14	Madibeng	Brits	Bojanala Platinum
15	Mafikeng	–	Ngaka Modiri Molema
16	Rustenburg	–	Bojanala Platinum
17	Tlokwe	Potchefstroom	Dr Kenneth Kaunda
18	//Khara Hais	Upington	Siyanda
19	Sol Plaatje	Kimberley	Frances Baard
20	Drakenstein	Paarl	Cape Winelands
21	George	–	Eden
22	Stellenbosch	–	Cape Winelands

Metros in South Africa	Major town
Buffalo City	East London
Nelson Mandela Bay	Port Elizabeth
Mangaung	Bloemfontein
City of Johannesburg	Johannesburg
Ekurhuleni	Germiston/Alberton/Kempton
Tshwane	Pretoria
Ethekwini	Durban
Cape Town	Cape Town

# Matjhabeng (Welkom)

In 1946, a rich gold mine was discovered on an insignificant farm called Welkom in the Free State. It attracted hordes of residents, and by 1947 the township of Welkom was declared. Just 65 years later, the city of Matjhabeng is a significant urban centre that sits atop the Witwatersrand gold reefs.

## THE CITY'S EVOLUTION IN TERMS OF ITS ...



## OTHER FACTS ABOUT THE CITY ...





# Emfuleni (Vereeniging)

Emfuleni is where two historical documents were signed: the Vereeniging Peace Treaty (in 1902, marking the end of the second Anglo-Boer war) and South Africa's democratic constitution (in 1996, the official demise of apartheid). Between these two watershed events, the city experienced the tragic massacres of Sharpeville (1960) and Boiopatong (1992).

## THE CITY'S EVOLUTION IN TERMS OF ITS ...

### Demographics

Year	City population	% of national population
2000	667 788	1.49%
2005	665 181	1.40%
2010	675 534	1.36%

Emfuleni currently has the 9<sup>th</sup> largest city population in South Africa.

Year	Emfuleni: persons per km <sup>2</sup>	Metro average: persons per km <sup>2</sup>	City territory (km <sup>2</sup> )
2000	676	955	987.45
2005	674	1031	987.65
2010	699	995	965.89

Emfuleni is the 6<sup>th</sup> most densely populated city in South Africa.

### Employment

In 2007:  
**156 721** Employed people  
**44.8%** Unemployment rate

In 2007, the city had:  
 Poverty rate of **44.1%**  
 Approx. **77 048** households living below the poverty line

How urban is the area? **96%**

- Urban formal settlements: 80%
- Urban informal settlements: 16%

### Economic strength

City GVA compared to average GVA for 8 metros

Year	City GVA (R billion)	Average GVA for 8 metros (R billion)	City's share of national GDP
1996	R13 816 729	R74 517 123	1.32%
2000	R11 305 507	R85 358 130	0.98%
2005	R13 362 940	R106 043 037	0.95%
2010	R14 740 081	R126 475 685	0.9%

Mixed economic performance, but GVA-R has been rising since 2000. The city generates less of the country's GDP today than it did 14 (or even 5) years ago.

#### Comparison of economic growth rates

Legend: ● City GVA ● Metro average GVA ● National GDP

Rapid recovery after 2000 not enough to match the metro and national average growth rates.

### Income levels

Year	Emfuleni	Metro average	South Africa
2000	R13 448	R22 593	R15 136
2005	R21 507	R34 664	R23 542
2010	R35 167	R51 869	R36 253

Emfuleni's per capita income levels have been consistently below the metro average but are close to the national per capita income.

### Public finances

Period	Total municipal revenue (R'000)	Own revenue (R'000)	% own revenue
2004-2005	R1 358 680	R952 118	70%
2009-2010	R2 845 280	R2 030 199	71%

In 2010, the municipality had **R4 212** to spend on each of its citizens

## OTHER FACTS ABOUT THE CITY ...

#### Access to services (2007)

- 75.8%** access to piped water inside homes
- 87.6%** flush toilet connected to sewerage
- 85.2%** refuse removed once a week
- 92.2%** electricity for cooking

#### Health infrastructure & expenditure: Sedibeng district (2009)

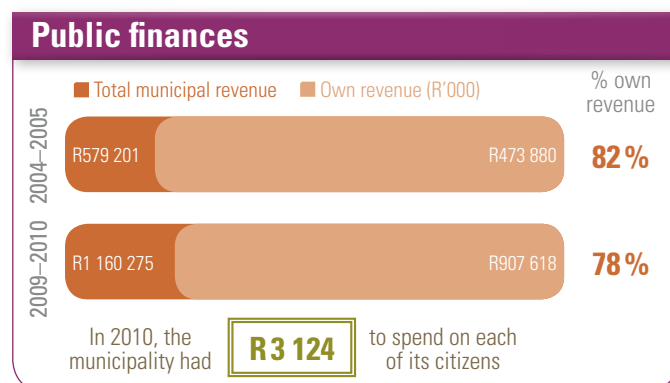
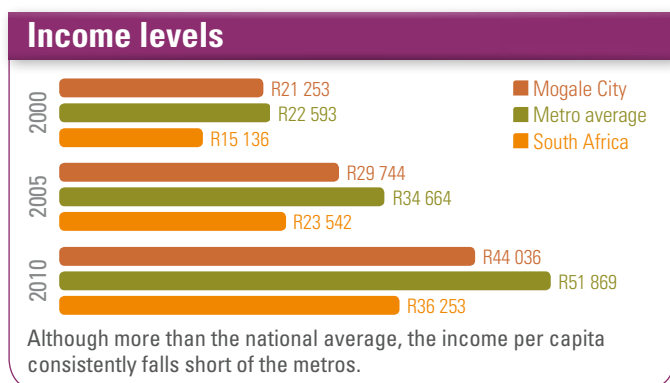
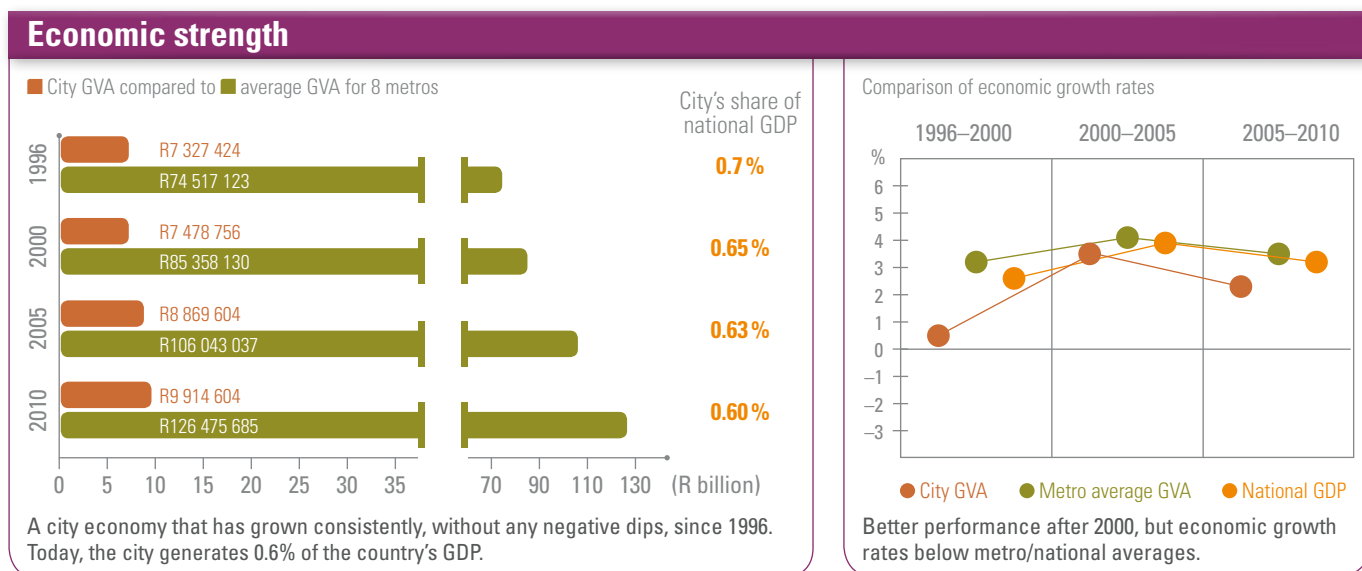
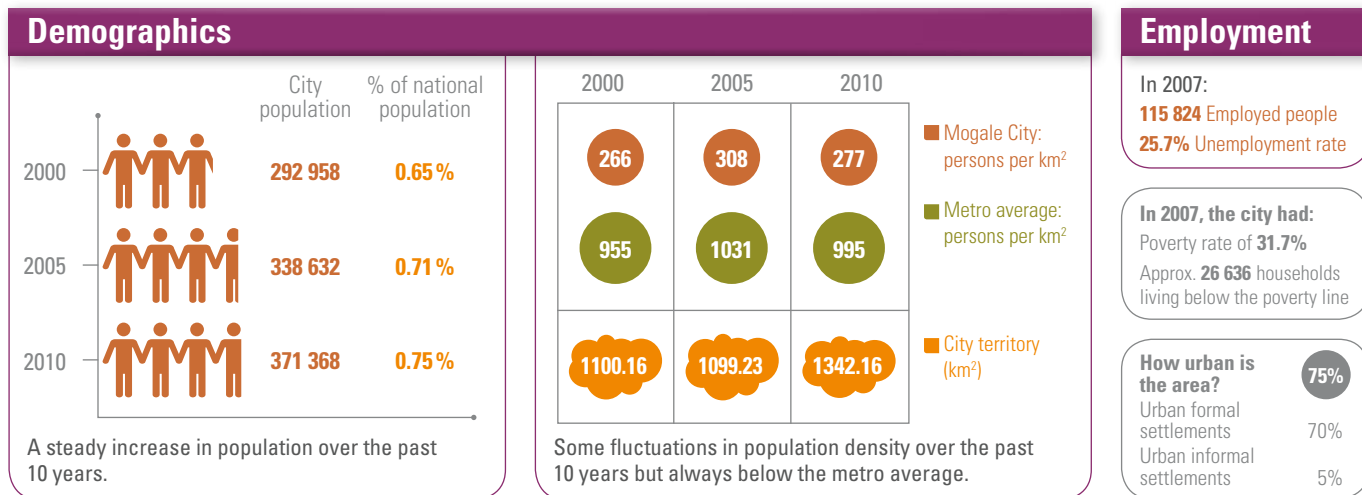
- 2** public district hospitals
- 1083** beds
- 7** private hospitals
- 709** beds
- R578** primary health care spending per person



# Mogale City (Krugersdorp)

Mogale City can trace its history back 3 million years. Known as the Cradle of Humankind, the area contains 15 major fossil sites and is where humans first mastered fire. The city is also home to Mrs Ples (a 2.5 million-year fossil) and Little Foot (a 3.3 million-year skeleton fossil).

## THE CITY'S EVOLUTION IN TERMS OF ITS ...



## OTHER FACTS ABOUT THE CITY ...



# Msunduzi (Pietermaritzburg)

Msunduzi is centred on the town of Pietermaritzburg, which has been a capital city for nearly 200 years: of the Voortrekker Republic of Natalia (1838), then of the British Natal colony (1843) and today of KwaZulu-Natal. Pietermaritzburg's name is derived from Piet Retief and Gert Maritz, two prominent nineteenth-century Voortrekker leaders.

## THE CITY'S EVOLUTION IN TERMS OF ITS ...

### Demographics

Year	City population	% of national population
2000	555 925	1.24%
2005	571 132	1.20%
2010	590 386	1.19%

After solid growth over the decade, Msunduzi is one of the country's most populous cities.

### Employment

In 2007:  
**156 565** Employed people  
**38.5%** Unemployment rate

In 2007, the city had:  
 Poverty rate of **39.5%**  
 Approx. **45 531** households living below the poverty line

How urban is the area? **79%**  
 Urban formal settlements: 57%  
 Urban informal settlements: 22%

Year	2000	2005	2010
Msunduzi: persons per km <sup>2</sup>	858	906	931
Metro average: persons per km <sup>2</sup>	955	1031	995
City territory (km <sup>2</sup> )	647.83	630.43	634.01

The 5<sup>th</sup> most densely populated city in South Africa, Msunduzi is denser than many of the metros.

### Economic strength

City GVA compared to average GVA for 8 metros

Year	City GVA (R billion)	Average GVA for 8 metros (R billion)	City's share of national GDP
1996	R11 683 961	R74 517 123	1.12%
2000	R11 995 668	R85 358 130	1.04%
2005	R14 476 989	R106 043 037	1.03%
2010	R17 025 979	R126 475 685	1.04%

A solid economic performer, the city has risen in the national GVA-R rankings over the past 14 years. The city generates 1.04% of the country's GDP today.

#### Comparison of economic growth rates

With a massive hike after 2000, Msunduzi almost matches metro and national growth averages.

### Income levels

Year	Msunduzi	Metro average	South Africa
2000	R15 634	R22 593	R15 136
2005	R24 446	R34 664	R23 542
2010	R38 242	R51 869	R36 253

Although slightly above than the national average, the income per capita falls short of metro average.

### Public finances

Period	Total municipal revenue (R'000)	Own revenue (R'000)	% own revenue
2004-2005	R1 191 682	R962 408	81%
2009-2010	R2 278 477	R1 572 146	69%

In 2010, the municipality had **R3 859** to spend on each of its citizens

## OTHER FACTS ABOUT THE CITY ...

#### Access to services (2007)

- 59.4%** access to piped water inside homes
- 61.1%** flush toilet connected to sewerage
- 70.6%** refuse removed once a week
- 87.1%** electricity for cooking

#### Health infrastructure & expenditure: Umgungundlovu district (2009)

- 2** public district hospitals
- 3625** beds
- 5** private hospitals
- 447** beds
- R824** primary health care spending per person



# Newcastle

Founded in 1864 and named after the Duke of Newcastle, then British Colonial Secretary of the Cape, Newcastle played an important role in the Anglo-Boer war and is at the centre of the 'KwaZulu Natal Battlefields'. Substantial coal deposits were discovered in the early twentieth century, but today the city is a pre-eminent retail centre.

## THE CITY'S EVOLUTION IN TERMS OF ITS ...

### Demographics

Year	City population	% of national population
2000	297 604	0.66%
2005	322 139	0.68%
2010	342 904	0.69%

This inland town has received about 40 000 new residents over a decade.

### Employment

In 2007:  
**58 482** Employed people  
**48.4%** Unemployment rate

In 2007, the city had:  
 Poverty rate of **50%**  
 Approx. **35 972** households living below the poverty line

How urban is the area? **76%**

- Urban formal settlements: 73%
- Urban informal settlements: 3%

Year	2000	2005	2010
Newcastle: persons per km <sup>2</sup>	160	174	185
Metro average: persons per km <sup>2</sup>	955	1031	995
City territory (km <sup>2</sup> )	1854.59	1855.28	1855.29

Population growth combined with little change in its area size has made Newcastle more densely populated over the past 10 years.

### Economic strength

City GVA compared to average GVA for 8 metros

Year	City GVA (R billion)	Average GVA for 8 metros (R billion)	City's share of national GDP
1996	R4 528 839	R74 517 123	0.43%
2000	R5 299 231	R85 358 130	0.46%
2005	R6 587 087	R106 043 037	0.47%
2010	R7 393 419	R126 475 685	0.45%

The size of the economy has increased steadily over the past 14 years. The city generates 0.45% of the country's GDP – slightly more than 14 years ago.

#### Comparison of economic growth rates

The economy appears to have performed better than metro and national economies up until 2005.

### Income levels

Year	Newcastle	Metro average	South Africa
2000	R11 212	R22 593	R15 136
2005	R16 679	R34 664	R23 542
2010	R25 144	R51 869	R36 253

The per capita income is below metro and national levels.

### Public finances

Period	Total municipal revenue (R'000)	Own revenue (R'000)	% own revenue
2004-2005	R403 887	R345 257	85%
2009-2010	R887 779	R630 297	71%

In 2010, the municipality had **R2 589** to spend on each of its citizens

## OTHER FACTS ABOUT THE CITY ...

### Access to services (2007)

- 47.1%** access to piped water inside homes
- 59.3%** flush toilet connected to sewerage
- 72.9%** refuse removed once a week
- 73.9%** electricity for cooking

### Health infrastructure & expenditure: Amajuba district (2009)

- 1** public district hospitals
- 1410** beds
- 1** private hospitals
- 90** beds
- R660** primary health care spending per person

# Umhlathuze (Richards Bay)

The municipal area of Umhlathuze, in KwaZulu-Natal, centres on the port of Richards Bay, an important gateway for South African exports. Richards Bay is home to the largest deep water port in Africa and the largest export coal terminal in the world. All of South Africa's aluminium is mined in this area.

## THE CITY'S EVOLUTION IN TERMS OF ITS ...

### Demographics

Year	City population	% of national population
2000	273 883	0.61%
2005	354 822	0.75%
2010	410 323	0.82%

The city has attracted more than 136 000 new residents in the past 10 years.

Year	Umhlathuze: persons per km <sup>2</sup>	Metro average: persons per km <sup>2</sup>	City territory (km <sup>2</sup> )
2000	344	955	795.80
2005	447	1031	793.18
2010	517	995	793.17

Despite a relatively significant increase, population density has remained well below the metro average.

### Employment

In 2007:  
**84 385** Employed people  
**35.4%** Unemployment rate

In 2007, the city had:  
 Poverty rate of **35.7%**  
 Approx. **26 998** households living below the poverty line

How urban is the area? **40%**

- Urban formal settlements: 38%
- Urban informal settlements: 2%

### Economic strength

City GVA compared to average GVA for 8 metros

Year	City GVA (R billion)	Average GVA for 8 metros (R billion)	City's share of national GDP
1996	R6 109 078	R74 517 123	0.58%
2000	R7 774 288	R85 358 130	0.67%
2005	R8 762 900	R106 043 037	0.63%
2010	R9 352 082	R126 475 685	0.57%

The economy has been growing solidly over the past 14 years, especially just before the new millennium. The city generates 0.57% of the country's GDP today.

Comparison of economic growth rates

Highest growth rates in the country for 1996–2000 but then slowed to below metro/national averages.

### Income levels

Year	Umhlathuze	Metro average	South Africa
2000	R17 859	R22 593	R15 136
2005	R21 307	R34 664	R23 542
2010	R29 814	R51 869	R36 253

Per capita income was above national average in 2000 but started declining thereafter.

### Public finances

Period	Total municipal revenue (R'000)	Own revenue (R'000)	% own revenue
2004–2005	R629 035	R526 729	84%
2009–2010	R1 287 723	R954 173	74%

In 2010, the municipality had **R3 138** to spend on each of its citizens

## OTHER FACTS ABOUT THE CITY ...

### Access to services (2007)

- 48.7%** access to piped water inside homes
- 43.0%** flush toilet connected to sewerage
- 42.9%** refuse removed once a week
- 84.9%** electricity for cooking

### Health infrastructure & expenditure: uThungulu district (2009)

- 6** public district hospitals
- 2122** beds
- 2** private hospitals
- 301** beds
- R1 035** primary health care spending per person



# Lephalale (Ellisras)

Lephalale in the Waterberg area is home to an estimated 55% of South Africa's coal reserves and to the world's largest opencast coal mine at Grootegeluk. Eskom has invested R98.9 billion to build the Medupi power station, which will be one of the world's largest dry-cooled coal power stations and could possibly double Lephalale's GVA-R.

## THE CITY'S EVOLUTION IN TERMS OF ITS ...

### Demographics

Year	City population	% of national population
2000	87 003	0.19%
2005	105 149	0.22%
2010	123 836	0.25%

A relatively small city population that has grown steadily over the past 10 years.

### Employment

In 2007:  
**16 273** Employed people  
**31.1%** Unemployment rate

In 2007, the city had:  
 Poverty rate of **32.8%**  
 Approx. **7 577** households living below the poverty line

How urban is the area? **22%**  
 Urban formal settlements: 22%  
 Urban informal settlements: 0%

Year	Lephalale: persons per km <sup>2</sup>	Metro average: persons per km <sup>2</sup>	City territory (km <sup>2</sup> )
2000	4	955	19605.19
2005	5	1031	19601.42
2010	9	995	13784.20

Lephalale is one of the two least dense cities profiled in this report, mainly because it covers a larger geographical territory than most other cities.

### Economic strength

City GVA compared to average GVA for 8 metros

Year	City GVA (R billion)	Average GVA for 8 metros (R billion)	City's share of national GDP
1996	R1 718 772	R74 517 123	0.16%
2000	R1 861 160	R85 358 130	0.16%
2005	R2 128 836	R106 043 037	0.15%
2010	R2 462 852	R126 475 685	0.15%

A modest economy that has seen steady growth since 1996. The city generates 0.15% of the country's GDP today.

#### Comparison of economic growth rates

Steadily rising economic growth rates but well below the metro and national averages.

### Income levels

Year	Lephalale	Metro average	South Africa
2000	R11 924	R22 593	R15 136
2005	R14 952	R34 664	R23 542
2010	R21 453	R51 869	R36 253

Despite increases over the decade, currently the lowest per capita earnings in the country.

### Public finances

Period	Total municipal revenue (R'000)	Own revenue (R'000)	% own revenue
2004-2005	R85 040	R54 322	64%
2009-2010	R174 950	R90 111	52%

In 2010, the municipality had **R1 413** to spend on each of its citizens

## OTHER FACTS ABOUT THE CITY ...

### Access to services (2007)

- 31.0%** access to piped water inside homes
- 30.4%** flush toilet connected to sewerage
- 25.8%** refuse removed once a week
- 47.0%** electricity for cooking

### Health infrastructure & expenditure: Waterberg district (2009)

- 7** public district hospitals
- 949** beds
- 5** private hospitals
- 204** beds
- R1 010** primary health care spending per person

# Polokwane (Pietersburg)

Often referred to as the gateway to the north, Polokwane is strategically located on the Great North Road that leads into our neighbouring countries in Southern Africa. The road was originally formed by Voortrekker ox wagons leaving Pretoria. The Zion Christian Church's headquarters lie on the outskirts of the city in Moria.

## THE CITY'S EVOLUTION IN TERMS OF ITS ...

### Demographics

Year	City population	% of national population
2000	495 403	1.11%
2005	569 911	1.20%
2010	638 339	1.28%

Polokwane is the 10<sup>th</sup> most populous city in the country.

Year	2000	2005	2010
Polokwane: persons per km <sup>2</sup>	131	151	170
Metro average: persons per km <sup>2</sup>	955	1031	995
City territory (km <sup>2</sup> )	3775.16	3775.04	3765.98

Although Polokwane is becoming more densely populated, growth remains well below the metro average.

### Employment

In 2007:  
**117 804** Employed people  
**37.2%** Unemployment rate

In 2007, the city had:  
 Poverty rate of **43%**  
 Approx. **53 942** households living below the poverty line

How urban is the area? **37%**  
 Urban formal settlements: 32%  
 Urban informal settlements: 5%

### Economic strength

City GVA compared to average GVA for 8 metros

Year	City GVA (R billion)	Average GVA for 8 metros (R billion)	City's share of national GDP
1996	R9 437 686	R74 517 123	0.90%
2000	R11 609 530	R85 358 130	1.00%
2005	R13 578 920	R106 043 037	0.97%
2010	R17 787 952	R126 475 685	1.08%

Consistent increases in GVA-R, especially in recent years. The city generates 1.08% of the country's GDP today, more than 14 years ago.

### Comparison of economic growth rates

Since 1996, strong economic performance, at times outstripping national and metro averages.

### Income levels

Year	Polokwane	Metro average	South Africa
2000	R12 634	R22 593	R15 136
2005	R17 820	R34 664	R23 542
2010	R27 556	R51 869	R36 253

Despite strong economic growth, per capita income is below metro and national averages.

### Public finances

Period	Total municipal revenue (R'000)	Own revenue (R'000)	% own revenue
2004-2005	R599 481	R401 267	67%
2009-2010	R1 390 432	R715 416	51%

In 2010, the municipality had **R2 178** to spend on each of its citizens

## OTHER FACTS ABOUT THE CITY ...

### Access to services (2007)

- 31.2%** access to piped water inside homes
- 33.7%** flush toilet connected to sewerage
- 36.3%** refuse removed once a week
- 62.0%** electricity for cooking

### Health infrastructure & expenditure: Capricorn district (2009)

- 7** public district hospitals
- 2344** beds
- 1** private hospitals
- 186** beds
- R1 129** primary health care spending per person



# Emalaheni (Witbank)

Emalaheni means the 'place of coal', an appropriate name for the city. Early travellers discovered significant coal deposits, which were only fully exploited when Paul Kruger built a railway line in 1894. Initially dependent on coal, steel and electricity, the city's economy has diversified to become one of the strongest in the country.

## THE CITY'S EVOLUTION IN TERMS OF ITS ...

### Demographics

Year	City population	% of national population
2000	281 721	0.63%
2005	329 287	0.69%
2010	365 349	0.73%

About 85 000 new people have moved to Emalaheni in the past decade.

### Employment

In 2007:  
**147 089** Employed people  
**29.9%** Unemployment rate

In 2007, the city had:  
 Poverty rate of **34.6%**  
 Approx. **31 076** households living below the poverty line

How urban is the area? **85%**  
 Urban formal settlements: 69%  
 Urban informal settlements: 16%

Year	2000	2005	2010
Emalaheni: persons per km <sup>2</sup>	105	123	136
Metro average: persons per km <sup>2</sup>	955	1031	995
City territory (km <sup>2</sup> )	2673.03	2673.35	2677.61

Emalaheni has become more densely populated over the past decade, but its growth isn't even remotely comparable to the metro average.

### Economic strength

City GVA compared to average GVA for 8 metros

Year	City GVA (R billion)	Average GVA for 8 metros (R billion)	City's share of national GDP
1996	R13 048 899	R74 517 123	1.25%
2000	R14 594 563	R85 358 130	1.26%
2005	R18 080 752	R106 043 037	1.29%
2010	R19 555 821	R126 475 685	1.19%

Consistent increases in Emalaheni's GVA-R, with some slowing down between 2005 and 2010. The city generates 1.19% of the country's GDP today.

Comparison of economic growth rates

Between 2000 and 2005, economic growth rates higher than national and metro averages, but slowed down.

### Income levels

Year	Emalaheni	Metro average	South Africa
2000	R21 397	R22 593	R15 136
2005	R30 952	R34 664	R23 542
2010	R44 856	R51 869	R36 253

Income per capita is higher than the national but lower than the metro average.

### Public finances

Period	Total municipal revenue (R'000)	Own revenue (R'000)	% own revenue
2004-2005	R472 829	R400 328	85%
2009-2010	R1 057 138	R742 765	70%

In 2010, the municipality had **R2 893** to spend on each of its citizens

## OTHER FACTS ABOUT THE CITY ...

### Access to services (2007)

- 45.7% access to piped water inside homes
- 57.8% flush toilet connected to sewerage
- 56.9% refuse removed once a week
- 56.4% electricity for cooking

### Health infrastructure & expenditure: Nkangala district (2009)

- 7 public district hospitals
- 1029 beds
- 3 private hospitals
- 503 beds
- R642 primary health care spending per person

# Govan Mbeki (Secunda)

Govan Mbeki is an amalgamation of small towns in Mpumalanga, with Secunda as its main centre. Secunda began as a 'company town' when it was built in the 1980s to accommodate workers from Sasol, a world leader in oil-from-coal extraction. Thanks to the expansion of the oil-to-coal plants, the city has grown substantially.

## THE CITY'S EVOLUTION IN TERMS OF ITS ...

### Demographics

Year	City population	% of national population
2000	245 025	0.55%
2005	282 248	0.60%
2010	309 628	0.62%

Since 2000, Govan Mbeki has steadily attracted more people.

### Employment

In 2007:  
**99 201** Employed people  
**27.1%** Unemployment rate

In 2007, the city had:  
 Poverty rate of **27%**  
 Approx. **19 511** households living below the poverty line

How urban is the area? **90%**  
 Urban formal settlements: 69%  
 Urban informal settlements: 21%

	2000	2005	2010
Govan Mbeki: persons per km <sup>2</sup>	83	95	105
Metro average: persons per km <sup>2</sup>	955	1031	995
City territory (km <sup>2</sup> )	2958.96	2958.95	2954.69

Population density has increased over the past decade but falls short of the metro average.

### Economic strength

City GVA compared to average GVA for 8 metros

Year	City GVA (R billion)	Average GVA for 8 metros (R billion)	City's share of national GDP
1996	R12 970 968	R74 517 123	1.24%
2000	R15 547 995	R85 358 130	1.34%
2005	R17 424 734	R106 043 037	1.24%
2010	R19 949 096	R126 475 685	1.22%

The city's GVA-R has increased steadily since 1996. The city generates 1.22% of the country's GDP today.

#### Comparison of economic growth rates

● City GVA ● Metro average GVA ● National GDP

Strong economic growth exceeding national and metro averages with some fluctuations after 2000.

### Income levels

Year	Govan Mbeki	Metro average	South Africa
2000	R19 465	R22 593	R15 136
2005	26 447	R34 664	R23 542
2010	R37 880	R51 869	R36 253

Per capita income levels are higher than the national average but lower than the metro average.

### Public finances

Period	Total municipal revenue (R'000)	Own revenue (R'000)	% own revenue
2004-2005	R486 410	R347 070	71%
2009-2010	R742 748	R584 297	79%

In 2010, the municipality had **R2 399** to spend on each of its citizens

## OTHER FACTS ABOUT THE CITY ...

### Access to services (2007)

- 56.4%** access to piped water inside homes
- 84.9%** flush toilet connected to sewerage
- 82.9%** refuse removed once a week
- 71.7%** electricity for cooking

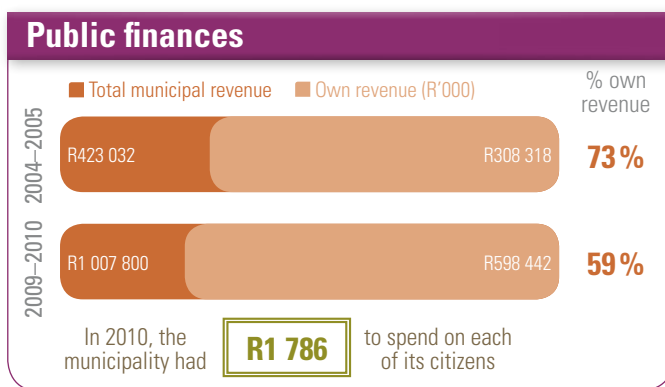
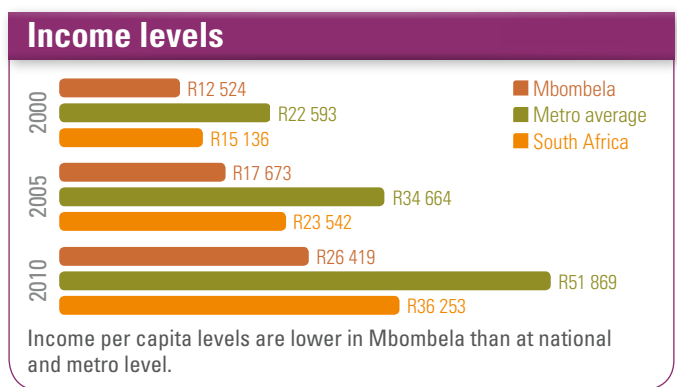
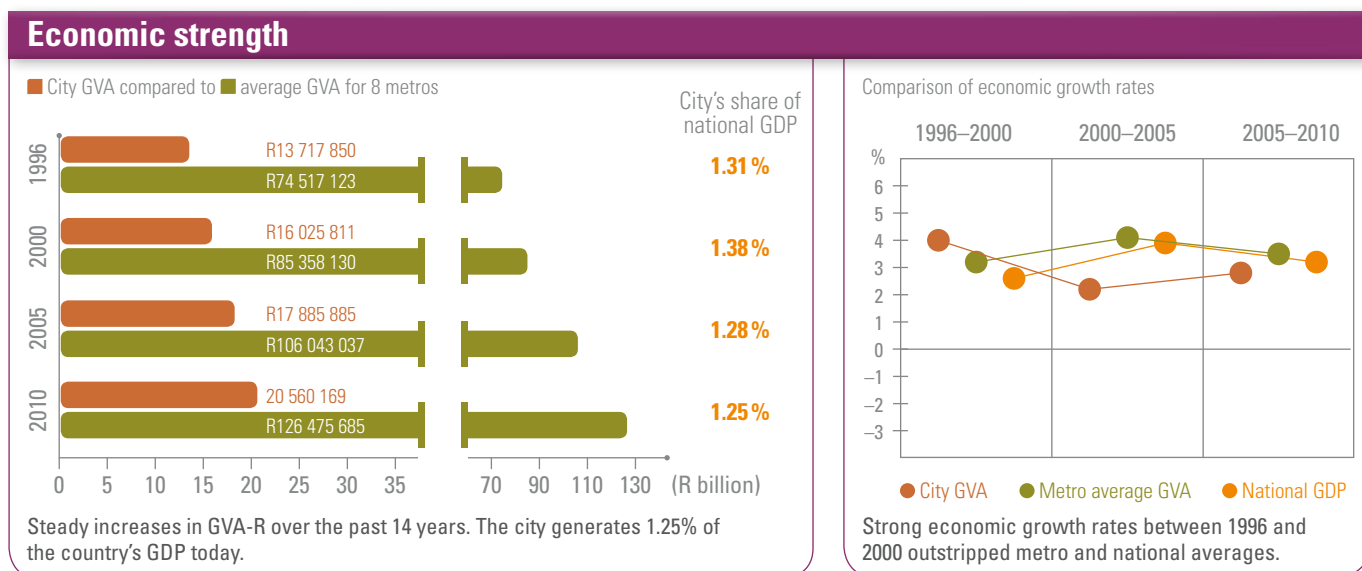
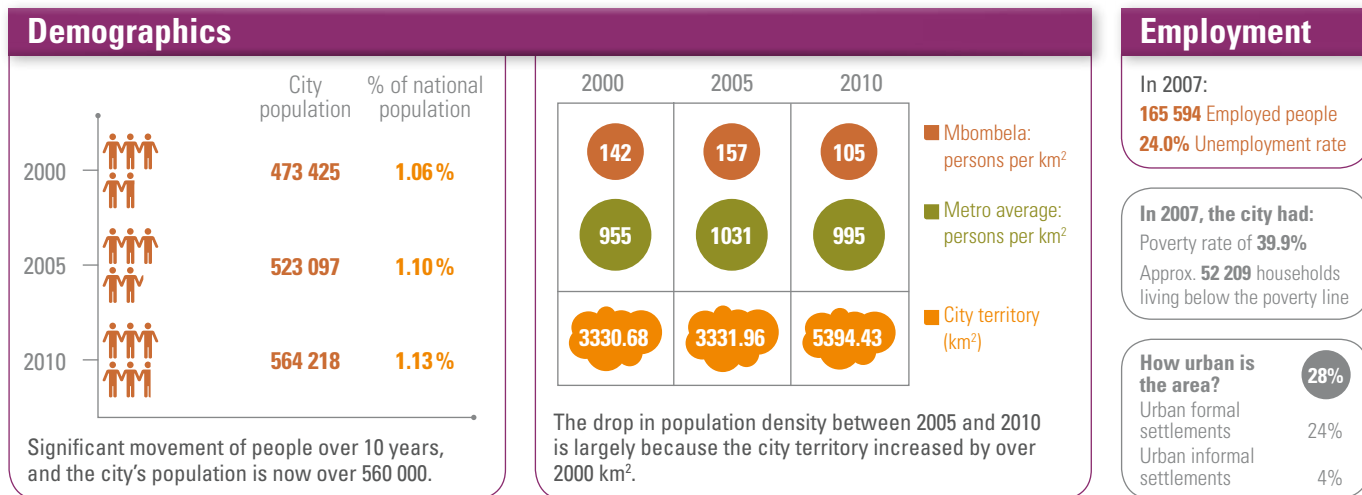
### Health infrastructure and expenditure: Gert Sibande district (2009)

- 8** public district hospitals
- 1387** beds
- 3** private hospitals
- 285** beds
- R887** primary health care spending per person

# Mbombela (Nelspruit)

Capital of Mpumalanga, Mbombela is made up of a number of smaller towns, but the main urban centre is Nelspruit. The town was founded in 1892, when a railway station was built on a farm owned by the Nel brothers (Nels' spruit or stream). The area's rich soil and water supply soon attracted traders and farmers.

## THE CITY'S EVOLUTION IN TERMS OF ITS ...



## OTHER FACTS ABOUT THE CITY ...





# Steve Tshwete (Middelburg)

The municipal area of Steve Tshwete covers a number of towns, including Middelburg and Hendrina. Middelburg, the urban core, was established in 1864 by the Voortrekkers, who named the town Nasareth. It later became known as Middelburg (middle town) because of its location halfway between Pretoria, then capital of the Transvaal, and Lydenburg.

## THE CITY'S EVOLUTION IN TERMS OF ITS ...

### Demographics

Year	City population	% of national population
2000	148 231	0.33%
2005	161 852	0.34%
2010	174 100	0.35%

Population has grown relatively substantially since 2000.

### Employment

In 2007:  
**67 594** Employed people  
**23.8%** Unemployment rate

In 2007, the city had:  
 Poverty rate of **26.5%**  
 Approx. **11 155** households living below the poverty line

How urban is the area? **78%**

- Urban formal settlements: 68%
- Urban informal settlements: 10%

	2000	2005	2010
Steve Tshwete: persons per km <sup>2</sup>	37	41	44
Metro average: persons per km <sup>2</sup>	955	1031	995
City territory (km <sup>2</sup> )	3977.26	3976.45	3976.45

Population density has increased only marginally and remains much lower than the metro average in the country.

### Economic strength

City GVA compared to average GVA for 8 metros

Year	City GVA (R billion)	Average GVA for 8 metros (R billion)	City's share of national GDP
1996	R10 100 935	R74 517 123	0.97%
2000	R12 022 851	R85 358 130	1.04%
2005	R14 379 062	R106 043 037	1.03%
2010	R16 204 036	R126 475 685	0.99%

Relatively good performance compared to other cities with consistent increases in GVA-R since 1996. The city generates 0.99% of the country's GDP today.

#### Comparison of economic growth rates

Very strong growth rates, particularly 1996-2000, and highly robust local economy.

### Income levels

Year	Steve Tshwete	Metro average	South Africa
2000	R25 905	R22 593	R15 136
2005	R37 590	R34 664	R23 542
2010	R51 883	R51 869	R36 253

Per capita income consistently higher than national and metro averages.

### Public finances

Period	Total municipal revenue (R'000)	Own revenue (R'000)	% own revenue
2004-2005	R347 719	R264 341	76%
2009-2010	R564 063	R419 005	74%

In 2010, the municipality had **R3 240** to spend on each of its citizens

## OTHER FACTS ABOUT THE CITY ...

#### Access to services (2007)

- 60.5%** access to piped water inside homes
- 78.1%** flush toilet connected to sewerage
- 77.7%** refuse removed once a week
- 77.0%** electricity for cooking

#### Health infrastructure and expenditure: Nkangala district (2009)

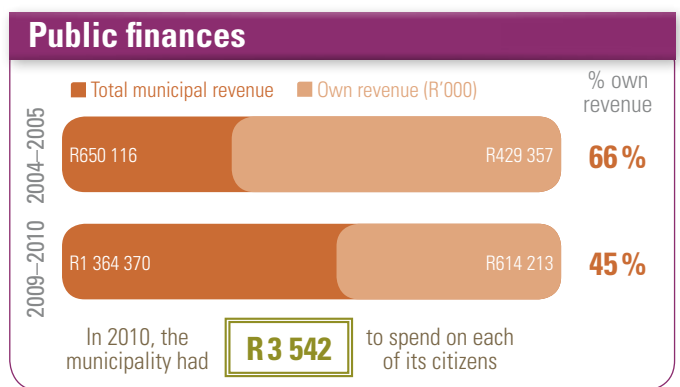
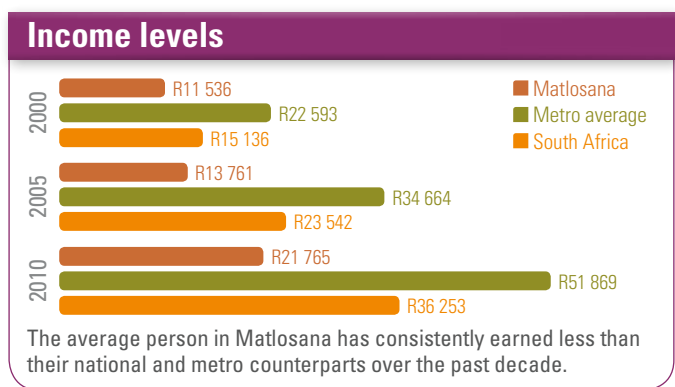
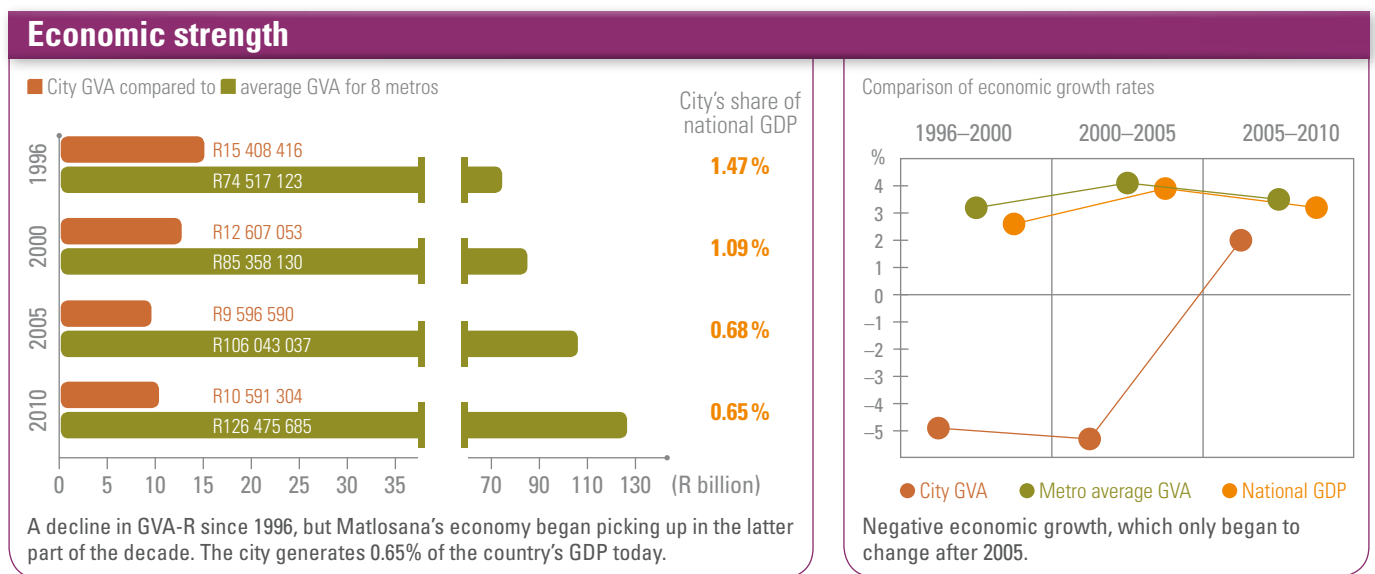
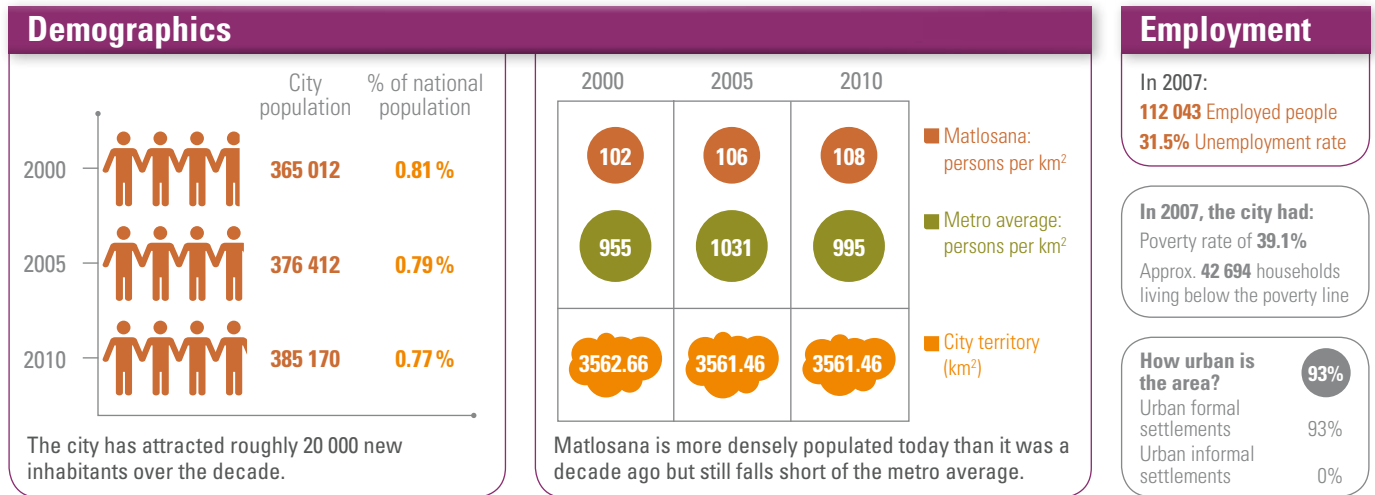
- 7** public district hospitals
- 1029** beds
- 3** private hospitals
- 503** beds
- 642** primary health care spending per person



# City of Matlosana (Klerksdorp)

Klerksdorp, the heart of the City of Matlosana, was established as a town in the 1830s when the Voortrekkers settled there. In 1886 the discovery of gold in the area and in the Witwatersrand 160 km away sparked a gold rush. The area's more ancient history can be seen in the 30 000 year old San rock engravings at Bosworth Farm.

## THE CITY'S EVOLUTION IN TERMS OF ITS ...



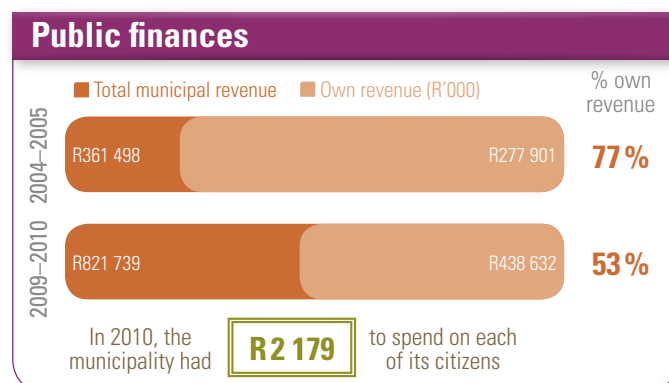
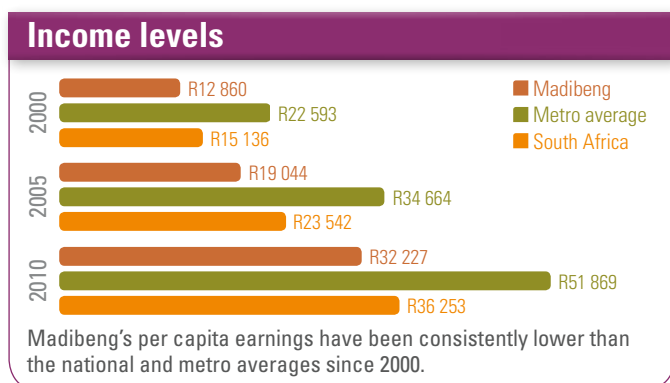
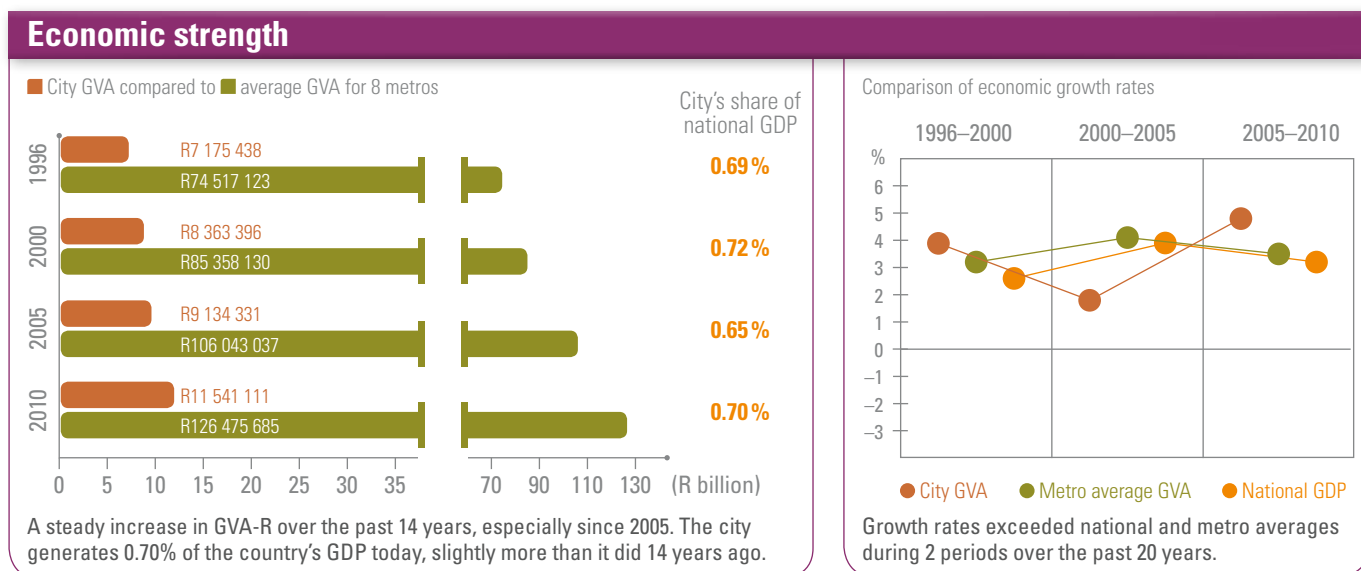
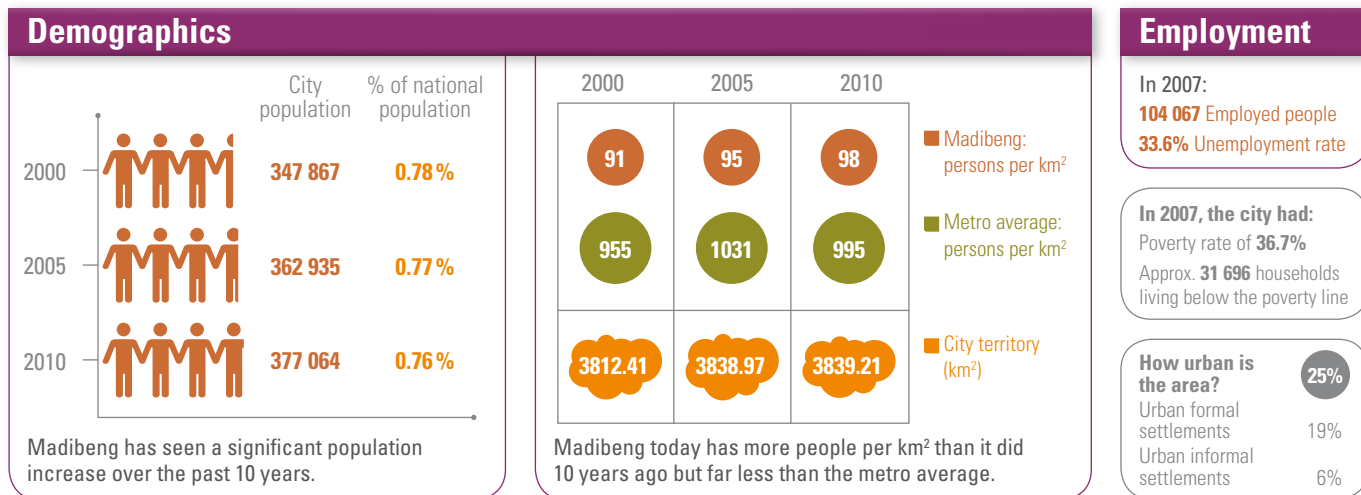
## OTHER FACTS ABOUT THE CITY ...



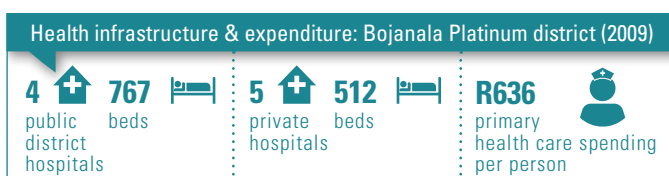
# Madibeng (Brits)

With strong agriculture and mining sectors, Madibeng is situated in the North West province. Brits, its main urban centre, was founded in 1924 and lies in a fertile citrus producing region. The Rustenburg–Brits area is the world's leading platinum producing area, giving the North West province its nomenclature as the platinum province.

## THE CITY'S EVOLUTION IN TERMS OF ITS ...



## OTHER FACTS ABOUT THE CITY ...



# Mafikeng

Mafikeng became the capital of the North West province in 1994 and boasts a rich history. The Khoi and San lived here for thousands of years. The migration of the Tswana societies in the early 19<sup>th</sup> century saw the settlement of the Barolong Boo Ratshidi section who named the place Mahikeng (later changed to Mafikeng).

## THE CITY'S EVOLUTION IN TERMS OF ITS ...

### Demographics

Year	City population	% of national population
2000	258 898	0.58%
2005	273 279	0.58%
2010	286 946	0.58%

Steady increase making Mafikeng one of the three most populous cities in the North West.

### Employment

In 2007:  
**53 769** Employed people  
**42.8%** Unemployment rate

In 2007, the city had:  
 Poverty rate of **51.6%**  
 Approx. **33 272** households living below the poverty line

How urban is the area? **27%**

- Urban formal settlements: 27%
- Urban informal settlements: 0%

Year	2000	2005	2010
Mafikeng: persons per km <sup>2</sup>	70	74	78
Metro average: persons per km <sup>2</sup>	955	1031	995
City territory (km <sup>2</sup> )	3693.43	3698.45	3698.44

Population density in Mafikeng has increased over time but has not matched the pace set by the metro average.

### Economic strength

City GVA compared to average GVA for 8 metros

Year	City GVA (R billion)	Average GVA for 8 metros (R billion)	City's share of national GDP
1996	R6 482 788	R74 517 123	0.62%
2000	R5 783 052	R85 358 130	0.50%
2005	R6 660 621	R106 043 037	0.48%
2010	R8 110 226	R126 475 685	0.49%

A slight dip in GVA-R between 1996–2000, but the Mafikeng economy has been growing steadily since then. The city generates 0.49% of the country's GDP today.

Comparison of economic growth rates

Negative economic growth before 2000 but the economy has recovered.

### Income levels

Year	Mafikeng	Metro average	South Africa
2000	R10 455	R22 593	R15 136
2005	R16 414	R34 664	R23 542
2010	R25 317	R51 869	R36 253

The average person in Mafikeng earns less than national and metro averages.

### Public finances

Period	Total municipal revenue (R'000)	Own revenue (R'000)	% own revenue
2004–2005	R154 487	R109 707	71%
2009–2010	R360 381	R205 596	57%

In 2010, the municipality had **R1 256** to spend on each of its citizens

## OTHER FACTS ABOUT THE CITY ...

### Access to services (2007)

- 21.5%** access to piped water inside homes
- 22.6%** flush toilet connected to sewerage
- 19.6%** refuse removed once a week
- 66.0%** electricity for cooking

### Health infrastructure & expenditure: Ngaka Modiri Molema district (2009)

- 5** public district hospitals
- 1370** beds
- 1** private hospitals
- 93** beds
- R958** primary health care spending per person

# Rustenburg

Founded in 1851, Rustenburg was home to Paul Kruger. However, before the Voortrekkers arrived, the area was inhabited by agrarian Setswana-speaking people for several hundred years. In 1929 platinum was discovered in Rustenburg, and today the area, together with Brits, produces 94% of South Africa's platinum and is the world's leading producer of the mineral.

## THE CITY'S EVOLUTION IN TERMS OF ITS ...

### Demographics

Year	City population	% of national population
2000	379 947	0.85%
2005	437 791	0.92%
2010	475 232	0.95%

After decade-long growth Rustenburg has the largest city population in the North West province.

Year	2000	2005	2010
Rustenburg: persons per km <sup>2</sup>	109	128	139
Metro average: persons per km <sup>2</sup>	955	1031	995
City territory (km <sup>2</sup> )	3491.91	3423.25	3423.26

Rustenburg is more densely populated than it was 10 years ago, but its growth has been well below the metro average.

### Employment

In 2007:  
**161 753** Employed people  
**28.2%** Unemployment rate

In 2007, the city had:  
 Poverty rate of **25.8%**  
 Approx. **33 399** households living below the poverty line

How urban is the area? **47%**

- Urban formal settlements: 45%
- Urban informal settlements: 2%

### Economic strength

City GVA compared to average GVA for 8 metros

Year	City GVA (R billion)	Average GVA for 8 metros (R billion)	City's share of national GDP
1996	R18 210 499	R74 517 123	1.74%
2000	R21 180 246	R85 358 130	1.83%
2005	R30 703 977	R106 043 037	2.19%
2010	R32 792 742	R126 475 685	2.00%

A very strong city economy, with consistent and substantial increases in GVA-R over the past 14 years. The city generates 2% of the country's GDP today.

Comparison of economic growth rates

Very strong economic growth rates, making this the 7<sup>th</sup> largest city economy in the country today.

### Income levels

Year	Rustenburg	Metro average	South Africa
2000	R18 278	R22 593	R15 136
2005	R29 276	R34 664	R23 542
2010	R45 886	R51 869	R36 253

The average person in Rustenburg earns more than the national per capita average but less than the metro average.

### Public finances

Period	Total municipal revenue (R'000)	Own revenue (R'000)	% own revenue
2004-2005	R724 835	R615 248	85%
2009-2010	R1 550 026	R1 172 578	76%

In 2010, the municipality had **R3 262** to spend on each of its citizens

## OTHER FACTS ABOUT THE CITY ...

### Access to services (2007)

- 37.4%** access to piped water inside homes
- 51.5%** flush toilet connected to sewerage
- 46.4%** refuse removed once a week
- 71.0%** electricity for cooking

### Health infrastructure & expenditure: Bojanala Platinum district (2009)

- 4** public district hospitals
- 767** beds
- 5** private hospitals
- 512** beds
- R636** primary health care spending per person



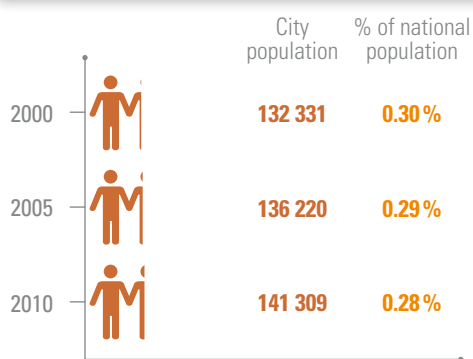


# Tlokwe (Potchefstroom)

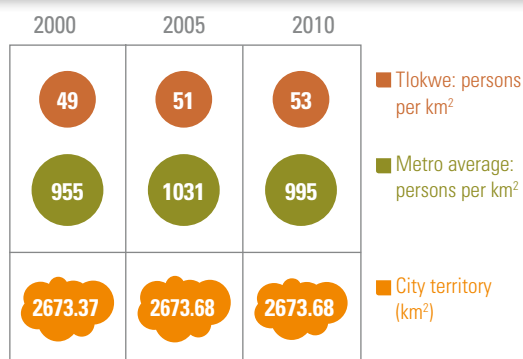
The first town founded by the Voortekkers north of the Vaal River, Potchefstroom is the oldest Voortrekker town in the former Transvaal and was the first capital of that Republic. Today it is a well-known academic town with strong strategic transport links and an economy dominated by services, manufacturing and agriculture.

## THE CITY'S EVOLUTION IN TERMS OF ITS ...

### Demographics



Solid population growth, with city numbers reaching 140 000 at the close of the decade.



Population density is increasing in Tlokwe but falls far short of the metro average.

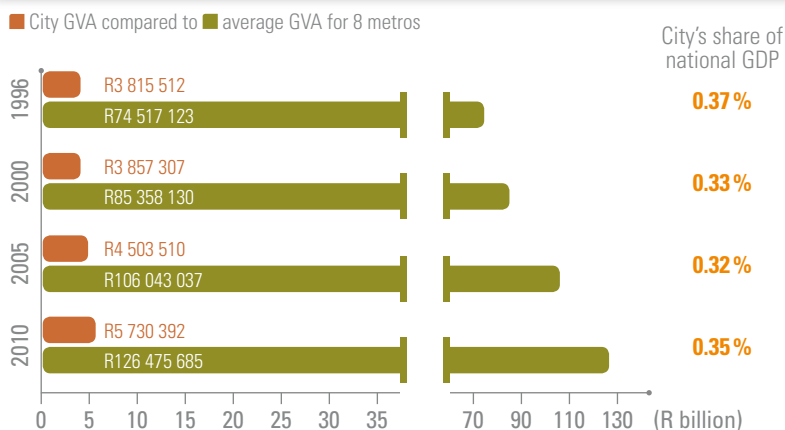
### Employment

In 2007:  
**41 825** Employed people  
**24.5%** Unemployment rate

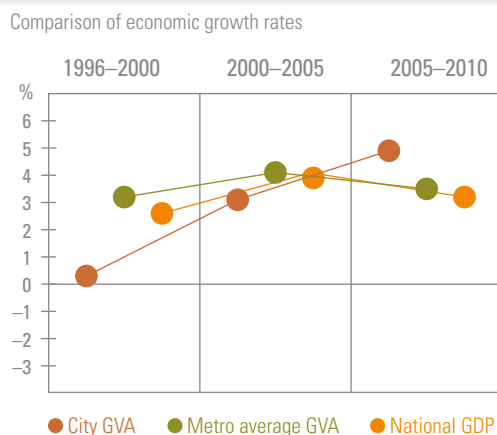
In 2007, the city had:  
 Poverty rate of **27.2%**  
 Approx. **8 443** households living below the poverty line

How urban is the area? **81%**  
 Urban formal settlements: 67%  
 Urban informal settlements: 14%

### Economic strength

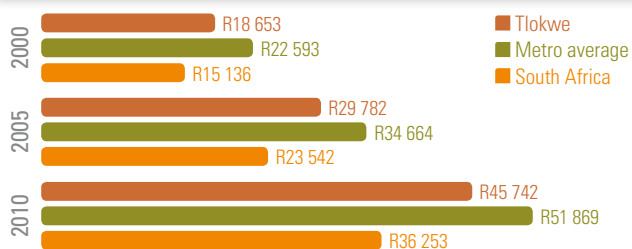


Steady economic performance since 1996, becoming slightly more impressive in the second half of the decade. The city generates 0.35% of the country's GDP today.



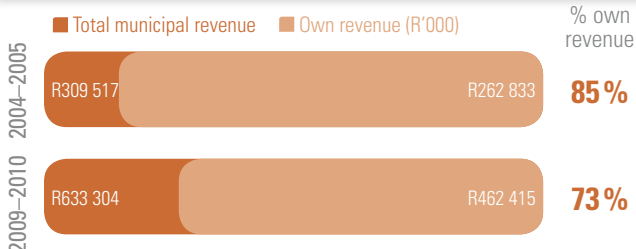
After a very poor showing before 2000, economic growth rates in Tlokwe have increased considerably.

### Income levels



Per capita income in Tlokwe is higher than the national average but lower than that set by the metros.

### Public finances



In 2010, the municipality had **R4 482** to spend on each of its citizens

## OTHER FACTS ABOUT THE CITY ...

#### Access to services (2007)



#### Health infrastructure & expenditure: Dr Kenneth Kaunda district (2009)



# //Khara Hais (Upington)

//Khara Hais means 'big tree' and is believed to be the area's original name given by Captain Lukas, the leader of the nomadic Khorana tribes who inhabited the valley during the 1600s. Situated on the Orange River in the Northern Cape, the urban centre of Upington is named after Sir Thomas Upington, Attorney-General of the Cape.

## THE CITY'S EVOLUTION IN TERMS OF ITS ...

### Demographics

Year	City population	% of national population
2000	81 892	0.18%
2005	88 007	0.19%
2010	94 373	0.19%

The least populous of the secondary cities but //Khara Hais has seen steady population growth.

### Employment

In 2007:  
**30 473** Employed people  
**25.5%** Unemployment rate

In 2007, the city had:  
 Poverty rate of **32.5%**  
 Approx. **5 152** households living below the poverty line

How urban is the area? **89%**  
 Urban formal settlements: 78%  
 Urban informal settlements: 11%

Year	//Khara Hais: persons per km <sup>2</sup>	Metro average: persons per km <sup>2</sup>	City territory (km <sup>2</sup> )
2000	19	955	4308.49
2005	26	1031	3444.34
2010	4	995	21779.80

The least dense of the profiled secondary cities mainly due to the increase in area size in 2005, with the amalgamation of the nearby District Management Area.

### Economic strength

City GVA compared to average GVA for 8 metros

Year	City GVA (R billion)	Average GVA for 8 metros (R billion)	City's share of national GDP
1996	R1 591 101	R74 517 123	0.15%
2000	R1 748 712	R85 358 130	0.15%
2005	R2 067 149	R106 043 037	0.15%
2010	R2 334 071	R126 475 685	0.14%

A modest-sized economy but one that has been growing steadily since 1996. The city generates 0.14% of the country's GDP today.

Comparison of economic growth rates

Growth rates consistently fell below metro and national averages over the past 14 years.

### Income levels

Year	//Khara Hais	Metro average	South Africa
2000	R13 206	R22 593	R15 136
2005	R20 185	R34 664	R23 542
2010	R33 216	R51 869	R36 253

Per capita income levels in //Khara Hais have been consistently lower than both the metro and national averages since 2000.

### Public finances

Period	Total municipal revenue (R'000)	Own revenue (R'000)	% own revenue
2004-2005	R188 703	R115 986	61%
2009-2010	R304 683	R209 585	69%

In 2010, the municipality had **R3 228** to spend on each of its citizens

## OTHER FACTS ABOUT THE CITY ...

### Access to services (2007)

- 55.5%** access to piped water inside homes
- 75.3%** flush toilet connected to sewerage
- 91.5%** refuse removed once a week
- 87.7%** electricity for cooking

### Health infrastructure & expenditure: Siyanda district (2009)

- 3** public district hospitals
- 297** beds
- 1** private hospitals
- 50** beds
- R808** primary health care spending per person

# Sol Plaatje (Kimberley)

Sol Plaatje is the capital of the Northern Cape province. Its main urban centre is Kimberley, world-renowned for its diamond mines. The discovery of the first diamond in the area in 1867 sparked a major diamond rush three years later. Kimberley today is a strong urban centre, built on the back of its diamond mining.

## THE CITY'S EVOLUTION IN TERMS OF ITS ...

### Demographics

Year	City population	% of national population
2000	210 254	0.47%
2005	223 113	0.47%
2010	236 673	0.48%

The Northern Cape's most populous city has seen constant population growth over the past decade.

### Employment

In 2007:  
**62 150** Employed people  
**32.7%** Unemployment rate

In 2007, the city had:  
 Poverty rate of **34.6%**  
 Approx. **16 682** households living below the poverty line

How urban is the area? **96%**  
 Urban formal settlements: 88%  
 Urban informal settlements: 8%

Year	2000	2005	2010
Sol Plaatje: persons per km <sup>2</sup>	112	119	75
Metro average: persons per km <sup>2</sup>	955	1031	995
City territory (km <sup>2</sup> )	1876.97	1877.10	3145.39

The city's territory increased by about 1268 km<sup>2</sup> between 2005–2010, resulting in a significant decline in population density.

### Economic strength

City GVA compared to average GVA for 8 metros

Year	City GVA (R billion)	Average GVA for 8 metros (R billion)	City's share of national GDP
1996	R7 097 078	R74 517 123	0.68%
2000	R8 375 174	R85 358 130	0.72%
2005	R10 230 444	R106 043 037	0.73%
2010	R11 155 364	R126 475 685	0.68%

Consistent increases in GVA-R over the past 14 years, with some slowing down between 2005–2010. The city generates 0.68% of the country's GDP.

### Comparison of economic growth rates

Very strong economic growth rates, often exceeding metro and national averages.

### Income levels

Year	Sol Plaatje	Metro average	South Africa
2000	R17 927	R22 593	R15 136
2005	R28 073	R34 664	R23 542
2010	R40 847	R51 869	R36 253

The average person in Sol Plaatje earns more than his national counterparts but less than the metro average.

### Public finances

Period	Total municipal revenue (R'000)	Own revenue (R'000)	% own revenue
2004–2005	R456 532	R326 682	72%
2009–2010	R942 736	R644 206	68%

In 2010, the municipality had **R3 983** to spend on each of its citizens

## OTHER FACTS ABOUT THE CITY ...

### Access to services (2007)

- 62.9%** access to piped water inside homes
- 82.1%** flush toilet connected to sewerage
- 91.8%** refuse removed once a week
- 81.9%** electricity for cooking

### Health infrastructure & expenditure: Frances Baard district (2009)

- 4** public district hospitals
- 909** beds
- 1** private hospitals
- 234** beds
- R795** primary health care spending per person

# Drakenstein (Paarl)

One of three Western Cape secondary cities profiled, Drakenstein is centred around the town of Paarl in the picturesque Cape Winelands district. As well as being one of the oldest towns in South Africa, it is known worldwide for the quality of its wines and is where the South African Winegrowers Association is located.

## THE CITY'S EVOLUTION IN TERMS OF ITS ...

### Demographics

Year	City population	% of national population
2000	194 322	0.43%
2005	193 219	0.41%
2010	195 519	0.39%

Drakenstein's population has remained relatively stable over the past decade.

### Employment

In 2007:  
**75 657** Employed people  
**20.2%** Unemployment rate

In 2007, the city had:  
 Poverty rate of **22.9%**  
 Approx. **9 358** households living below the poverty line

How urban is the area? **82%**  
 Urban formal settlements: 77%  
 Urban informal settlements: 5%

Year	2000	2005	2010
Drakenstein: persons per km <sup>2</sup>	126	126	127
Metro average: persons per km <sup>2</sup>	955	1031	995
City territory (km <sup>2</sup> )	1537.93	1537.65	1537.66

Stable population density, because of few changes to population and territory over the past decade, but it remains well below the metro average.

### Economic strength

City GVA compared to average GVA for 8 metros

Year	City GVA (R billion)	Average GVA for 8 metros (R billion)	City's share of national GDP
1996	R4 969 277	R74 517 123	0.48%
2000	R5 282 013	R85 358 130	0.46%
2005	R6 378 234	R106 043 037	0.46%
2010	R7 367 594	R126 475 685	0.45%

Modest, but consistent increases in GVA-R over the past 14 years. The city generates 0.45% of the country's GDP today.

#### Comparison of economic growth rates

Relatively strong economic growth rates, especially after 2000.

### Income levels

Year	Drakenstein (R)	Metro average (R)	South Africa (R)
2000	R19 227	R22 593	R15 136
2005	R31 117	R34 664	R23 542
2010	R46 843	R51 869	R36 253

The average person in Drakenstein earns more than the national average but less than the metro average.

### Public finances

Period	Total municipal revenue (R'000)	Own revenue (R'000)	% own revenue
2004-2005	R484 934	R412 192	85%
2009-2010	R919 945	R702 120	76%

In 2010, the municipality had **R4 705** to spend on each of its citizens

## OTHER FACTS ABOUT THE CITY ...

### Access to services (2007)

- 74.6%** access to piped water inside homes
- 80.1%** flush toilet connected to sewerage
- 71.5%** refuse removed once a week
- 84.7%** electricity for cooking

### Health infrastructure & expenditure: Cape Winelands district (2009)

- 4** public district hospitals
- 1098** beds
- 4** private hospitals
- 448** beds
- R747** primary health care spending per person



# George

George is the country's 6<sup>th</sup> oldest town and was founded under British rule, taking its name from the British monarch George III. This scenic town is located on the picturesque Garden Route. The area around George was first inhabited by the San people, who named it Outeniqua Land meaning 'land of milk and honey'.

## THE CITY'S EVOLUTION IN TERMS OF ITS ...

### Demographics

Year	City population	% of national population
2000	145 670	0.33%
2005	167 956	0.35%
2010	184 817	0.37%

Like many towns on the Garden Route, George is experiencing an increase in population.

### Employment

In 2007:  
**51 827** Employed people  
**17.9%** Unemployment rate

In 2007, the city had:  
 Poverty rate of **21.8%**  
 Approx. **8 254** households living below the poverty line

How urban is the area? **93%**  
 Urban formal settlements: 85%  
 Urban informal settlements: 8%

Year	2000	2005	2010
George: persons per km <sup>2</sup>	136	157	36
Metro average: persons per km <sup>2</sup>	955	1031	995
City territory (km <sup>2</sup> )	1068.73	1071.59	5191.01

A dramatic decrease in population density occurred between 2005–2010, when George gained 4119 km<sup>2</sup>, pushing it even further below the metro average.

### Economic strength

City GVA compared to average GVA for 8 metros

Year	City GVA (R billion)	Average GVA for 8 metros (R billion)	City's share of national GDP
1996	R3 018 595	R74 517 123	0.29%
2000	R3 464 378	R85 358 130	0.30%
2005	R4 809 269	R106 043 037	0.34%
2010	R5 813 902	R126 475 685	0.35%

Consistent increases in GVA-R over the past 14 years, with performance improving in the last 10 years. The city generates 0.35% of the country's GDP today.

Comparison of economic growth rates

Somewhat erratic economic growth rates which may require further research.

### Income levels

Year	George	Metro average	South Africa
2000	R18 581	R22 593	R15 136
2005	R30 049	R34 664	R23 542
2010	R46 606	R51 869	R36 253

Per capita income levels in George are higher than national averages but lower than the metro average.

### Public finances

Period	Total municipal revenue (R'000)	Own revenue (R'000)	% own revenue
2004–2005	R366 581	R293 556	80%
2009–2010	R890 492	R570 619	64%

In 2010, the municipality had **R4 818** to spend on each of its citizens

## OTHER FACTS ABOUT THE CITY ...

### Access to services (2007)

- 63.9%** access to piped water inside homes
- 84.5%** flush toilet connected to sewerage
- 93.3%** refuse removed once a week
- 81.8%** electricity for cooking

### Health infrastructure & expenditure: Eden district (2009)

- 6** public district hospitals
- 774** beds
- 5** private hospitals
- 397** beds
- R935** primary health care spending per person





# Stellenbosch

Founded in 1679 by then Governor of the Cape Colony, Simon van der Stel, Stellenbosch initially attracted Europeans eager to explore the interior territory. In response, van der Stel established a magistracy in 1685 controlling movements into the hinterland. Today, Stellenbosch is known for its scenic beauty, its university, its wines and its ancient oaks.

## THE CITY'S EVOLUTION IN TERMS OF ITS ...

### Demographics

Year	City population	% of national population
2000	118 928	0.27%
2005	127 770	0.27%
2010	135 287	0.27%

Stellenbosch has been attracting more people since 2000, with population figures now over 135 000.

Year	Stellenbosch: persons per km <sup>2</sup>	Metro average: persons per km <sup>2</sup>	City territory (km <sup>2</sup> )
2000	147	955	811.53
2005	154	1031	831.05
2010	163	995	831.04

Steady population growth and minimal territorial changes have led to an increase in population density, but still far below the metro average.

### Employment

In 2007:  
**75 021** Employed people  
**17.1%** Unemployment rate

In 2007, the city had:  
 Poverty rate of **27.3%**  
 Approx. **7 809** households living below the poverty line

How urban is the area? **76%**

- Urban formal settlements: 70%
- Urban informal settlements: 6%

### Economic strength

City GVA compared to average GVA for 8 metros

Year	City GVA (R billion)	Average GVA for 8 metros (R billion)	City's share of national GDP
1996	R4 824 063	R74 517 123	0.46%
2000	R3 761 626	R85 358 130	0.32%
2005	R4 754 753	R106 043 037	0.34%
2010	R5 791 135	R126 475 685	0.35%

A decline in GVA-R between 1996-2000, but the economy has been growing steadily since then. The city generates 0.35% of the country's GDP today.

Comparison of economic growth rates

Negative growth before 2000 but higher than metro and national averages since then.

### Income levels

Year	Stellenbosch	Metro average	South Africa
2000	R17 424	R22 593	R15 136
2005	R29 401	R34 664	R23 542
2010	R47 855	R51 869	R36 253

Average income in Stellenbosch is greater than the national per capita average but falls short of metro averages.

### Public finances

Period	Total municipal revenue (R'000)	Own revenue (R'000)	% own revenue
2004-2005	R343 967	R265 542	77%
2009-2010	R648 662	R508 022	78%

In 2010, the municipality had **R4 795** to spend on each of its citizens

## OTHER FACTS ABOUT THE CITY ...

### Access to services (2007)

- 87.0%** access to piped water inside homes
- 94.1%** flush toilet connected to sewerage
- 87.7%** refuse removed once a week
- 97.5%** electricity for cooking

### Health infrastructure & expenditure: Cape Winelands district (2009)

- 4** public district hospitals
- 1098** beds
- 4** private hospitals
- 448** beds
- R747** primary health care spending per person



# How do these cities compare?

The previous chapters provided individual profiles of each secondary city. Now it is time to turn to the big picture and look at how an individual city *compares relative to* other 'secondary cities' and the metros. Does anything interesting emerge about their definition or significance?

The areas explored are explained below:

## City populations

Looking at city populations says something about the urban agglomeration in the country. Where are most South Africans currently living? Which places house the densest concentrations of people in South Africa today?

## City economies

The focus then shifts to city economies. Which are the largest city economies in South Africa today? Are any of the secondary city economies larger than South Africa's metropolitan economies? Are any of them growing at a faster pace than metro economies? The latter is an interesting question because it says something about future growth – and in turn may suggest where South Africa's economic destiny lies.

## Per capita incomes

Major cities attract both the wealthiest segments of our city, and the poorest. In general, however, powerful urban centres tend to be those places that also generate the most income for their residents. Therefore, it is interesting to look at where per capita incomes are the highest in the country.

## Municipal finances

Municipalities are powerful local actors, and their behaviour can fundamentally alter the destiny of the city they govern. An important element of a city's governance capacity is its financial strength and viability. Do municipalities generate a significant amount of their revenue themselves? How much do they have at their disposal to spend on each citizen? How do they compare to metropolitan municipalities?

The sections that follow reveal some interesting answers to this multitude of questions.

### A note on methodology

The individual city profiles look at how each city has evolved over the past decade. This comparison chapter is more concerned with the current situation. All the information presented below is a **snapshot of the city in the year 2010**.

### Key for reading notes



signifies an interesting fact or observation



indicates a data anomaly, talking point or further research required

### A final disclaimer

The information and rankings that follow are based *solely* on the knowledge of the selected 22 secondary cities and the 8 metros. In other words, this research has not looked at the population figures or economic growth rates of other cities outside the list of 30 presented below. It is therefore entirely possible that another South African city, not covered in this report, may (for example) have a more sizeable population than some the 30 cities listed. However, that type of comprehensive exercise was beyond the scope of this report. It is recommended that future research explore this point further before definitive conclusions are drawn about South Africa's 'secondary cities'.

# Where are most South Africans living

South Africa has no overwhelmingly obvious primate city, as no one city has a population more than double the size of the next largest city. The eight metropolitan areas occupy the top spots, with five having populations of over 2.4 million. The other cities are relatively close to each other in terms of city size, which bodes well for balanced and dispersed growth across the country.

City	% of national population	Population (2010)
1 Johannesburg	7.37	3 669 468
2 Ethekewini	6.96	3 467 302
3 Cape Town	6.57	3 268 975
4 Ekurhuleni	5.77	2 874 051
5 Tshwane	4.98	2 480 227
6 NMB	2.36	1 176 079
7 Buffalo City	1.60	797 557
8 Mangaung	1.44	715 288
9 Emfuleni	1.36	675 534
10 Polokwane	1.28	638 339
11 Msunduzi	1.19	590 386
12 Mbombela	1.13	564 218
13 Rustenburg	0.95	475 232
14 Umhlathuze	0.82	410,323
15 Matlosana	0.77	385 170
16 Matjhabeng	0.76	380 146
17 Madibeng	0.76	377 064
18 Mogale City	0.75	371 368
19 Emalahleni	0.73	365 349
20 Newcastle	0.69	342 904
21 Govan Mbeki	0.62	309 628
22 Mafikeng	0.58	286 946
23 Sol Plaatje	0.48	236 673
24 Drakenstein	0.39	195 519
25 George	0.37	184 817
26 Steve Tshwete	0.35	174 100
27 Tlokwe	0.28	141 309
28 Stellenbosch	0.27	135 287
29 Lephalale	0.25	123 836
30 //Khara Hais	0.19	94 373

With 7.37% of the population, Johannesburg is clearly the demographic powerhouse of South Africa.

Tshwane's population is more than double that of Nelson Mandela Bay.

The inclusion of Buffalo City and Mangaung as new metros almost creates a different benchmark for aspiring metros. The two recently declared metropolitan areas have relatively smaller populations (under 1 million) than the other six metro areas.

12 cities on this list have populations of over 500 000 (which, according to some international definitions, would qualify them as the 'primate cities' of South Africa). These 12 cities each host more than 1% – and add up to over 40% – of the national population.

Emfuleni, unofficially considered to be part of the 'Gauteng city-region', has the largest non-metropolitan population in the country.

Featuring strongly on this list are the provincial capitals, including Cape Town, Tshwane, Nelson Mandela Bay, Mangaung, Polokwane, Msunduzi and Mbombela.

With a population of less than 100 000, //Khara Hais would not technically qualify as a secondary city under most international definitions.

Source: derived from IHS Global Insight data (2011)

# Which cities are the most densely populated

Population density is an interesting indicator to apply to secondary cities in South Africa: it is a key legislative criterion that defines whether an area is evolving into a more complex metropolitan area.

City	No of people per km <sup>2</sup> (2010)
1 Johannesburg	2 231
2 Ethekwini	1 513
3 Ekurhuleni	1 455
4 Cape Town	1 340
5 Msunduzi	931
6 Emfuleni	699
7 NMB	600
8 Umhlathuze	517
9 Tshwane	394
10 Buffalo City	315
11 Mogale City	277
12 Newcastle	185
13 Polokwane	170
14 Stellenbosch	163
15 Rustenburg	139
16 Emalaheni	136
17 Drakenstein	127
18 Mangaung	114
19 Matlosana	108
20 Govan Mbeki	105
21 Mbombela	105
22 Madibeng	98
23 Mafikeng	78
24 Sol Plaatje	75
25 Matjhabeng	74
26 Tlokwe	53
27 Steve Tshwete	44
28 George	36
29 Lephalale	9
30 //Khara Hais	4

With over 2 200 people living within a square kilometre of the city, Johannesburg is far more densely populated than any other place in the country.

Ethekwini, Ekurhuleni and Cape Town are very densely populated 'urban agglomerations', home to well over 1 000 people per square kilometre.

Since 1996, Rustenburg's economic performance has been solid. The city is the 7th largest economy in the country – larger than Buffalo City and Mangaung, the 2 new metros.

Are boundary changes making certain cities less 'metro-like'? In some places, population density has dropped significantly because of changes to the area size. For instance, Tshwane's population density decreased dramatically in 2011. Boundary changes that came into effect in 2011 also increased the territory size and decreased the population density of Mbombela (gained over 2 000 km<sup>2</sup>); //Khara Hais (gained over 18 000 km<sup>2</sup>); Sol Plaatje (gained over 1 000 km<sup>2</sup>); George (gained over 4 000 km<sup>2</sup>); Tshwane (gained over 4 000 km<sup>2</sup>).

Msunduzi, Emfuleni and Umhlathuze all have higher population densities than some of the metros in South Africa.

Lephalale lost over 5 800 km<sup>2</sup> during the boundary changes in 2011, but still has only 9 people per square kilometre because it covers a relatively large territory compared to other cities on the list.

Source: Calculations by author, based on population data from IHS Global Insight (2011) and area sizes from the Municipal Demarcation Board (2011)

# Which are the largest city economies in South Africa today?

The size of a city's economy indicates its importance and role in the national space economy. As with the demographics, there is a clear break between the top five cities and the rest of cities in the list. The top five cities generate more than 50% of South Africa's economy.

City	% of national GDP	City GVA-R (2010)
1 Johannesburg	16.71	R274 006 100
2 Cape Town	11.18	R 183 326 463
3 Ethekwini	10.71	R 175 638 243
4 Tshwane	10.03	R 164 362 713
5 Ekurhuleni	6.21	R 101 767 802
6 NMB	3.35	R 54 943 413
7 Rustenburg	2.00	R 32 792 742
8 Buffalo City	1.81%	R 29 642 968
9 Mangaung	1.72	R 28 117 776
10 Mbombela	1.25	R 20 560 169
11 Govan Mbeki	1.22	R 19 949 096
12 Emalahleni	1.19	R 19 555 821
13 Polokwane	1.08	R 17 787 952
14 Msunduzi	1.04	R 17 025 979
15 Steve Tshwete	0.99	R 16 204 036
16 Emfuleni	0.90	R 14 740 081
17 Matjhabeng	0.76	R 12 481 829
18 Madibeng	0.70	R 11 541 111
19 Sol Plaatje	0.68	R 11 155 364
20 Matlosana	0.65	R 10 591 304
21 Mogale City	0.60	R 9 914 604
22 Umhlathuze	0.57	R 9 352 082
23 Mafikeng	0.49	R 8 110 226
24 Newcastle	0.45	R 7 393 419
25 Drakenstein	0.45	R 7 367 594
26 George	0.35	R 5 813 902
27 Stellenbosch	0.35	R 5 791 135
28 Tlokwe	0.35	R 5 730 392
29 Lephalale	0.15	R 2 462 852
30 //Khara Hais	0.14	R 2 334 071

Johannesburg is South Africa's veritable economic powerhouse: its economy is over R90 billion more than its closest rival.

Ekurhuleni's economy is almost double the size of that of Nelson Mandela Bay.

Rustenburg's economic performance has been solid since 1996 and today is the 7<sup>th</sup> largest economy in the country, larger than Buffalo City and Mangaung.

The capital of Mpumalanga province, Mbombela records a strong showing, generating 1.25% of the country's output.

Mpumalanga towns (Mbombela, Govan Mbeki, Emalahleni and Steve Tshwete) feature very strongly just beneath the top ten. More research is needed to establish what has driven growth in the economies of Govan Mbeki and Steve Tshwete in particular.

The only city in the list to have experienced a decline in population over the past decade, Matjhabeng still has a reasonably sized economy.

Compared to their metropolitan neighbour, Cape Town, the Western Cape towns of Drakenstein, George and Stellenbosch have modest-sized economies.

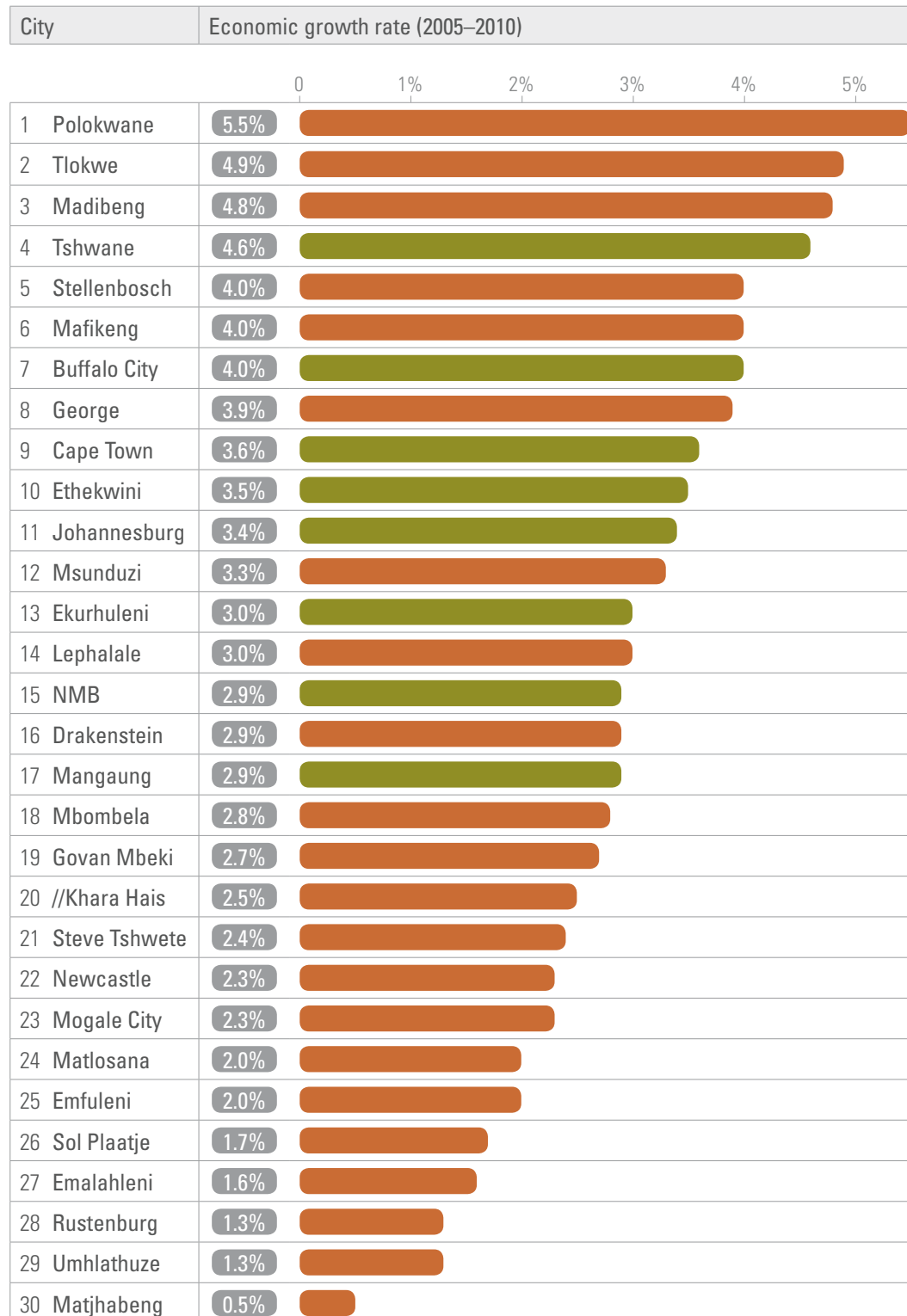
Lephalale and //Khara Hais each generate less than 0.2% of the country's GDP.

Source: Derived from IHS Global Insight data (2011)



# Which city economies have grown the most over the past 5 years?

While the size of a city's economy (GVA) is an important indicator, economic growth rates can also tell an interesting story. For instance, they can show which cities are on a pathway to sustained economic success. Of all the indicators, the economic growth rates have thrown up the most inconsistent data. Further research is required to establish whether this is due to anomalies in the data, or if something else is going on in these economies.



Further research is needed to explain the recent strong performance of Polokwane, Tlokwe, Madibeng and Tshwane. What drives their strong economic growth? Is it government money? Does public investment create huge (and somewhat erratic) spikes in the economic growth? Do these spikes place a city on the path to creating a complex and diverse metropolitan economy?

Despite their economic size, Johannesburg, Cape Town and Ethekwini are not the fastest-growing economies.

Despite the strength of its economy, Rustenburg is currently growing at only 1.3% per annum.

Although its economy remains a reasonable size, Matjhabeng's economic growth has slowed down drastically since 2000. Do South Africa's mining towns need more robust policy responses?

Source: IHS Global Insight (2011)

# Where are the highest per capita earnings in the country?

Income levels are an indication of the wealth possessed by a city's residents. The table below looks at per capita earnings in 2010.

City	% of national personal income	How much did the average person in the city earn in 2010? (ZAR)
1 Tshwane	9.96%	R72 492
2 Johannesburg	13.29%	R65 383
3 Cape Town	10.85%	R59 894
4 Steve Tshwete	0.50%	R51 883
5 Ekurhuleni	8.03%	R50 442
6 Stellenbosch	0.36%	R47 855
7 Matjhabeng	0.99%	R47 166
8 Drakenstein	0.51%	R46 843
9 George	0.48%	R46 606
10 Ethekwini	8.83%	R45 967
11 Rustenburg	1.21%	R45 886
12 Tlokwe	0.36%	R45 742
13 Emalaheni	0.91%	R44 856
14 Mogale City	0.91%	R44 036
15 NMB	2.84%	R43 580
16 Mangaung	1.62%	R40 881
17 Sol Plaatje	0.54%	R40 847
18 Msunduzi	1.25%	R38 242
19 Govan Mbeki	0.65%	R37 880
20 Buffalo City	1.60%	R36 311
21 Emfuleni	1.32%	R35 167
22 //Khara Hais	0.17%	R33 216
23 Madibeng	0.67%	R32 227
24 Umhlathuze	0.68%	R29 814
25 Polokwane	0.97%	R27 556
26 Mbombela	0.83%	R26 419
27 Mafikeng	0.40%	R25 317
28 Newcastle	0.48%	R25 144
29 Matlosana	0.46%	R21 765
30 Lephalale	0.15%	R21 453

Tshwane has higher per capita earnings than Johannesburg. Is that because of its lower population – or because of the government and R&D money that powers the Tshwane economy?

Steve Tshwete, Matjhabeng and the Western Cape towns all feature strongly in our list – and it would be interesting to understand why. In the case of Matjhabeng, the strong per capita levels may be the result of its population levels declining over the past decade.

Steve Tshwete, however, has featured strongly in terms of other economic indicators, and there is clearly something interesting going on in this local economy. This may have something to do with international markets for stainless steel, as the city houses a major plant, Columbus Stainless. Again, further research is required, especially since Steve Tshwete appears to be producing nearly 1% of national GDP at the moment.

Buffalo City, Mangaung and Nelson Mandela Bay have surprisingly low per capita incomes. And while it is true that metropolitan areas attract significant numbers of poor people into their areas, it is also generally the case that metros tend to exhibit strong per capita levels.

Source: Calculations by author, based on IHS Global Insight data (2011)

# Which municipalities generate most of their own annual revenue?

A city's financial strength and viability reflect the municipal governance. Therefore, the tables below look at how much revenue the municipalities are generating themselves and how much they have to spend on each citizen.

City	Own revenue % (2010)
1 eThekweni	79%
2 Govan Mbeki	79%
3 Stellenbosch	78%
4 Mogale City	78%
5 Drakenstein	76%
6 Rustenburg	76%
7 Ekurhuleni	75%
8 Tshwane	75%
9 Steve Tshwete	74%
10 Umhlathuze	74%
11 Tlokwe	73%
12 Matjhabeng	72%
13 Emfuleni	71%
14 Newcastle	71%
15 Johannesburg	70%
16 Emalahleni	70%
17 Msunduzi	69%
18 //Khara Hais	69%
19 Sol Plaatje	68%
20 Mangaung	67%
21 George	64%
22 Cape Town	64%
23 NMB	63%
24 Buffalo City	62%
25 Mbombela	59%
26 Mafikeng	57%
27 Madibeng	53%
28 Lephalale	52%
29 Polokwane	51%
30 Matlosana	45%

Ethekweni and Govan Mbeki generate 79% of their own revenue – more than any other municipality in the country. They are followed closely by Stellenbosch and Mogale City (78%) and Drakenstein and Rustenburg (76%).

Metros exhibit a surprisingly mixed performance, with Johannesburg ranking only 15th on the list.

However, more research needs to go into this picture. The size of the equitable share and other transfers may be distorting the picture somewhat, as these subsidies are made on the basis of several factors (population, deprivation) that may be more characteristic of large metros.

Source: Calculations by author, based on National Treasury data (2011b)

City	Revenue per citizen (2010)
1 Johannesburg	R6 205
2 Tshwane	R5 919
3 Cape Town	R5 757
4 Ekurhuleni	R5 012
5 George	R4 818
6 Stellenbosch	R4 795
7 Drakenstein	R4 705
8 eThekweni	R4 601
9 NMB	R4 489
10 Tlokwe	R4 482
11 Emfuleni	R4 212
12 Sol Plaatje	R3 983
13 Msunduzi	R3 859
14 Mangaung	R3 801
15 Matlosana	R3 542
16 Buffalo City	R3 517
17 Rustenburg	R3 262
18 Steve Tshwete	R3 240
19 //Khara Hais	R3 228
20 Umhlathuze	R3 138
21 Mogale City	R3 124
22 Matjhabeng	R3 070
23 Emalahleni	R2 893
24 Newcastle	R2 589
25 Govan Mbeki	R2 399
26 Madibeng	R2 179
27 Polokwane	R2 178
28 Mbombela	R1 786
29 Lephalale	R1 413
30 Mafikeng	R1 256

The top 4 positions are occupied, perhaps unsurprisingly, by metros.

What is surprising, however, is the solid performance of the 3 Western Cape towns, which each have over R4 500 to spend on every person within their municipal boundaries.

Mbombela has only R1 786 per person at its disposal, a somewhat unusual finding, given the municipality's relatively strong economy.

Municipalities like Mbombela, Lephalale and Mafikeng have less than R2 000 to spend on each of their citizens.

Source: Calculations by author, based on revenue figures from National Treasury (2011b) and population data from IHS Global Insight (2011)

# WHAT DOES APPLYING THE CRITERIA REVEAL?

Using a set of generalised criteria drawn from the literature, 22 cities were assessed, and most were found to qualify as secondary cities. However, a far more rigorous process of data collation and qualitative research is needed before drawing any definite conclusions.

## Demographics

All except one city meet the 'secondary city' standard of a population greater than 100 000 people (Rondinelli, 1983). The exception is //Khara Hais. Three other cities also require further investigation before they can confidently be considered as strong secondary cities. Matjhabeng experienced an overall population decline, while Drakenstein and Emfuleni saw their populations fluctuate, declining at the start of the decade and then increasing. Beyond trends and fluctuations, however, Emfuleni currently has the ninth largest population in the country.

Density is a legislative criterion for metro status in South Africa. Therefore, Msunduzi, Emfuleni and Umhlathuze would be considered to have strong metro potential, as they are more densely populated than many of the current metros.<sup>1</sup>

## Economic strength

Since 1996 most of the 22 cities have experienced steadily increasing GVA, with a few towns (Matjhabeng, Emfuleni, Mafikeng and Stellenbosch) dropping slightly in 1996–2000, only to recover steadily. Matlosana is the only city to experience a constant decline in economic growth in 1996–2005, but its economy has improved since then.

The cities also play a distinct role in the national space economy – or have central place functions. While the data is not available to make a sound assessment, it is interesting that:

- The 22 cities are all administrative centres, housing local government structures and include all the country's provincial capitals not governed by metropolitan municipalities.
- Many of the cities started as mining towns or agricultural markets, which international experience shows is often the catalyst for becoming a 'secondary city'.<sup>2</sup>

## Income levels

While the information available is insufficient to draw very definite conclusions, the following observations can be made:

- Since 2000 personal income levels have been rising in all 22 secondary cities. However, the figures have not been corrected for inflation, which could distort the picture.
- Over the past decade, many secondary cities performed better than the national average, and one city – Steve Tshwete – has consistently performed better than the metro average.<sup>3</sup>

## Public finances

A full picture of performance over a decade was not possible, as financial data for the year 2000 was not available. The figures need to be treated with caution, as they have not been corrected for inflation and may have had different financial reporting formats over the years. Furthermore, an increase in the equitable share may have led to a decrease in the own revenue portion of certain municipal budgets. Nevertheless, since 2004:

- Total revenue increased in all 22 cities. Revenue from property rates and service charges – the two principal sources of 'own revenue' – increased in all but one city: Lephalale, where revenue from property rates has decreased since 2004, although this may be due to a discrepancy in financial reporting.
- Only five cities (Matjhabeng, Emfuleni, Govan Mbeki, //Khara Hais and Stellenbosch) did not see a decrease in 'own revenue' as a percentage of the municipality's total revenue. Two municipalities experienced fairly dramatic decreases in their own revenue: Mbombela dropped from 73% to 59% and Madibeng from 77% to 53%.<sup>4</sup>

## Employment

Insufficient information was available to draw any real conclusions about the labour absorptive capabilities of the 22 cities. However, employment is an important criterion, as urban centres tend to attract new migrants precisely because of the job opportunities offered.

A city's capacity to absorb labour is a sign that the place will expand demographically, but it is not a guarantee that the city's economy will grow. That would depend on whether each new citizen costs the city less than they give in return. Such a cost-benefit analysis depends on the nature of the city's dominant employment sectors (menial work vs higher-paid jobs), its infrastructure capacity and the state of municipal finance.<sup>5</sup>

1 Municipal demarcation may be having unintended consequences, by creating less 'metro-like' spaces that go against other demographic and economic trends in those areas.

2 Further research into the services sector is needed, as international evidence reveals that the beginnings of a service-oriented economy is a crucial step to becoming a 'secondary city'.

3 While per capita incomes are interesting and revealing, they generally mask huge disparities within a city. Access to local Gini coefficient figures would add a more nuanced perspective to this indicator.

4 The per capita revenue figures tell an extremely interesting story, and more work is required on why the Western Cape towns of Drakenstein, Stellenbosch and George have fared so well in this regard.

5 Instead of looking only at total employment figures, the employment profiles need to be broken down to look at the number of workers employed in the services sector, specifically how many people are employed in advertising, banking, media services, law, finance, auditing etc – professions that tend to generate the most wealth in a city.

# ARE THERE OTHER CONTENDERS?

Before concluding this exploratory report on South Africa's secondary cities, it is interesting to consider other possible places that possess some of the key traits. As explained earlier, the 22 cities profiled were drawn from a quasi-official government list of 'secondary cities'. However, much more

thought needs to go into who qualifies as a secondary city and what the defining characteristics should be. To stimulate the start of that conversation, here are some interesting facts about other cities that were not part of the starting line-up.

City	Province	Why it is a contender
Ba-Phalaborwa	Limpopo	In 2010, the town generated more than R22 678 million and was the 18 <sup>th</sup> largest local economy in South Africa. In the same year, its exports totalled over R5 350 million.
Bitou (Plettenberg Bay)	Western Cape	Between 1996 and 2009, this coastal town was the third fastest growing economy in South Africa, recording an average of 7% growth. It also has very high per capita incomes.
Knysna	Western Cape	From 1996 to 2009, the town experienced very high economic growth rates (6.6%). It also had one of the highest per capita incomes in the country, higher than that of Johannesburg and Tshwane.
Makhado (Louis Trichardt)	Limpopo	In 2010, the town ranked 14 <sup>th</sup> in national population size. With a city population of over 500 000 Makhado would qualify as a 'primate city' under the definition of demographer Kingsley Davis.
Metsimaholo (Sasolburg)	Free State	In 2010, the town's GVA-R was over R25 885 million, greater than that of Polokwane and Msunduzi. Its exports in the same year were close to R2 249 million, one of the highest in the country.
Mossel Bay	Western Cape	Between 1996 and 2009, the town's economic growth rate averaged 7.4% (the second fastest in the country). It also had the highest per capita income in South Africa in 2010.
Thabazimbi	Limpopo	In 2010 the city's economy was the 11 <sup>th</sup> largest in South Africa, with a GVA-R of close to R31 626 million, surpassing places like Govan Mbeki and Mbombela.
Thulamela (Thohoyandou)	Limpopo	In 2010, this town had the 11 <sup>th</sup> largest city population in the country, with close to 635 000 people living within its borders. It also had one of the highest personal income levels.
Notable mentions:		Mogalakwena (Potgietersrus), Breede Valley and Saldanha Bay also feature strongly in terms of population sizes, economic growth, size of exports and personal income levels.

Source: All data cited above is from IHS Global Insight (2011)

While much more research is needed, it is interesting to note that this list:

- is dominated by Limpopo and Western Cape towns.
- contains cities propelled by strong mining and tourism sectors.

In summary, other cities not included in the list of 22 may be strong contenders for inclusion in future analysis. The issues raised in this chapter will hopefully pave the way for a more substantive conversation and far more rigorous research into secondary cities in South Africa.



# TAKING THE CONVERSATION FORWARD

The purpose of this report was to start a conversation on secondary cities in South Africa. What became apparent along the way is how difficult it is to have a debate about secondary cities without some overarching perspective of the country's hierarchy of spaces. Despite early attempts to begin defining such a hierarchy (du Plessis, 2003), the entire debate has become reduced to whether a particular local municipality could become a metro or not. This is a flawed way of looking at the issue, and rich insights could be gained by reflecting more carefully on the notion of an urban hierarchy. More specifically, the policy and research community need to think about the role that different urban spaces can play in the national space economy.

## **Delineate the role different urban spaces can play**

Delineating the different roles is useful because it enables the development potential of each space to be fully exploited. It will also assist government to target its development interventions and development finance more strategically. That could lead, inter alia, to a more focused and differentiated approach for development interventions. Finally, it helps when considering the types of municipal government needed in these different areas. In brief, developing a national hierarchy of cities is a critical first step.

## **Develop an urban hierarchy**

Once an urban hierarchy is defined, each of the different rungs of the pyramid will need to be investigated thoroughly. Some of the questions to be asked include:

- How are primate cities defined?
  - What criteria are used to select them?
  - Is their selection influenced purely by their role in the world system, or are their regional and national roles taken into account?
  - Once selected, what role do these primate cities fulfil in the national space economy?
  - What forms of local government should govern them?

- Having defined the primate cities, attention will turn to the next rung: secondary cities. Similar types of questions will be asked:
  - What criteria are used to select them? Are the considerations purely demographic or economic strength, or are they slightly different in a South African context?
  - What role do the secondary cities play? Are they springboards for developing their hinterlands or ways to relieve demographic pressure off the primate cities? Is there anything else distinct that they should do?
  - What forms of local government should govern them? Is the current categorisation a sufficient response to the diversity of urban contexts in the country?
  - Should there be some form of differentiation within the 'secondary city' category? Is there a continuum implied?
  - What types of relationships should be encouraged between primate and secondary cities? What would this mean for public investment? For example, would more national or provincial roads need to be built to link these smaller centres to the large cities?
- What types of relationships should be encouraged between secondary cities and their surrounding regions?
- What are the success factors that would ensure a secondary city's longevity? Does it require a diversified economy? What of the critical role played by urban governance – how to ensure that South African municipalities place their cities on the path to sustainable development and success?

In exploring these issues, a deeper reflection on the 22 potential secondary cities is encouraged. It is clear that most of them are quite appropriately located in this category. However, it is equally clear that there are other contenders which could be considered as well.

In conclusion, more substantive discussion on this subject needs to occur within the policy community. Given the renewed interest in secondary cities internationally<sup>1</sup>, a South African conversation on the subject is both opportune and necessary.

1 World Bank (2008, 2009, 2010); McKinsey Global Institute (2011), EU (201), ESPON (2010, 2011)

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