

Mother city, mother lode?

Cape Town's global competitiveness under the gun

A team of researchers scrutinised a host of statistics and interviewed 88 companies employing over 40 000 workers for a Cape Town City Council study to analyse the city's economy and provide advice about how to boost performance in the years ahead. The broad conclusion was that the City needs a bolder approach towards economic policy, because business-as-usual will not suffice for the future, writes **IVAN TUROK** and **SHIRLEY ROBINSON**.



Much of the evidence suggested that the City of Cape Town has not taken the economy very seriously in the past. A robust economy is fundamental to Cape Town's long-term viability and well-being of its citizens.

Delivering better municipal services can improve living conditions, and extending social programmes can relieve severe hardship, but creating more and better jobs is the only sustainable pathway out of poverty. Stronger economic growth will also increase the tax base to pay for enhanced household and community services.

THE HEART OF THE MATTER: DEVELOP THE ECONOMY

The evidence also pointed to the need for the City to put economic development at the heart of what it does and how it functions. A more outward-looking approach, engaging actively with the business community, would

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mean their concerns and constraints were properly understood. Better internal coordination and clear strategic leadership within the City would enable the impact of its major spending decisions and regulations on local investment and jobs to be taken into account more consistently.

Public investment in shared infrastructure underpins competitive strength. Cape Town's infrastructure is inferior to that of many of its international rivals, with bottlenecks, ageing systems and deficient water and sanitation capacity. The transport network is particularly inefficient, unreliable and congested.

Companies expect an effective supply of serviced land with a predictable regulatory framework, but complain about fragmented civic structures and complex procedures.

The City is uniquely placed to work alongside other parts of government and champion better planning and management of major economic infrastructure in order to improve Cape Town's business environment. In the



interests of long-term resilience and social stability, it is crucial to align land-use planning, transport and housing policies so as to integrate and densify the urban form, and facilitate job growth in appropriate locations.

IMPROVE THE INFRASTRUCTURE

It is also vital to boost the level of investment in Cape Town's basic infrastructure to address the competing imperatives of future growth, current maintenance and historical backlogs. If funds aren't forthcoming from local taxes or national sources, the City should borrow externally. A cautious, ratepayer mentality is inappropriate for a city with global ambitions, since this requires consistent upgrading of its fixed assets.

GREEN GROWTH VISION

A unifying vision could help Cape Town to mobilise its citizens and business community

towards practical problem-solving and action to increase prosperity for all. The City needs a vision that connects the goals of competitiveness and inclusion. A new 'green growth' strategy might be just the idea to draw together disparate current policies towards the environment, poverty and jobs.

Under a green growth theme, policies to promote innovation and creativity could fit with schemes to improve urban design and retrofitting of housing and commercial buildings to boost insulation and recycling.

The greening of urban infrastructure would support developments in environmental technology and ecosystem management. It could link the region's eco-diversity with its unique visitor appeal, creating thousands of jobs in the process. An expansion of agro-processing and spin-off activities could connect with concerns about hunger and food security.

Dynamic companies with strong creative and adaptive capabilities are the bedrock of durable growth and development. Flagship

projects and one-off events risk confusing short-term success with sustained achievement.

The City and its special purpose agencies could do more to support ambition among local businesses and to encourage reinvestment and growth within the Cape metropole.

Universities, colleges and other publicly funded institutions could also be encouraged to play a bigger part in strengthening the capabilities, output and employment among local firms. ◀◀

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**MONEY
MATTERS**
But do we know
how to use it?

Disclosing HIV status

Is it the right thing to do?

**Suffer the
little children**

To foster or to adopt?