Understanding “Secondary” / “Intermediary” Cities

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Our contribution:

1. Why did we undertake a study on Secondary Cities in 2011/12?

2. What did the study do?

3. What did we find out?

4. So what for South Africa & this forum?
1. SA is interested in “Differentiation”

National Delivery Outcome 9:

*Responsive, accountable, effective and efficient Local Government system*

i) “a differentiated approach to municipal financing, planning and support,” which will require the development of “a more rigorous, data driven and detailed segmentation of municipalities that better reflects the varied capacities and contexts within municipalities.”
…“Differentiation”

…is recognised as an important part of SA’s evolving local government regulatory & fiscal frameworks

We are evolving towards its practical expression which requires clarifying the:

– **Purpose**: Why do we want to differentiate?
– **Function**: What would the differentiation (treatment) be?
– **Form**: How would we want to differentiate?

of a “differentiated approach to local government”
Why?

1. “Differentiation”

2. To describe and analyse “Secondary Cities”
   – The concept was being used and gaining currency
   – But no shared understanding about what they are, and what is their role?
   – There were related spatial issues nationally, e.g. NGP, NDP, NSDP, Metropolisation, etc.
Why?

1. “Differentiation”
2. Describe and analyse “Secondary Cities”
3. A foundation for urban policy, analysis and debate
So what did we do?

1. Looked to the literature for definitions and theory
2. Thought about “secondary city” criteria that might apply
3. Looked for a “starting line-up” we could use for SA
4. Profiled the “22 secondary cities” against the criteria
5. Did comparisons across the “primary” and “secondary” cities against selected criteria to see how they compare
6. Asked questions about what this could mean

The book was the product.

Full background report was also made available to enable continued work.
Where are South Africa’s secondary cities?

An unofficial starting list:
- 8 Metros
- 22 “Secondary Cities”
Limitations of our study

- Balancing “how” with “why”: There is a push to do / use even while we push to understand
- **Selection of cities**: who are the “contenders”? what decides?
  - Lephalale & ¡Khara Hais -v- Thulamela, Mossel Bay, Ba-Phalaborwa?
- **Selection of Criteria & Indicators**: no consensus / how-to
  - Useful, but have no standard for definition / measurement: Innovation, Ease of doing business, Municipal governance, Financial viability
  - Lack adequate data to inform: Economic diversification, Built-upness
  - Criteria that are not a function of local government: Education, Health
- Lack of refined, reliable and consistent **Data**
- Only a “quick & dirty”: more extensive, robust study required

& Census 2011 data now out!
What did we find out?

- No clear-cut **definition** of the term
- However, most classifications focus on relative **population size**:

<table>
<thead>
<tr>
<th>Primate cities:</th>
<th>Dennis Rondinelli</th>
<th>Kingsley Davis</th>
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<tbody>
<tr>
<td></td>
<td>A country’s most populous city</td>
<td>All cities with a population of over 500 000</td>
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<tr>
<td></td>
<td>Johannesburg</td>
<td>The 9 SACN member cities, Emfuleni, Polokwane, Thulamela, Mbombela and Makhado</td>
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<table>
<thead>
<tr>
<th>Secondary cities:</th>
<th>Dennis Rondinelli</th>
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<tbody>
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<td></td>
<td>All other cities that host a population of 100 000+</td>
<td>Population of 100 000 – 500 000</td>
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<tr>
<td></td>
<td>All secondary cities in study (minus Khara Hais) – and many others in SA</td>
<td>Several places across SA, incl King Sabata Dalindyebo (16th in SA), Bushbuckridge (17th), Tzaneen (18th), etc.</td>
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</tbody>
</table>
However, most classifications focus on relative population size and economic function:

The hierarchy of ‘world cities’ (GAWC, 2010)

- **Alpha++ (2 cities)**: London, New York

- **Alpha+ (8 cities)**: Hong Kong, Paris, Singapore, Tokyo, Shanghai, Sydney

- **Alpha (18 cities)**: Milan, Beijing, São Paulo, Mumbai, Mexico City, Washington

- **Alpha- (19 cities)**: Miami, Melbourne, Zurich, New Delhi, Johannesburg

- **Beta+ (16 cities)**: Dusseldorf, Tel Aviv, Bangalore, Cairo, Vancouver

- **Beta (19 cities)**: Budapest, Beirut, Cape Town, Riyadh, Minneapolis

- **Beta- (29 cities)**: Abu Dhabi, Casablanca, Stuttgart, Cologne, Lagos, Perth

- **Gamma+ (23 cities)**: Glasgow, Nairobi, Lahore, Portland, Tunis, San Jose (USA)

- **Gamma (18 cities)**: Valencia (Spain), Lyon, Quito, St Petersburg, Rotterdam

- **Gamma- (26 cities in the world)**: Tallin, Pune, Porto Alegre, Marseilles, eThekwin, Accra

- South African use of ‘secondary city’ terminology doesn’t, strictly speaking, follow international or academic usage neatly.
What did we find out? …cont’d

- Perspectives on the role of secondary cities are also varied
- In general, they are seen to contribute to more balanced and dispersed development across a country by:
  - Relieving pressure off the country's primate cities
  - Playing a catalysing or delivery role in their surrounding regions, especially their rural hinterlands
- There was a municipal interest in prospects for metropolisation
- There was private sector interest as “the next investment opportunities” (an FM article followed on this basis)
4.1 Where are most South Africans living?

- Over the 500,000 mark
- Relatively even spread of people across SA towns outside top 5
- Difference of only 200,000 b/w top 2
- Clear break between top 5 and other cities
- Tshwane's population > twice NMB

Source: 2010 population figures from IHS Global Insight
4.1 Where are most South Africans living?

Population

Source: 2010 population figures from IHS Global Insight
4.2 Which are the largest city economies in South Africa today?

- Jhb’s economy is > R90.6 billion larger than CT
- Clear break between top 5 and other cities
- More than 50% of GDP
- Ekurhuleni’s GVA almost double that of NMB
- Rustenburg is 7th largest economy in SA

Source: 2010 GVA-R figures from IHS Global Insight
4.2 Which are the largest city economies in South Africa today?

Source: 2010 GVA-R figures from IHS Global Insight (constant 2005 prices)
4.3 Where are the densest concentrations of people in SA today?

People per km²

- Over 2 200 people per km²
- More densely populated than at least 3 metros
- Ranked 18th on this list
- Less than 10 people per km²

Source: Calculations by Lynelle John, based on population data from IHS Global Insight and area sizes from the Municipal Demarcation Board (2010)
4.3 Where are the densest concentrations of people in SA today?

People per km²

- Msunduzi
- Emfuleni
- NMB
- uMhlathuze
- Tshwane
- Buffalo City
- Mogale City
- Newcastle
- Polokwane
- Stellenbosch
- Rustenburg
- Emalahleni
- Drakenstein
- Mangaung
- Matlosana
- Govan Mbeki
- Mbombela
- Madibeng
- Mafikeng
- Sol Plaatje
- Matjhabeng
- Tlokwe
- Steve Tshwete
- George
- Lephalale
- Khara Hais

Source: Calculations by Lynelle John, based on population data from IHS Global Insight and area sizes from the Municipal Demarcation Board (2010)
4.4 Which municipalities have the most revenue?

- Jhb’s revenue is almost R4 billion > than CT
- Clear break between top 5 and other cities
- Ekurhuleni’s revenue almost thrice that of NMB
- Emfuleni has larger revenue base than 2 of the metros
- Emfuleni has R5 billion mark

Source: National Treasury (2009/2010 revenue figures)
4.4 Which municipalities have the most revenue?

Source: Calculations by Lynelle John, based on National Treasury data (2009/2010 revenue figures)
Future differentiation beyond Metros

• Report shows not all ‘secondary cities’ face the same challenges, so may not all need the same response:
  – Some are rapidly growing, others not (Matjhabeng is in the only district in the country that StatsSA estimates to be declining in population, while Lephalale is a relatively small town facing very rapid growth)
  – Some have strong own revenues, others not (E.g. Govan Mbeki 79%, Matlosana 45%)
  – Backlog levels vary (E.g. 31% access to water in Polokwane in 2007 vs 87% in Stellenbosch)
  – Some have large rural populations (e.g. Polokwane’s population is 63% rural)
  – Report doesn’t examine economic sectors and profile of backlogs, but these are very different (E.g. mining towns vs diversified economies)
  – Some secondary cities have some built environment challenges and opportunities / agendas in common with metros

There are implications for how we plan, finance, govern, manage and support our municipalities in accordance with their unique circumstances
Emerging conclusions

• Analysing the 22 does not present a consistent pattern, but the 8 metros do largely emerge dominant

• The study limitations may be significant:
  – Need to look beyond the 22 (or 30) as a starting point
  – More rigorous work needed on the criteria, indicators and data to inform
  – Governance & innovation dimensions are important

• Spatial hierarchy for SA needs to be determined to help us understand the distinct roles that different urban (and rural) spaces can play in the national space economy (NDP / NSF)

• We only scratched the surface on several issues: Need a far more rigorous and evidence-based analyses of South African spaces
Stakeholder views

• Study launched March 2012 with a stakeholder audience which included CoGTA, Rural Development & Land Reform, the National Planning Commission, National Treasury, the Demarcation Board, Gauteng City Region Observatory, etc.

• Reactions and reflections concluded:
  – Need to build reliable, well packaged, longitudinal, localized data and indicator sets to better support policy, planning and budgeting;
  – Need to identify key drivers of change in advocating a model for differentiation;
  – Importance of considering the constitutional, legal, institutional and political environment within which the local governance system seeks to drive its change agenda; and
  – Crucial importance of securing feedback and buy-in from relevant stakeholders.
So what?

• SA opportunities?
  ✓ Diffuse pressure on few urban centres
  ✓ Expand spatial literacy and urban-rural continuum to inform differentiation
  ✓ Expand reach of urban policies and offerings
So what?

• For “secondary cities”?
  – Ought to recognise and actualise potential
  – May have the opportunity to learn & avoid some “mistakes”

• For cities?
  – Clarity on role in broader urban context
  – Explore opportunities & linkages for own strategies
  – Opportunity to support & share

• For urban stakeholders?
  – Urban policy (IUDF) needs to make sense of the urban space
    (spatial hierarchy, roles & functions, interactions, literacy)
  – A contribution to National Spatial Framework process (per NDP)
SACN’s Responses so far…

• Expanding knowledge sharing engagement to the 30 largest cities

• Knowledge generation activities:
  – State of Cities Regional Studies – regional perspectives
  – Urban indicators project

• Continuing reflection with LG sector partners (COGTA, SALGA, EDD, etc.) in seeking to give practical expression to “differentiated approaches” based on enhanced spatial literacy

• Participation in SA urban policy process (IUDF)
Thank you

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