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RURAL DEVELOPMENT IN THE BROADER CONTEXT OF ECONOMIC DEVELOPMENT AND INNOVATION

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CITIES IN SOUTH AFRICA

- South Africa's economy is largely driven by cities
- Towns and cities serve as concentrations of economic activity within the national spatial economies
- Economies of scale
- Specialised business services
- Infrastructure

CITIES IN SOUTH AFRICA

- 71% of population live in cities and towns, particularly along the coast, Gauteng, and Limpopo and account for 88% of all formal economic activity in the country
- 24% of the population live in and around homelands and produce 4% of all formal economic activity

CITIES IN SOUTH AFRICA

- Traditional authorities control about 20% of country's land, 20% of population live there, and account for 3% of formal economic activity
- Six Metros account for 57% of all municipal spending

UNEMPLOYMENT RATE BY PROVINCE IN 2011

Province	Unemployment
– Western Cape	21,6
– Gauteng Province	26,3
– Northern Cape	27,4
– North West	31,5
– Mpumalanga	31,6
– Free State	32,6
– KwaZulu-Natal	33,0
– Eastern Cape	37,4
– Limpopo	38,9
Republic of South Africa/ National	29,8

% OF POPULATION LIVING IN POVERTY 2007 and 2010

• Province	%
– KwaZulu-Natal	59.6
– Gauteng	45.1
– Eastern Cape	62.5
– Limpopo	62.9
– Mpumalanga	63.2
– Western Cape	37.1
– North West	58.6
– Free State	52.2
– Northern Cape	50.3

CONTRIBUTION TO PROVINCIAL GDP

Municipality	%
– Buffalo City Metropolitan Municipality	23 %
– Cacadu District Municipality	8 %
– Amathole District Municipality	9 %
– Chris Hani District Municipality	6 %
– Joe Gqabi District Municipality	2 %
– O. R. Tambo District Municipality	8 %
– Alfred Nzo District Municipality	2 %
– Nelson Mandela Bay Metropolitan	42 %

COMPOSITION OF O. R. TAMBO DISTRICT MUNICIPALITY'S ECONOMY

- Primary sector 3 %
- Secondary sector 6 %
- Tertiary sector 91 %
- What does this situation mean for rural economic development?

MBIZANA

- About 76 % of the people have no incomes
- About 18 % of the population have incomes between zero and R6400 per annum
- Only 6 % earn an income of higher than R6 400.00
- Again what does this situation mean for rural economic development?

RURAL DEVELOPMENT

- A strong point about lack of rural development and its impact on:
 - Employment
 - Incomes
 - Educational attainment
 - Housing
 - Financial exclusion and lack of financial assets
 - Health and mobility.
- Ingquza Hill Local Municipality has a mortality rate of 88 per 1000 live births which is higher than the national average of 59 deaths. Immunisation coverage is 58 % which is below the national average of 63 %.

RURAL DEVELOPMENT

- A strong point that:
 - Rural areas are not homogeneous
 - Need for differentiated support
 - Unemployment holds back economic and social development
 - Unemployment represents unused productive potential and is a major cause of poverty and inequality

INGQUZA HILL LOCAL MUNICIPALITY

- Strong economic and innovation argument
- Strong point about need to support the town/s particularly skills development and improved access to job opportunities
- Identify the town/s as:
 - Strategic actors in rural economic development
 - Spatial transformation
 - Emerging platforms for provincial economic growth
 - Linkages to mainstream economy

PROFESSIONALS

- Strategic level and strategic intervention
- Make use of professionals to articulate issues of rural economic development and innovation much more clearer
- Make use of professionals to enhance your participation in policy formulation processes
- Generate insightful reports that can feed into policy making processes and strategic intervention (Kerela in India, National Departments in RSA, Gauteng Province)

CONCLUDING REMARKS

- Moral geography and political economy
 - Contextual and moral argument
- Rural areas contributed to the economic development of urban economies and cities
 - Through their labour
- Development of urban economies and cities occurred with parallel underdevelopment of rural areas and rural economies

CONCLUDING REMARKS

- Increasingly view the situation in rural areas in a more positive way
 - Unemployment represents unused productive potential and is a major cause of poverty and inequality
- Language of economic policy and innovation
 - Figures and economies of scale
 - Direct impact of economic policy
 - Indirect impact of economic policy
 - Induced impact of economic policy

CONCLUDING REMARKS

- Impact of policy decisions
 - High Road Scenario
 - Low Road Scenario
- Actionable project plans to the emerging policies and emerging strategies of rural development and rural economic development

WHAT ACTIONS CAN WE TAKE?

- More clearer about what you want to achieve by working with professionals
- Bigger picture, context, emerging trends
- Human Resources and Competence Building Committee chaired by Municipal Manager
- Economic Advisory Committee chaired by Executive Mayor
- Leadership Development Committee chaired by Honourable Speaker



Thank You

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