

**“GROWTH AND DEVELOPMENT STRATEGIES IN THE CITY OF CAPE
TOWN: A COMPARATIVE ANALYSIS”**

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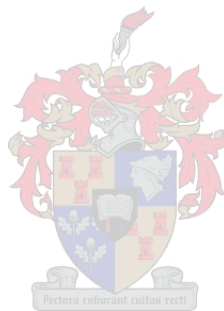
SUPERVISOR: PROF. E. SCHWELLA

DECEMBER 2007

DECLARATION:

I, the undersigned, hereby declare that the work contained in this thesis is my own original work and that I have not previously in its entirety or in part submitted it at any university for a degree.

Signature: Date:



Abstract

This thesis acknowledges the extent to which the South African society has been polarised by the policies and practices resulting from Apartheid. The safeguarding of rights, equal access to and the guarantee of service delivery to all South African citizens became one of the cornerstones of the Constitution of the Republic of South Africa (Act 108 of 1996) and one of the vehicles of change and redress.

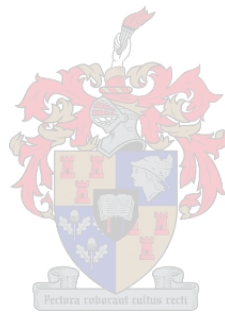
The legislative framework created guides the manner in which the three spheres of government achieve these objectives as one in which they work in a cooperative manner to secure its developmental objectives as captured by the United Nations in the Millennium Development Goals. The growth and development strategies, for which the three spheres of government are responsible, are identified, outlined and analysed to demonstrate the common developmental thread of the three spheres of government.

A case is built for the use of the Human Development Index (HDI) as one of indices that could be used as a means of assessing human development. It is further described as an effective methodology in determining the developmental level of people. This methodology is used as an illuminating tool to provide support for the provisional comparative analysis of the growth and development strategies of the three spheres of government on the City of Cape Town and the alignment of these strategies to the MDG. The writer will calculate the HDI of the inhabitants of the City of Cape Town and compare these to the provincial and national HDI. The results and findings will be analysed and recommendations and conclusions will follow. The calculations and provisional tentative findings of the HDI of the three spheres of government are provided in Appendix A.

Interrelatedness of strategies and deliberate cascading of objectives will be emphasised in terms of the benefit of directive focusing of energies for all three spheres of government. The writer will demonstrate the degree to which these strategies have been deliberately integrated and jointly coordinated by the three spheres of government.

The difficulty experienced in accessing adequate data sets has emphasised the need for all three spheres of government to prioritise the coordinated collection, compilation and making data available to ensure that the policy options that are chosen are evidence based and outcomes focussed. This is a significant concern since UN based funding is dependant on well-documented and researched policy options.

Findings and recommendations with respect to the comparative analysis are presented in the final chapter with recommendations for future study.



Opsomming

Hierdie tesis erken die mate waartoe die Suid-Afrikaanse samelewing gepolariseer is deur die beleid en praktyke wat uit Apartheid voortgespruit het. Die beskerming van regte, gelyke toegang tot en die waarborg op dienslewering aan alle Suid-Afrikaanse burgers het een van die hoekstene geword van die Grondwet van die Republiek van Suid-Afrika (Wet 108 van 1996) en een van die wyses waarop verandering en regstelling bewerkstellig is.

Die wetgewende raamwerk wat geskep is, het rigting gegee aan die manier waarop die drie regeringsfere hierdie doelstellings bereik namate hulle saamwerk om die ontwikkelingsdoelwitte te verseker, soos daargestel deur die Verenigde Nasies se Millennium Ontwikkelingsdoelwitte. Die groei- en ontwikkelingstrategieë waarvoor die drie regeringsfere verantwoordelik is, word geïdentifiseer, beskryf en geanaliseer om die gemeenskaplike ontwikkelingskoers van al drie regeringsfere aan te dui.

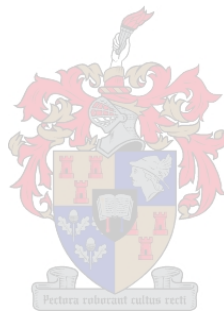
'n Saak word uitgemaak vir die Menslike Ontwikkelingsindeks (HDI) as een van die indekse wat gebruik kan word as 'n manier om menslike ontwikkeling te meet. Dit word verder beskryf as 'n effektiewe metodologie om die ontwikkelingsvlak van mense te bepaal. Hierdie metodologie word as middel gebruik om lig te werp op 'n voorlopige vergelyking van die groei- en ontwikkelingstrategieë van al drie die regeringsfere op die Stad Kaapstad. Verder word beoog om die aandag te vestig op die manier hoe hierdie strategieë die MDG ondersteuning bied. Die skrywer van die tesis sal die HDI van die inwoners van Kaapstad bereken en vergelyk met dié van die provinsie en land as geheel. Die uitslae en bevindings sal geanaliseer word en gevolg word deur aanbevelings en gevolgtrekkings. Die berekenings en voorlopige en tentatiewe bevindings van die HDI vir die drie sfere van regering word in Bylae A verskaf.

Die onderlinge samehang van strategieë en bewustelike afwenteling van doelwitte word benadruk ingevolge die voordeel om die energie van al drie regeringsfere spesifiek te fokus. Die skrywer toon die mate aan waartoe hierdie strategieë doelbewus geïntegreer en gesamentlik gekoördineer word deur die drie regeringsfere.

Die skrywer bereken die HDI van die inwoners van die Stad Kaapstad en vergelyk dit met die provinsiale en nasionale HDI. Die resultaat en bevindings word geanaliseer, terwyl aanbevelings en gevolgtrekkings daarna volg. Dit word daarvan uitgegaan dat die Stad Kaapstad se HDI beduidend hoër is as die nasionale HDI en ietwat hoër as dié van die provinsie is.

Die probleme wat ervaar is om toegang te verkry tot genoegsame datastelle, benadruk die behoefte van al drie regeringsfere om die gekoördineerde insameling, opstel en beskikbaarstelling van data te prioritiseer, om te verseker dat die gekose beleidsopsies op getuienis gebaseer is en op uitkomste fokus. Dis is 'n beduidende bekommernis, aangesien VN-gebaseerde befondsing afhanklik is van goed gedokumenteerde en nagevorste beleidsopsies.

Bevindings en aanbevelings rakende die vergelykende analise word in die laaste hoofstuk voorsien, tesame met aanbevelings vir toekomstige studie.



Dedication

This thesis is dedicated to Sandrae, Kirsten and Keagan who sacrificed much of their time and effort to support me in obtaining this degree. I am eternally grateful to you for this demonstration of Love.

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ACRONYMS OF MAJOR TERMS

AIDS	Acquired Immuno Deficiency Syndrome
ASGI-SA	Accelerated Shared Growth Initiative for South Africa
BBBEE	Broad Based Black Economic Empowerment
COSATU	Congress of South African Trade Unions
DOtP	Department of the Premier
EEA	Employment Equity Act
EPWP	Extended Public Works Programme
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GDS	Growth and Development Strategy
GEAR	Growth, Employment and Redistribution
HDI	Human Development Index
HIV	Human Immunodeficiency Virus
IDP	Integrated Development Plan
IE	Ikapa Elihlumayo
IUCNNR	International Union for Conservation of Nature and Natural Resources
IYM	In-Year Monitoring
MDG	Millennium Development Goals
MFMA	Municipal Finance Management Act
MSA	Municipal Systems Act
MTEC	Medium Term Expenditure Committee
MTEF	Medium Term Expenditure Framework
OBE	Outcomes Based Education
OHSA	Occupational Health and Safety Act
PGDS	Provincial Growth and Development Strategy
PGWC	Provincial Government Western Cape
PPP	Public Private Partnership
PT	Provincial Treasury
RSA	Republic of South Africa
SD	Sustainable Development
SDF	Spatial Development Framework
UN	United Nations

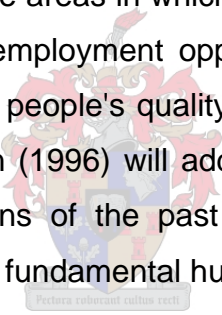
CHAPTER 1: INTRODUCTION

1.1 Introduction

The first state of the nation address in the democratic South Africa in 1994 highlighted the intention of the newly elected government to prioritise the adoption of a culture of human rights. This would particularly focus on the rights of the marginalised and vulnerable, children, women, youth, and the elderly. It identified the expansion of the provision of basic services to all South Africans as a major focus for the government of the day. The resources of government were further committed to achieve sustainable economic growth as a means of ensuring the agenda identified above (Mandela, N. 1994).

1.2 Background

The Preamble of the Constitution of the Republic of South Africa (Act 108 of 1996), hereafter termed as the Constitution (1996), recognises that the people of South Africa have experienced many injustices in the past. This has resulted in a racially polarised society. The polarisation impacted the areas in which persons live, the type and quality of services they receive, the type of employment opportunities, their level and quality of education, their level of income and people's quality of life. The Preamble further states that the objective of the Constitution (1996) will address these injustices when it states that it wishes to: "Heal the divisions of the past and establish a society based on democratic values, social justice and fundamental human rights."



The Constitution (1996) identifies specific rights. The Bill of Rights, as provided for in the Constitution (1996), states that all members of the South African society enjoy these rights, but there are limits to these rights. The priority of rights being extended to all South Africans is clearly seen in the manner that these are itemised in the Bill of Rights. It is further states that these items are the basic rights that all South Africans can enjoy. This allows the Constitution (1996) to confront, as a matter of priority, one of the most abhorrent problems prior to 1994, namely social injustice. Sections 40 and 41 of the Constitution of the RSA (1996) further clarifies the role of all three spheres of government as one in which they co-operate towards the end of achieving the objectives of the Constitution. Sections 42 to 102 of the Constitution of the RSA (1996) itemise the specific role and responsibilities of these spheres of government and prioritise the adoption legislation that would assist the different organs of state in carrying out their responsibilities. It further identified the role of all relevant stakeholders in all three spheres of government. The Constitution further recognises the developmental objectives of all

three spheres of government and the priority assigned to achieving these goals. We are to examine, against the legislative context of the South African Constitution, how the outcomes of the developmental strategies of all three spheres of government be assessed to determine whether they are working towards the objectives outlined in the Constitution.

1.3 Context

The South African government does not exist in isolation. Since the inception of the new democracy, it has increasingly taken on a leadership role in the world. This had a significant impact on the strategies that enjoy priority and the way it attempts to implement its developmental strategies. To this end, the United Nations (UN) development goals have impacted the developmental agenda of South Africa.

The United Nations has set developmental goals for developing countries of the world. These are termed the Millennium Development Goals (MDG) (United Nations Development Programme, 1990). Much effort was placed into the development of these goals, which are aimed at addressing the needs of the poor and marginalised in developing countries. The Millennium Development Goals include:

- The eradication of extreme poverty and hunger
- Achieve universal primary education
- Promote gender equality and empower women
- Reduce child mortality
- Improve maternal health
- Combat HIV and AIDS, malaria and other diseases
- Ensure environmental sustainability
- Develop a global partnership for development (United Nations, 1996)

All developing countries, of which South Africa is one, is expected to develop strategies, set targets and constantly assess whether their current priorities are in line with these goals and measure how far they are from achieving them. The year 2015 has been set as deadline for achieving these. If South Africa wishes to deliver on the achievement of the MDG it should ensure that it creates a developmental framework, which allows all spheres of government to move towards the achievement of these goals in a seamless manner. This would require the cascading down of objectives or priorities from national to provincial and local government, while ensuring that the priorities identified at a local and

provincial level are captured in the national objectives. All of this should be done while bearing in mind the international agenda of the MDG and South Africa's commitment to the realisation of these since the country is now part of the broader international community.

The UN priorities further focussed the interventions of the South African government in ensuring it does not remain isolated from the global developmental agenda. Its entry into the international arena as an active member state was welcomed by the UN. Its continued participation in the UN agenda has been guaranteed. Its track record from then on would be measured against the achievement of goals of the current developmental agenda. The South African government has been aware of the many needs of its people and the many programmes offered by the UN from which it would be able to benefit. The conditions would be compliance with the UN agenda and a series of performance measures which would allow access to critically needed UN funding.

The UN funding is for programmes that it supports in the countries of the developing world. Funding may be approved or disapproved based on the recipient's policy directions and whether they comply with the UN agenda of development. It is, therefore, necessary for the UN and recipients of funding to be able to determine the priority area of intervention. The strategies outlined assume that it is possible to influence the development of individuals in a country or region by spending money on the implementation of specific strategies, which are in turn implemented in a specific manner.

This is the basis of the assumptions for the MDG. It argues that certain policy options are more desirable than others, since they are perceived to be able to raise the developmental state of individuals. It further argues that real growth is always in the interest of the people of a region and that its nature is focused on developing their abilities and skills in a manner that extends the choices available to them.

This thesis will do a comparative analysis of the developmental strategies of South Africa and the extent to which it has been able to integrate the divergent needs seamlessly as it works towards achieving the MDG. This is not necessarily different from the developmental challenges of South Africa, since the MDG was an attempt to capture the accumulated challenges that all developing countries will face to a greater or lesser degree. Focusing the attention and energy of the international community on resolving

these developmental challenges was a deliberate strategy to ensure that all countries confront the challenges that their people face. From this, some provisional conclusions will be drawn about the possible extent to which the current developmental strategies and processes at the different spheres of government should contribute to the development of the people of Cape Town.

It is, therefore, necessary that the interrelatedness and the objectives of these developmental strategies be outlined against the broad backdrop of the international community as well as that of the national agenda. This will further place into context the origin of the national objectives and highlight how they are cascaded down to the provincial and local government levels. This ensures that the national objectives are prioritised, while taking into account what the regional and local needs are. This coordinated approach strengthens development, which is the desired outcome of service delivery while it adopts common mechanisms.

The national government embarked on a Growth and Development Strategy, called Growth, Employment and Redistribution (GEAR), to ensure that the economy would grow, create new jobs and in so doing to distribute the newly generated wealth of the country. All other strategies, whether provincial or municipal, have to be guided by this overarching strategy. The latter provides the broad framework for the provincial and local government to follow in terms of implementation. It may further be seen as a development strategy at a macro-level, while provinces are expected to develop their own strategies, which integrate the macro and micro-priorities of the region, while giving effect to the national priorities.

The Provincial Growth and Development Strategy (PGDS) of the Western Cape is known as Ikapa Elihlumayo (IE) and should be seen against the above developmental context. Its effectiveness as a strategy should be assessed against the degree to which it is aligned to the national and regional priorities, and the extent to which it contributes to the development of the people of the Western Cape.

The municipal (or local government) Integrated Development Plan of the City of Cape Town is intended to take the national and provincial priorities into account, while addressing the specific developmental needs of the inhabitants of Cape Town. It is essential to undertake a comparative analysis of the current IDP of the City of Cape Town

with the Growth and Development Strategy of the Western Cape, Ikapa Elihlumayo, the national growth and development strategy, Growth, Employment and Redistribution (GEAR) [the strategy under which the current IDP was developed], and current thinking and dominant principles of sustainable development (SD). A close study of the IDP of the City of Cape Town will demonstrate the developmental strategy that the municipality has used.

The purpose of the thesis is to do a comparative analysis of the growth and development strategies that impact and aim at increasing the development of the People of Cape Town. This will be done through a comparative analysis of the developmental strategies of the three spheres of government by drawing attention to the extent to which a seamless strategy has been developed and embraced as an approach, given the divergent developmental needs. It is necessary to bear in mind the international context of the MDG to which South Africa has committed its resources to achieve as a member state of the UN. Against this background, the developmental strategies and the budgeting processes of all three spheres of government will be assessed.

One of the ways in which movement towards the attainment these goals is measured is by determining the Human Development Index (HDI) of the population of a country. The index was designed to assist countries in establishing the extent to which the average basic conditions with respect to standards of living have improved for the inhabitants of that country. This thesis will proceed to build a case for the use of HDI by describing the concept of HDI, motivations for its use, (provide provisional and tentative calculations with findings on the indexes that are calculated)¹ as well as the advantages and disadvantages of using this index.

1.4 Study Goal and Objectives

The goal of this study is to provide a comparative analysis of the national, provincial and local growth and development strategies that impact on the inhabitants of the City of Cape Town and the extent to which they embrace developmental thinking and support MDG.

In order to meet this goal the relevant objectives have to be set. The first is to develop a conceptual framework, to use when doing comparative analysis. A description and

¹ Annexure A

explanation of the three developmental strategies that have been applied to, or impacted on, the City of Cape Town will follow. The thesis will further outline the extent to which the three spheres of government have been able to develop and implement a seamless strategy.

1.5 Research Methodology:

This thesis will carry out a comparative analysis of the developmental strategies that impact on the inhabitants of the population of the City of Cape Town, the Western Cape and South Africa. This will be done to examine the extent to which these strategies complement and support each other in achieving the desired development at the local, provincial and national sphere of government and looking at the extent to which they embrace developmental thinking and support the MDG.

The GEAR strategy will be outlined by demonstrating the extent to which it encapsulates the backdrop or priorities of the developmental needs of the nation. This strategy would identify and encounter a formidable obstacle to development of the masses in the policies of the previous regime, which orchestrated systematic and deliberate underdevelopment of the vast majority of South Africans.

The role of IE will be assessed along similar lines to ensure that all factors are taken into account in working towards the upliftment and sustainable development of the people and economy of the Province in achieving the MDG. This will highlight the current areas of concern of IE and may be used to provide policy direction to the PGWC so as to improve its Provincial Strategy for Growth and Development, which would place the Western Cape in a position to receive greater benefits from internationally negotiated agreements.

Both the IDP and IE should also be assessed on the degree to which they encourage and support the principles of SD. This is crucial, given the environmental sustainability concerns of water shortages, electricity blackouts and sewage spills which the Province and the City have faced during 2006 and 2007.

The key principles and concepts in the literature consulted will be outlined for the purpose of understanding the framework in which they operate. Questions for consideration will be raised at relevant points, which will be dealt with in the comparatives analysis. The

subsequent discussions will provide insight into the developmental needs of the inhabitants of Cape Town when compared to the Province and South Africa as a whole.

The author is aware that a new national economic and developmental strategy has been adopted, namely the Accelerated Shared Growth Initiative for South Africa (ASGI-SA). This strategy is, however, still very new in its development and implementation and has not had an opportunity to be rolled out at all levels of government. Its impact on the 2005/2006 IDP of the City of Cape Town, when this thesis was proposed, is thus not relevant and would not have been taken into account when drawing up the IDP of the City of Cape Town.

1.6 Structure:

The thesis will comprise approximately 98 pages. Chapter One of this thesis will introduce the topic with the relevant motivation. It also states the research problem, and the methodological approach to be followed in the rest of the thesis. In Chapter Two the literature review will be covered. The initial focus will be to clarify the economic and developmental approaches that have been chosen at the national and provincial levels, GEAR and Ikapa Elihlumayo, respectively. The sustainable development focus in these policy options will also be examined. Chapter Three will contain a comparative analysis of the IDP of the City of Cape Town by assessing the extent to which it is aligned to GEAR, IE and Sustainable Development thinking. The purpose is to analyse the developmental plan (IDP) of the City of Cape Town and what priorities have been identified. These priorities are best determined by scrutinising the relevant budgetary items. The success of a developmental strategy is best determined by the seamless integration into a concerted local, provincial and national strategy. The extent to which South Africa, the Western Cape and the City of Cape Town have been able to achieve this will be highlighted during this discussion. Chapter Four will focus on the findings of this thesis and make recommendations.

1.7 Summary and Conclusion

The author has outlined the background and the context for discussion in this thesis. An important precursor to the current developmental direction is the realisation of South African democracy. This is supported by a legislative environment, which recognises the inequalities that were legislated, implemented, and are persisting to this day. Attention is further given to changing the developmental state in which many South Africans still find

themselves. The legislative framework mandates that strategies be developed which would alter the “current” post-1994 state of affairs.

This is given further impetus by the international focus in directing the affairs of developing countries towards changing the developmental status of their inhabitants. This is the focus of the UN's Millennium Development Goals. The projects and funding of the international community are directed in a manner that will maximise the developmental outcome for the inhabitants of the developing world. The thesis has further highlighted the relationship of the South African developmental strategies to the developmental agenda of the UN.

The developmental strategies of all three levels of government, GEAR, IE and the IDP of the City of Cape Town, have also been briefly outlined with the following points of emphasis. The focus of GEAR is to ensure that a stable macro-economic environment is created which will stimulate the South African economy's growth particularly through foreign direct investment (FDI). Its aim is to do this while increasing the local labour market's competitiveness and simultaneously decreasing the high rate of unemployment. These are seemingly divergent and contradictory priorities in stimulating job creation and employment opportunities while encouraging labour market competitiveness. Against this background, it is evident that the IDP of the City of Cape Town and IE principles should ensure that it addresses and gives effect to the national socio-economic priorities, identified in GEAR, and the priorities of the Western Cape and the concerns with respect to environmental sustainability.

Against this complex background this thesis wishes to do a comparative analysis to determine the extent to which these strategies support each other with the aim of establishing a seamless growth and development strategy, which is able to cascade national and provincial priorities to the local sphere, while effectively addressing local developmental needs.

CHAPTER 2: RELEVANT SOUTH AFRICAN STRATEGIES AND FRAMEWORKS

2.1 Introduction

This chapter orientates the reader by highlighting the broader framework into which the South African developmental strategies fit. With this in mind attention is focussed on the broader international programme of the Millennium Development Goals (MDG). These are emphasised as the basis of many of the development programmes of the United Nations. The thrust of the Millennium Development Goals is to ensure that the marginalised persons of the world are given more choices and opportunities than they would have had if these programmes were not implemented. These are considered the desired outcome of development. The efforts of the United Nations MDG should, therefore, be seen against this background. All UN member states have thus accepted these objectives to ensure that their citizens are increasingly given the broadest possible choices, otherwise known as development. South Africa has also adopted these objectives and ensured that its developmental strategies are aligned to the MDG. Chapter one highlighted that the MDG of the UN does not necessarily represent a different or another developmental agenda to that of South Africa since all developing countries will experience these developmental challenges to a greater or lesser degree.



Chapter One further provides an orientation for the South African context in 1994. It accentuates the inequality and resulting injustice that many South Africans experienced. These have a social and economic impact on the South African population, which has resulted in severe polarisation. The growth and developments strategies that are to be implemented should take these into account if they wish to address these inequalities and injustices of the past.

In Chapter One the need is emphasised to understand the linkages between the developmental strategies and the different spheres of government. The relationship between these spheres of government is proposed to be one, which cascades the developmental approach of the national government down to the provincial and local or municipal level. In this chapter, the theoretical framework of these strategies will be outlined and discussed to clarify the goal of these strategies.

This chapter starts by discussing and outlining the concept of sustainable development, which is considered to be the basis for development that benefits the local community and the environment. The chapter then proceeds to outline the developmental strategies of the different spheres of government.

2.2 Literature Review

The analysis and assessment of developmental strategies, as outlined in Chapter One, have to be based on the academic literature that guides thinking in the field. The literature on this subject will be used as a framework with which to assess the developmental strategies of the three spheres of government.

The academic literature regarding development makes a clear link between development that needs to incorporate or be based on the concept of sustainability. The literature argues that development, which is not sustainable, will lead to under-development. GEAR, IE and the IDP of the City of Cape Town will, therefore, have to exhibit a sustainability focus if they wish to be labelled as strategies with a developmental agenda.

The author will now outline and explain some of the key thoughts with respect to sustainable development.

2.2.1 SUSTAINABLE DEVELOPMENT/SUSTAINABILITY

The previous paragraph highlighted the need for all strategies that are used to be linked to the intended outcome, development. It is, however, possible for institutions, organisations and countries to work towards an intended goal, but may ascertain too late that this is not what was desired in the first instance. The concept of development will now be described to reduce the risk of this happening. It should further be noted that it is sustainable development that is encouraged. This concept should be clarified to ensure that all stakeholders understand what the specific goal should be.

Muller (2004:6) quotes Season's definition on development when she states that it is a process in which there is growth and progress, and which affects every aspect of the community. She further emphasises Mohr's transformational view of development as facilitating change from the current paradigm to a new one (Muller, 2004:7). From these definitions, one understands that development is a progressive change, which results in growth. An environmental perspective defines sustainable as "maintaining an ecological

balance: exploiting natural resources without destroying the ecological balance of a particular area” (Encarta, 2004). Sustainable Development (SD) could, therefore, be understood as an attempt in reconciling seemingly opposing and mutually exclusive priorities, preserving the environment versus economic growth and human development. The purpose is to demonstrate through concepts and definitions, that meeting one priority cannot take place at the expense of the others and that the approach should be a combination of both and not one or the other (Swilling, 2003).

These concepts cannot be considered mutually exclusive, but are increasingly being seen as different sides of the same coin. The priorities of environmentalists, who are very concerned with the overexploitation of the environment – and the priorities of government and business who view human growth and development as inevitable, necessary and a sign of progress – need to be combined/integrated into a single discipline so as to adequately address the concerns of both. This implies that continued economic growth and human development cannot continue indefinitely unless they take into consideration the environment, since the latter is a limiting factor when degraded through economic practices that are not environmentally friendly and thus negatively impact on economic growth and development.

Simon Dresner (2002:30) supports this view when he quotes the International Union for the Conservation of Nature and Natural Resources (IUCNNR) and states that SD is concerned with *managing integration of conservation and development to ensure the well-being of all*. Dresner (2002) further clarifies this notion that according to IUCNNR, conservation is concerned with the management of the biosphere, all the ecosystems in the world, to ensure that it continues to provide current and future humans with what they need. Development refers to the way humans use the environment to provide their needs and raise their quality of life. This raises questions about:

- The extent to which the environment can be exploited
- Who will decide when the boundaries are being pushed too far?
- How could one establish boundaries that safeguard the environment while ensuring that adequate levels of development may take place?

Dresner (2002) further focuses on the report of the United Nations World Commission on Environment and Development, published in 1987, also known as the Brundtland Report, which argues that SD should concentrate on sustaining all human activities on the planet

for the present and future inhabitants, while maintaining the integrity of the environment (Dresner, 2002:31). This report further draws attention to the fact that there are no absolute limits placed on SD, that technology could be utilised increasingly to allow for further development, that the basic needs of the poor could and should be addressed, that participatory processes would assist in ensuring an equitable redistribution of resources and that the affluent need to change their lifestyles to adjust to the carrying capacity of the planet. It also emphasised that the exploitation of resources, direct investment, orientation of technological development and institutional change had to take place to ensure SD.

From the discussion above, it is evident that the major themes currently pervading literature on SD are equity, economic growth, effective and the efficient utilisation of environmental resources and participatory processes. A working definition for SD is: "SD is the way a community utilises and manages the environment, equitably to distribute resources and benefits toward all, to allow all members of that community to reach their fullest potential in a manner that does not compromise the integrity of the environment, so that all biotic components of the biosphere are able to flourish equally well" (Hartle, 2006).

From the above discussion it is evident that any growth and developmental strategy should take into account the environment to ensure that it does not become a limiting factor at a later stage. The following example would clarify this point. The developed world should have taken the impact of producing excessively high CO₂ emissions into account while implementing growth and development strategies. This in turn would have directed the technology of manufacturing into environmentally friendly means of production. It is essential that the growth and development strategies reflect the importance of the environment to avoid South Africa from falling into the same trap as the developed world by having to fix the environmental problem at a later stage.

The IE Strategy has been significantly developed and expanded since its introduction as the PGDS. Its supporting national and provincial strategies have placed the environment at the centre of discussion around development. Although these strategies are silent with respect to the environment, their supporting strategies direct all parties in the processes of implementation to carry out a thorough environmental impact assessment before any economic growth programmes or development that may be embarked on. The previous

discussion highlights the following questions that should be analysed during this process of environmental impact analysis:

- How will the integrity of the environment be maintained to ensure intergenerational equity?
- What limits will be placed on economic development to prevent degradation, thus ensuring interspecies equity?
- How will the resources be equitably distributed to ensure intergroup equity?
- What priority is given to the needs of the poor in its implementation?

This section of Chapter Two has outlined the concept of development as a positive influence on every area of a community, which offers that particular community more choices than if that influence were not present. It further highlighted that there needs to be harmony between such a community and the environment in which it exists. The discussion has highlighted the error in choosing one or the other as a priority and emphasises the reality that both are to be prioritised. This places human development and the environment in which they are found on an equal footing and are accorded equal importance.

The paragraph above highlights an important point to note when focusing on the growth and development strategies, since they have development as their primary outcome. It may be argued that the degree to which a developmental strategy recognises the environment of the inhabitants of the region for which it is intended, will determine its ultimate success or failure. This attribute of a developmental strategy thus hinges on the extent to which it incorporates effective planning and development within the environmental limitations of a region and its inhabitants. GEAR, IE and the IDP of the City of Cape Town should thus be assessed against the degree to which it plans and includes the environmental limitations of the spheres in which they operate.

The above discussion should serve as a framework in directing analysis and assessments of the growth and development strategies of the three spheres of government. GEAR, IE and the IDP of the City of Cape Town will now be analysed and assessed with respect to the degree to which they comply with the main idea contained in sustainable development.

2.2.2 GEAR

Chapter One highlighted the growth and development needs of the polarised South African population. It demonstrated the commitment of the new government to transforming the developmental landscape for all South Africans. Chapter One also highlighted the UN objectives, namely the MDG, as the context in which development in the world and South Africa should be understood. It explained that the UN member states were making a concerted effort in ensuring that they were planning to ensure the development of their people. It further sketched the relationship between the national, provincial and local or municipal growth and development strategies of the Republic of South Africa. The latter were portrayed as having a common thread of priorities, cascading down from a national to a provincial and municipal level. The first part of chapter Two outlined the concept of development and highlighted the equal footing that human development and environmental limitations enjoy. The growth and developmental strategies of South Africa should, therefore, be viewed through the bifocal lenses of sustainable development and the MDG.

This part of the thesis will now define the GEAR growth and development strategy. This strategy has a number of points of emphasis, which address the priorities of the government since it came into power. The current government inherited a country, which had high levels of debt, where economic wealth was unequally distributed, uncompetitive markets which were highly regulated and in which unemployment was high. These were seen as limiting factors, which would continue to perpetuate the racially based inequalities of the past if they were left unchecked. The growth and development strategy prioritised the reduction of national debt, setting in place policies and programmes that would ensure the redistribution of the wealth of the country, making South African markets more competitive through deregulation and encourage programmes for job creation.

GEAR has previously been identified as the macro-economic (and, therefore, also the development) framework that set the background against which the 2005/06 IDP of the City of Cape Town was developed. It has, therefore, had a driving influence to ensure that the national priorities are addressed. These national priorities will be investigated and the reader will be able to establish that they are not a mere national imposition, but rather an accurate reflection of the difficulties that the whole country is experiencing to a greater or lesser degree. These principles guide the provincial and municipal spheres of

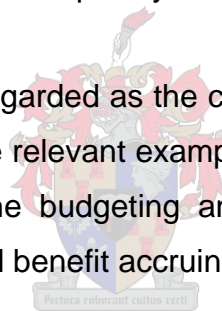
government with respect to the priorities that have been identified for all inhabitants of the region. It is from this perspective that GEAR will now be outlined.

2.2.2.1 Definition of Gear

Roux (2005:4) defines economics as the way in which humans utilise resources as a means of meeting their needs. The growth of the economy, one of the main concerns of GEAR, is primarily concerned with how individuals are increasingly able to meet their needs with the resources at their disposal. In order for the national government's response to significantly improve economic growth in South Africa and reduce unemployment, it needed to confront significant obstacles such as how to:

- reduce the burden of national debt
- encourage a greater equitable redistribution of wealth
- make South African markets more competitive
- allow the market to play a greater role in determining the price of the end product
- reduce unemployment while adequately addressing the above priorities (Roux; 2005:170).

The priorities identified above are regarded as the cornerstone of the GEAR strategy and will now be outlined by means of the relevant examples. The author will demonstrate how these priorities are used during the budgeting and planning process to achieve the desired objectives, development and benefit accruing to the population of South Africa.



2.2.2.2 Reducing Interest on the National Debt

The international community increasingly isolated South Africa as it refused to accept democracy during the 1980s. Sanctions were introduced to pressurise the Apartheid government into making policy changes. This resulted in the flight of large amounts of capital from the economy and a resultant decline in economic growth. The international community refused to give the South African government access to money that was needed to run the country and grow the economy. Government continued to need to raise funds for its different programmes and turned to large corporations inside South Africa to raise the money that was required. The cost of servicing this bill was very high and deflected money away from the much-needed programmes that the new government wanted to implement. The newly elected government prioritised the reduction of this outstanding debt.

Biggs (1997:49) identifies reducing the deficit without decreasing government spending as one of the key objectives of GEAR. Government would have to spend its money more effectively and on what has been determined to be national priorities. This would have the resultant effect of keeping total investment high since government would continue to spend more money on infrastructure and service delivery, and less on personnel expenditure. The aim was to allow investors to feel more confident about investing their money in the South African economy. This sentiment is supported by Roux (2005:170) who argued that this strategy was received well by international markets. This is supported by the high volumes of foreign direct investment that South Africa has been experiencing for the past few years. Many new projects were initiated with the result of increasing the volume of job opportunities for South Africans.

This approach has had the added outcome of ensuring an improvement in service delivery to the marginalised and poor while developing the infrastructure in these communities. The need for economic growth, as well as the developmental needs of these communities, receive priority while ensuring that a healthy climate, which encourages foreign direct investment, is created. The implementation of this strategy meets the national priorities while benefiting local communities for which the infrastructure is earmarked and employment opportunities are created. This approach, therefore, addresses a local need for increased service delivery, infrastructure and employment while simultaneously meeting the MDG of eradication of extreme poverty and resultant hunger.

One of the proposed ways in which national debt could be decreased drastically is through speeding up the sale of state assets. The added income from these sales has generated new income and has greatly reduced government debt. The burden of paying off the debt has not been carried by individuals and businesses. Supporters of the GEAR strategy also argue that lower deficits will result in lower interest rates. This would have the added benefit of increased private spending which would result in the growth and expansion of the economy. In the final analysis this would further boost investor confidence (Biggs, 1997:49-50). One of the results of this strategy has been excessive spending on the side of consumers. This has helped the South African economy to grow significantly.

GEAR further prioritises a decrease in the national debt, coupled with a greater degree of financial prudence in the budgeting process. This required a change from an incremental approach to one, which is more progressive. To this end government has moved towards programme budgeting, which identifies the priorities, determines the service delivery mechanism needed and then draws up a budget to match the objectives (Gubuza, 2005). This is likely to increase the efficiency of the budgeting process thus ensuring that the limited available amount of money is used in the most cost effective manner. This has resulted in a significant restructuring of national and provincial departments to ensure their alignment to new processes and functions. Critics of the GEAR strategy argue that government will also have to increase its spending in order to meet the demands for service delivery. It is argued that cost effective processes on their own would not provide the poor with the service delivery that is so sorely needed. This is particularly important when confronted with the low levels of efficiency in the area of service delivery for the vast majority of South Africans. This will further provide the necessary stimulus that the economy needs to grow.

It should, however, also be noted that the country experienced much labour unrest during the period in which it was restructuring its workforce for greater efficiency since the goal of reducing national debt was quickly reduced to cost saving measures for the state. This often resulted in the reduction of posts that were not deemed “necessary”. The experience of a large section of the South African public sector was retrenchment. Many of the individuals that became unemployed were not skilled for any other job opportunity and thus remained unemployed. This has exerted a cost on the social wage structure of the State since many are not able to find gainful employment and remain dependant on the State. Many of the subsequent programmes of government has been an attempt at directly or indirectly addressing the results of these problems. Many critics of this strategy of reducing the wage bill pointed to the future cost as for more pricey. These included some of the social ills observable today of an increase in crime, gangsterism, violence and drug abuse. Reducing the national debt may prove to have a significant price tag for the country.

Supporters of the GEAR strategy, however, draw attention to the safety net that government has been able to develop and increase by providing support for indigent communities. These individuals are often not able to receive basic services due to their insufficient earning power. The reduction of national debt has allowed government to

spend the “extra funds” that have been made available in the provision of needs to those who need them most.

2.2.2.3 Greater Equitable Redistribution of the Wealth

One of the trademarks of the South African society after the inception of democracy was that it was economically deeply polarised. The previous dispensation had ensured that this economic polarisation was along racial lines. The national government then addressed this economic polarisation by prioritising a significant thrust in the programmes and policies that emanate from GEAR. The 2005/06, 2006/07 and 2007/08 budgeting processes have taken this into consideration when prioritising the reduction of inequality and fighting poverty. A thorough discussion of this problem and how it should be addressed is dealt with in the 2005/06 budget under the heading: “Equity and Redistribution” Manuel (2005). This is particularly significant given that the inequality within the South African economy is still clearly race based. An equitable redistribution of the wealth of the country becomes essential, given the experience of Zimbabwe. South Africa has prioritised redress as a means of dealing with the inequalities of its recent past.

Finance Minister, Trevor Manuel, in the 05/06 budget speech, quotes from the Congress of the People, held in 1955, when he draws attention to the pledge towards equal rights of all the people of South Africa. Manuel (2005) further reminded parliament in his budget speech of the freedoms it should be striving for all South Africans. Confronting these inequalities is regarded as an integral path of ensuring that the developmental level of all South Africans is continually raised as a measure of the degree to which the MDG is being realised for all South Africans. This is coupled with a vision of ensuring that there is an equitable division of the country's wealth. The author is aware that these aims would not on their own ensure growth and development of the economy or encourage investment and capital inflow which growing economies require. Many companies would disinvest if confronted with the reality of subsidising the failed policies of Apartheid.

The GEAR priority in ensuring a greater equitable distribution of the wealth of the country is further supported by the recruitment and selection processes as outlined in the Employment Equity Act (Act No 55 of 1998), procurement processes as outlined in Sections 110 to 116 of the MFMA (Act No 56 of 2003) and obtaining the support of the Congress of South African Trade Unions (COSATU).

The Employment Equity Act (1998) addresses these inequalities in the recruitment and selection processes in the workplace. It has assisted the national government in developing a framework, which will ensure greater representivity of all groups in the workplace. The present government also streamlined the supporting Affirmative Action Measures to ensure placement and to assist the relevant candidates. This will allow access to all race groups in the public and private sector.

Sections 110 to 116 of the MFMA (2003) outlines the framework for the process of procurement, and the manner in which these processes should be implemented by municipalities. It further highlights that the aim of regulating this process is twofold. The first is to ensure that organs of state and municipalities, should implement processes and policies that are transparent and fair. This is also supported by the PFMA, which governs the way in which organs of state, national and provincial departments are to conduct their business. The second aim of this section of the act is to ensure that the redistributive intention of the legislative framework for all South African policies is adhered to.

It is important to note that the Employment Equity Act (1998) and the Supply Chain Management processes as outline in the MFMA (2003) both take special care of empowering all historically disadvantaged individuals, but especially acknowledge the plight of women. This category of persons receives special redress focus and thus supports gender equality and empowerment as postulated by the MDG.

Prioritising redistribution has been coupled by vigorously working at developing macro-economic stability, since such redistribution could only be effective if it is accompanied by growth. To this end government has relied on alliances, which it developed between political parties and in particular the Congress of South African Trade Unions (Cosatu) to achieve its macro-economic strategy, Growth, Employment and Redistribution policy (GEAR) (Mail and Guardian. 2002. *State of the leader*. 22 October). The tensions in the tripartite alliance have become more evident in recent years as ideological differences and points of departure, and interpretation and implementation, have been accentuated.

These measures are being used to speed up the process of a more equitable redistribution of the wealth of the country. This process has recently been extended to include a tax to be paid by mineral mining companies, as minerals are perceived to be part of the wealth of the country and its entire population. These processes will only be

seen to make a difference when the size of South African informal settlements decrease, gainful employment opportunities increase significantly and fewer South African citizens live below the poverty line.

The priority given to the redistribution of wealth is significant, but needs to be seen in the context of ensuring growth. The South African government will not have anything to redistribute to its inhabitants if it cannot ensure the growth of the economy. The uncompetitive industries and poorly organised working environment made South African markets uncompetitive. This is largely a vestige of the Apartheid era and needed to be confronted with the same zeal as the redistribution of the wealth of the country.

2.2.2.4 Making South African Markets more Competitive

Confronting the vestige of low productivity, charging high tariffs on imported goods, un-integrated programmes that date back to periods prior to globalisation and high labour costs are important means of ensuring that South African markets become more competitive. The South African government was forced to address these concerns to ensure that it attracted much needed foreign direct investment to South African markets.

One of the ways in which it has argued that it could achieve this, is by reducing those tariffs charged at the different ports at which goods enter the South African markets. This would stimulate foreign direct investment (Roux, 2005:170). It would also encourage greater investment in local markets for export purposes, since less tax would be charged on both imports and exports of goods.

The importance of the relaxation of labour market control should be seen against the context of the high degree of regulating the South African labour market in the first ten years of its new democracy. In doing so it provided protection for labour in the raising the minimum wage, regulating the hours of employment, adjusted the hours that state employees, such as teachers, are allowed to work, and providing protection for the most exploited employees, such as domestic workers. It has insisted on minimum health and safety standards in the Occupational Health and Safety Act (Act 85 of 1993) and established bodies, which inspect and monitor adherence to these standards. Manuel (2005) further argued that the state should create an environment in which business could continue to flourish, thereby creating more job opportunities for all. This is seen as the main reason for relaxing labour market controls in an attempt to assist the development of small business concerns.

It is argued that the protection of workers has to be balanced against the need to relax labour market controls so that it creates an environment in which business can continue to flourish, thereby creating more job opportunities for all. Manuel (2005) highlighted that the budget programmes are particularly geared at assisting small business. This will make South African businesses more competitive in light of competition of Asian economies with their very cheap labour. Biggs (1997) also emphasised that the supporters of the GEAR strategy argue in favour of a flexible labour market. This would imply that unions agreed, amongst others, to increases that are linked to productivity. For its part government has committed itself to increasing the social wage by spending more money on health, education and housing. They point out that if wage demands remain high this would lead to unemployment. They further warn that if wage increases are higher than increases in productivity it will result in high degrees of unemployment. It is for these reasons that the government argues in favour of a greater degree of flexibility in the wage market. Roux (2005) supports this view when he warns that labour legislation and minimum wage makes South African labour markets less attractive. This point is supported by a number of members of parliament as demonstrated by the speech of Mangosuthu Buthelezi, in his address at the launch of the Unemployed People's Trust, 27 May 1999, in which he stated that flexibility in the labour market is a vital part of the strategy of employment generation (Buthelezi, 1999). Manuel (2005) echoed this in the 2005/06 budget which was presented to parliament.

GEAR supporters argue that prudent fiscal policies, combined with flexible labour markets, will further boost investor confidence (Biggs, 1997:49-50). The plan of action is to encourage foreign investment by ensuring an environment, which encourages lower levels of remuneration for work done and lower levels of government wastage. This will lower the wage bill and the level of taxation. These are significant costs to any business and are often the deciding factor in the most suitable location for a business. This is particularly significant if South Africa is to attract greater degrees of foreign direct investment. The Asian economies have been able to maintain their wage costs at a very low base and this has assisted their economies greatly in attracting the type of investment that developing countries need. According to a report on SouthAfrica.info (2004), significant gains have been made in this country in terms of labour productivity. This spells good news for the supporters of GEAR as one of the key factors, increasing labour productivity, is being realised.

One of the positive spin-offs of the GEAR strategy of implementation has been that government has been able to increase the social wage by providing greater access to free basic services, access to primary healthcare and lowering of proportional percentage taxation. This concept has been expanded even further in recent months with the formation of the Government Employees Medical Scheme (GEMS). Here government has been able to establish a medical scheme while allowing a private institution to manage it. This has allowed government to provide free access to healthcare to workers on the lower salary scales if they use state institutions. The greater access to primary healthcare will assist the national government in reaching the MDG of reducing child mortality, improving general maternal health as well as provide for more effective HIV and AIDS management.

The focus on the provision of primary health care is a significant developmental achievement. It has, however, raised questions in recent months as to whether the health department is able to cope with the drain on its resources that has been created by this policy option. Both recipients and providers of healthcare have highlighted these concerns. An example of this is the recent protest by medical staff of Groote Schuur Hospital who were protesting against cuts in funding and a transfer in favour of another institution. News reports, even if exaggerated, drew attention to a concern and a degree of discontentment with the current state of service delivery.

GEAR further identifies stable exchange rates as a priority. To achieve this, the country's macro-economic environment, business practices, governance policies should support transparency and accountability. It further encourages a prudent money policy to keep inflation in check, a relaxation in exchange control and tax rebates to stimulate foreign and local investment (Biggs, 1997:49).

The strategies identified above will assist in making the South African markets more competitive. This would ensure a market, which is streamlined, competitive and driven by competitive pricing for services, and which would be able to determine a fair end-product price. Allowing the market to determine/play a greater role in a fair end-product price is another one of the driving strategies in GEAR. This will now be explained and outlined.

2.2.2.5 Allow Markets to Play a Greater Role in Determining the Price of the End Product.

South African markets experienced a high degree of protection during the Apartheid era. This protection resulted in monopolies established in many of the markets of South Africa. Many of the services were provided by the state at a significantly higher cost. This resulted in a higher price paid by South Africans for many of the goods and services, which were needed. Undoing the physical and organisational infrastructure, which caused these monopolies and resultant poor services delivery, became a priority for the South African government.

The New Public Management approach, which was dominant during the period in which GEAR was introduced, favours a greater role for the private sector and a smaller role for the state in service delivery. It is, therefore, significant to note GEAR's favourable stance to allowing the "market" to determine the price of goods and services (Roux, 2005:170). It further argues that the role of government is to ensure that the necessary infrastructure is developed and allow the private sector to provide the necessary services supported by the infrastructure. Critics of the GEAR policy, namely COSATU aligned unions, argue that this is one of the fatal flaws of the policy as they point out that the market is not neutral, but focussed on making a profit. They further emphasise that the above voids the market of the noble intentions of government as the bottom line is profit, not redistribution or job creation. They acknowledge that these may take place, but are not necessarily part of the intended purpose. They further point to the contradictory intention of government to create more job opportunities while businesses have as one of their main aims to reduce costs, often that of personnel. This is one of the tensions that the tripartite alliance has constantly had to confront and address.

Managing the tensions between becoming more competitive, allowing the market to determine the end price and reducing unemployment, has often put organised labour, government and big business on opposite ends of the negotiating spectrum. These have resulted in countless threats and disruption by the labour force of the implementation of seeming opposing strategies. The national government's attempt at minimising the loss of jobs and maximising job creation will now be outlined and explained.

2.2.2.6 Reduce Unemployment in lieu of other GEAR Priorities.

One of the most serious concerns of the new democratically elected government when it came into power was the high levels of unemployment. The percentage of the unemployed workforce was in the range of approximately 25 to 40 percent. This percentage varied depending on the source used for referencing. The rate of unemployment was particularly high amongst African black South Africans and less significant in the other groups. The government's drive of redistributing the wealth of the country is directly related to its ability to facilitate a climate, which reduces unemployment by generating new job opportunities. The government has seen this as a key driving force in raising the standard of living for all. The problem of reducing unemployment needed to confront a number of different problems with respect to the potential workforce.

One of the key objectives in addressing unemployment is to develop a workforce that is competitive by raising the level and quality of education and skills of its workforce to meet the needs of the economy. Manuel (2005) quotes Tshepiso Mathabatha when he says: "people need the skill and knowledge to be able to compete in the job market". Manuel (2005) specifically prioritised the development of a skilled workforce in the budgetary allocations. The importance of developing a skilled workforce is emphasised in the way infrastructure, buildings, communication system, and new technology of the department of education has been prioritised in the sizeable allocation it enjoys for the current financial year (Manuel, 2005). The present model of education, outcomes based education (OBE), is further proof of the government's earnest goal of prioritising scientific, mathematical and analytical skills. These skills will empower our workforce to be able to meet the demands of the twenty first century.

This emphasis of GEAR goes significantly further than the compulsory universal primary education that the MDG outlines, since it presumes that more than schooling is needed for development. It presumes that skills are needed to make an individual a productive part of the working environment and that development only has the potential for realisation once that individual is able to participate meaningfully in the economy through gainful employment.

The government has been acutely aware of the need to increase the general skills level and ensuring an appropriately skilled workforce. With a view to achieving this, a new education system was implemented and has been revised repeatedly. This system is

focussed on teaching those specific and general skills, which are needed for success in the working world. An appropriate skills level, combined with the opportunity for employment, is seen as the necessary precursor towards development.

To this end, government has created a legislative framework in which public and private sector are expected to assist employees and prospective employees to develop the necessary skills. These include:

- The Skills Levy Act (Act 90 of 1999)
- Skills Development Act (Act 97 of 1998)
- Broad Based Black Economic Empower Act (Act 53 of 2003)
- Employment Equity Act (Act 55 of 1998)
- Preferential Procurement Policy Framework Act (Act 5 of 2000) and
- Municipal Finance Management Act (Act 56 of 2003)

An area of particular concern is the way in which the youth are negatively affected during periods of high unemployment. O'Higgins (2001) found that they have a higher proportional degree of unemployment than adults. He argues that they are negatively affected as follows: Recessions are dealt with by slowing down recruitment and selection processes (at the expense of young persons); Layoffs affect them more since it is cheaper to retrench them than older persons; And they have less experience than older people. These findings were also supported by Neumark and Wascher (1999), and Mlatsheni and Rospale (2002).

The response of the PGWC to the specific needs of the youth will be highlighted under the discussions of IE.

Government's response to the above concerns has been to embark on a job-creating programme, Extended Public Works Programme (EPWP), which is intended to create one million new jobs within the next ten years. A UN report compiled by the Integrated Regional Information Networks (IRIN), (2004) highlights the South African government's attempts at job creation. This project has a projected multi-billion rand budget in terms of which the government will be focusing on poverty alleviation by developing infrastructure in public works. The purpose of this programme is to assist the historically most disadvantaged parts of the country by developing their infrastructure. The inhabitants living in these regions will gain employment and the services that they need. The

government wants to stimulate the local economies of these regions. The 2005/06 budget for this programme, its expansion for the 2006/07 financial year and its significance in addressing unemployment warrants further investigation in the thesis. An example of how this programme has gained significant momentum is the large bids that have been delivered for securing funds from the national and provincial parliaments by the Department of Transport and Public Works. This Department drives the EPWP and has achieved significant successes in linking its bids for larger programmes to the 2010 Soccer World Cup. This event is creating further impetus for the EPWP. The combined efforts of national and provincial government are being focused through these projects on skilling, employing and developing a competent workforce.

Despite significant gains that have been accomplished in creating employment opportunities, it should be noted that many of the projects have a short lifespan and that the real benefit is derived from learning the necessary skills while participating in these projects. This will assist individuals in becoming gainfully employed once they have participated in the EPWP.

2.2.2.7 Summary

From the above discussion it is evident that Roux (2005) and Biggs (1997) support the notion that GEAR's focus is to ensure that the correct environment is created at a macro-level, nationally and internationally. This economic strategy is supported by a number of policies and strategies, which aim at giving effect to the social and economic development of South African society. The five points of emphasis of GEAR were outlined and explained.

The focus of reducing national debt was carried out against a background of reducing wastage costs, which arose from inadequate budgeting and ineffective service delivery. The process of restructuring has managed to ensure that citizens would receive greater service delivery in the most effective, efficient and economic manner possible. The budgeting process was adapted to align itself with these priorities.

Allowing the “market” to play a greater role would imply a greater degree of competition, more varied services and this would assist in keeping the prices of these services at a reasonable level for all concerned. All citizens would benefit from this and would put them

on a developmental path where the number and quality of choices continually increase and provide them with a better quality of life.

The South African markets became more competitive by reducing tariffs; stabilising exchange rates and deregulating labour. This has, however, had the undesired effect of increasing levels of unemployment. This served to give greater impetus to the drive of decreasing unemployment. In short, South Africans are now doing more for less.

This section of the thesis has demonstrated how the South African government has had to manage contradictory objectives to deliver the desired outcome, development, to the masses of South Africans. It has further demonstrated the extent to which GEAR strategy has embraced the MDG by outlining the support and alignment with each one of the goals identified in Chapter One. GEAR, however, remains silent on the issues of the environment and needs supporting strategies to assist it in prioritising the environment.

The legislative components of the GEAR strategy supported its drive to ensure growth in significant areas of the South African economy. The economic strategy created the broad national framework that attempts to create a stable and growing macro-climate for the whole country. It aimed to ensure that the essential criteria for long term and sustainable growth are present, thereby creating a climate of macro-stability.

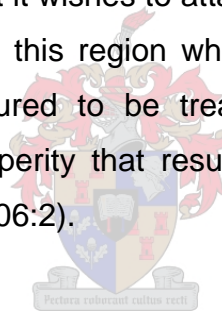


The same principals are mirrored at the regional level. This is the focus of the Provincial Growth and Development Strategy (PGDS), Ikapa Elihlumayo. It attempts to develop at a regional level what has been prioritised at a national level. The linkage between these strategies is, therefore, one which is purposely directed and not a loose and unstructured relationship. This relationship will be explored further as the Principles of IE are further outlined.

2.2.3 DEFINITION IKAPA ELIHLUMAYO

The basis of development of a region is that the inhabitants living in that region should be allowed an increasing range and quality of choices with regard to their standard of living. The role that GEAR has played in contributing to this development at a national level was outlined in the previous section. This section will outline the role that Ikapa Elihlumayo (hereafter IE) plays at a regional level at implementing the directive influences that have been established at a national level. It should be borne in mind that the desired outcome is not one of economic prosperity, but rather of increased development. This refers not only to generating more income, but also to direct the income in a more effective and efficient manner in the provision of services to the community.

The literal meaning of the phrase Ikapa Elihlumayo is “the Growing Cape”. It is evident that the provincial government has as its main objective that the region for which it is accountable, has to be a growing one. The provincial government is very specific with respect to the desired outcomes that it wishes to attain in this region. It describes them as being relevant to the inhabitants of this region who will be guaranteed their dignity as promised in the Constitution, assured to be treated with equity as implied by the Constitution and share in the prosperity that results from working together towards a common goal (Ikapa Elihlumayo, 2006:2).



This section of the thesis will outline the different components of IE and how they have been implemented in a manner to ensure the growth of the region in a direction of encouraging greater growth, where the population of the region are treated with greater dignity and where the wealth of the region is distributed in a manner which is more equitable.

The approach and the manner in which the Provincial Government of the Western Cape has worked at implementing this strategy will first be outlined. This will be followed by working arrangements in which similar departments are clustered where they experience an overlap in responsibility. The chapter will then proceed by providing an outline and discussion of the eight objectives that have been highlighted in IE. In dealing with the objectives the main approaches to these objectives and accompanying examples will also be outlined. The writer will draw from the examples found within provincial government, but particularly the role of the Provincial Treasury (hereafter PT), since it is the chief developer and driver of the IE objectives.

The Provincial Government of the Western Cape (PGWC) is aware of the need to prevent working in isolation from other spheres of government. To this end the PGWC is collaborating with other spheres in various Intergovernmental Relations (IGR) fora and various stakeholders in the Province (Ikapa Elihlumayo, 2006:2). This is one of the ways the PGWC plans to ensure that it remains aligned to the national priorities, and the needs of the inhabitants of the Western Cape. In its consultation with these stakeholders it has identified the following as important priorities: reducing the productive costs of labour; equitable distribution of assets; spatial integration and urban restructuring; improving environmental quality; improved quality of life and well-being by safeguarding the environment and improved social cohesion; good governance practice; and improved public transport (Ikapa Elihlumayo, 2006:3). The process of consultation is significant since it has assisted the PGWC to determine the priorities based on inputs from all stakeholders in the Province. This will ensure that there is buy-in from each segment of the population. One of the significant points of departure is that it is the state's role to lead growth creation and identify how it would intervene in growth and who the beneficiaries would be (Ikapa Elihlumayo, 2006:5). This is a focussed approach and is usually accompanied by directed investment in infrastructure, offering sector support or directed spatial development. IE does not only offer a framework for directing growth and development in the Province, but directs it to be approached in an integrated manner that allows the resources of all three spheres of government to be directed towards a more coordinated, focussed and informed outcome while minimising duplication of activities and the accompanying wastage of resources, time and energy.

Against this background the Provincial Government Development Strategy of the Western Cape, EI, should be seen. Its effectiveness as a growth and development strategy should, therefore, be measured against its ability to integrate the national and provincial objectives, macro and regional levels of planning, and managing the tensions that this integration may necessitate to ensure economic growth, nationally and provincially. The discussion in this thesis will now outline the individual strategies of IE and draw attention to the alignment with its national counterpart and the MDG while demonstrating through examples, the impact for the inhabitants of the Western Cape.

The Provincial Departments of the Western Cape are divided into five clusters associated with their core IE intervention or strategy. These are the Micro-economic Strategy (Economic Development and Tourism as the lead department),

Strategic Infrastructure Plan (Transport and Public Works is the lead department),
Social Capital Formation Strategy (Department of Social Services and Poverty Alleviation is the lead department),
Spatial Development Framework (Environmental Affairs and Development Planning is the lead department) and
Human Resource Development Strategy (Education is the lead department).

The aim in doing so is to prevent departments from working in silos by facilitating cooperation between clustered spheres which will result in the efficient, effective, equitable and economic delivery of services to the public and private sectors. It further provides role clarification for departments and ensures that all understand the specific role they play - either leading or supporting - in the implementation of these strategies.

A further measure of ensuring closer working arrangements between all Departments is by ensuring integration and alignment to the objectives of IE in the manner in which the resource allocation takes place. Provincial Departments of the PGWC are compelled to budget in such a manner so as to support the objectives of IE. To this end, the Provincial Treasury in its oversight role has the responsibility of ensuring that budgeting takes place according to predetermined objectives that the Western Cape PT has developed in terms of the principles of IE in order to ensure that all departments adhere to the same strategic objectives while budgeting. It is clear that these principles guide the budgeting process, which is intended to be developmental in nature. The Departments within the Provincial Government Western Cape further have to ensure that their strategic and operational plan and strategies drive and deliver what have been identified as core deliverables (PT, Ikapa Elihlumayo, 2004). This alignment ensures that funding, resources, time and energy are allocated by departments and are managed through various programmes. One of the significant prerequisites is that all programmes' objectives should support the IE Strategy.

The eight objectives of the PGDS, IE, will now be outlined and the benefits accruing to the population of the Western Cape will be emphasised in the relevant sections.

2.2.3.1 Building Human Capital

South Africa had to confront its educational inequalities of its recent past through the different programmes and at various levels. Many persons do not have a sufficient formal

education, while some remain unskilled. The lack of sufficient formal education and the fact that so many are unskilled or inappropriately skilled is primarily true for black South Africans. In this context IE has to be implemented for the inhabitants of the Western Cape. A developmental strategy should reflect this reality if it wishes to alter the developmental direction of the people of that region. This developmental strategy should further work to build the human capital of that region if it wishes to change the current developmental path of the population of that region.

The first objective of IE focuses on providing skills to the economically active population with an emphasis on the appropriate skilling of youth (Ikapa Elihlumayo, 2004). This is primarily the responsibility of the department of education in ensuring that its policies, processes and educational framework (Outcomes Based Education) comply with the needs of skilling the population at large, especially focussing on scientific, mathematical and analytical skills. These skills will empower the workforce to be able to meet the demands of the twenty first century. Roux (2005) argued that a major problem which confronts the South African economy, is that the labour force has disproportionately high levels of unskilled labour. Roux further identified that structural changes in our economy has resulted in many workers not being appropriately skilled to be able to cope with the transition that is required (Roux, 2005:58). The inappropriate and inadequate level of education further exacerbates this problem, since workers cannot be adequately trained unless they have a good educational background.

An example where this is clear, refers to the mining and clothing sector. Large numbers of factories and mines have closed because of competition from overseas companies that employ cheaper labour or as a result of the Rand-Dollar exchange rate. These individuals are skilled in the service that they provided, but are not adequately or appropriately skilled for other opportunities in the economy. The development of human capital is concerned with being able to match the developmental need with a correct fit or demand within the economy.

At a national level the budgets for the 2005/06 and 2006/07 financial years specifically prioritised the promotion of programmes to assist with the development of a skilled workforce (Manuel, 2005). State and Provincial Departments have also promoted learnership programmes. It accelerated the implementation of many internship programmes, which offer employment experience for persons that have not yet gained

working experience in the public sector and intend entering this field. This has had the added benefit of attracting skilled employees who would otherwise not have considered employment in state institutions.

This approach has been mirrored at a provincial level by directives and accompanying programmes from the Premier of the Western Cape in the establishment of learnerships to encourage the necessary skills transfer, as well exposure of historically disadvantaged individuals. This challenge has been taken up and is currently being implemented by provincial departments. These programmes have particularly been prioritised in the PT of the Western Cape, one of the developers and drivers of IE, that is currently developing and implementing its own external internship with a minimum duration of one year. When this thesis was initiated in, June 2006, the learnership programme was still in its planning stage. This programme hopes to attract unemployed, qualified persons, in the area of finance or other general fields, with the hope of developing their financial skills level to use in the public sector. It is foreseen that the experience gained in provincial government, coupled with the offer of external bursaries to achievers who are economically disadvantaged, would be an adequate measure in addressing the skills deficit in finance, in provincial government (Jones, 2005). The PT has recently, May 2007, appointed its first twelve (12) persons in learnership positions.

A further example of the commitment by the developers and drivers of IE is the training that the Provincial Treasury offers to all its employees (Annual Report, 2004/05:6). Fourteen employees (7% of total number of employees) received bursaries for 2005/06, and 32 employees (16% of total number of employees) received bursaries for tertiary studies during 2006/07. The total cost of bursaries for 2005/06 was approximately R160 000, while the projected cost of bursaries for 2006/07 is approximately R300 000 (Jones, 2005). The PT is demonstrating through budgeting processes and prioritising the skilling of its employees that it supports and adopts the principles of Ikapa Elihlumayo, and the Skills Development Act (PT, Annual Report, 2004/05:6). This is not a new practice, since the education department also offers such bursaries to teachers wanting to study mathematics and science. The population of the Western Cape will benefit from the implementation of these programmes.

Building human capital will assist the Western Cape and the national government in dealing with the pressure that unemployment places on the economy and, therefore, on

the rest of the employed South African population. Roux referred to the loss of contribution to production of goods within the economy, which results in sacrificing economic growth and development because certain individuals cannot contribute to the economy. He also pointed out that the unemployed are unable to purchase goods and services and do not pay taxes. The rest of the working population consequently has to carry the burden of paying tax, medical and pension fund contributions (Roux, 2005:51). Roux further summarised the economic development problem in two points. He stated that the major problems are the economy's inability to absorb the fast growing labour market and the under-skilled labour force which reflects an uneven distribution of skills (Roux, 2005:52). The problem of unemployment should be addressed by means of these key areas of concern.

The first objective of IE is, therefore, aligned to GEAR and the national budgeting priorities, by placing an emphasis on re-skilling individuals in our economy. It further demonstrates its alignment to the MDG by ensuring the development and implementation of strategies that reduce poverty and hunger through the provision of adequate education and skilling.

The above objective cannot be separated from its role of supporting the micro-economic stability of the Western Cape. This will allow the benefits that are obtained from a growing economy to accrue to the inhabitants of the Western Cape. It is, therefore, essential that the same commitment and vigour be demonstrated in working towards a micro-economic climate that allows for newly skilled persons to be utilised to the full while ensuring that the inhabitants living in the region of the Western Cape continue to accrue benefit from the implementation of these strategies and accompanying objectives. This places a great responsibility on the provincial government to ensure that it addresses the economic concerns at a regional level. This thesis will now outline the micro-economic strategy of IE.

2.2.3.2 Micro-Economic Strategy

One of the significant challenges of GEAR is to achieve a higher growth rate, while creating significant numbers of new jobs and simultaneously achieving macro-economic stability (Biggs, 1997:48). The second objective of IE acknowledges the importance of a complementary micro-economic strategy to strengthen and support the regional and national objectives of growth by identifying blockages and opportunities where it can

direct provincial involvement in the private sector to stimulate economic growth (Ikapa Elihlumayo, 2004). The desired outcome is one in which the PGWC creates a climate which allows and encourages business ventures. Businesses are, however, reluctant to take action and calculate their risks when the government does not send clear signals of its intentions. To overcome such difficulties government would often participate in joint ventures between government and businesses. This often proves risky and needs to be managed effectively if the objectives of government and the private sector are to be met.

To effectively manage this risk the PT has established a unit which serves to facilitate the establishment of the Public Private Partnerships between the provincial and local spheres of government and the private sector and or non-governmental organisations. It has particularly focussed on intersectoral cooperation and partnerships, amongst others, such as WESGRO, whose aim is to target investment in line with the Province's priorities and strategic objectives. This allows development at a local level to be prioritised while receiving inputs and guidance from a national and provincial level. It simultaneously provides a channel for the private sector to give inputs and to identify blockages that the market experiences in the system. These partnerships with local, national, international, private and public role players are encouraged by the MDG as a strategy of ensuring a more focused approach, which is goal-directed by focusing the combined efforts of all role players on achieving the desired outcome. In short, IE is establishing global partnerships for development. Examples of international relationships being established extend to benchmarking the transportation system of Bogota in Columbia, and a trip to study the management of infrastructure in Britain, which was paid for by a private banking institution. Officials of the provincial government and the City of Cape Town participated in both of these visits to these international destinations.

The unit is further able to use research and information from the PT to identify areas where there are institutional or capacity difficulties, at provincial or local government level, and to prioritise and spearhead developmental and economically viable projects in favour of that region.

This unit is currently working towards establishing international relations on behalf of the PGWC. The resultant output has proven beneficial as departments have been able to direct development in line with IE, thus meeting the needs of the inhabitants of the

Western Cape, which is its core function, while improving service delivery and using the opportunities for skills transfer from the private sector to the provincial departments.

Added benefits from the establishment of this unit are that it is often able to circumvent the red tape that would usually be accompanied by internal processes and procedures of PGWC or municipalities. This has translated into shorter periods from conceptualisation of a programme to the point of service delivery. A further benefit has been the growth of the local opportunities and a plethora of broad based black economic empowerment opportunities that have arisen as a result of these types of ventures. One of the negative drawbacks has been the high, though well managed costs associated with these types of ventures. This vehicle has, however, directed development and funding in line with the strategic objectives of the Province.

Micro-economic development without building the necessary accompanying social capital is not viewed as a reasonable scenario for the PGWC. The cost of poor life-skills to the economy cannot easily be determined, but many programmes have emphasised that this figure is astronomical. Creating a climate for economic growth and stability is to encourage the youth of a region to invest in their own future and to build a better range of developmental opportunities for themselves. That is just as essential for the youth of a developing region to ready and equip themselves for the opportunities that emanate from economic growth. These are the flip sides of the same coin. It is within this context that building social capital should be understood. This objective will now be outlined.

2.2.3.3 Building Social Capital with an Emphasis on Youth

Chapter One and the subsequent discussions have constantly highlighted the inequalities that pervade South African society. These inequalities have permeated all spheres of the society with dire consequences. The urgency with which these inequalities are confronted is a measure of the extent to which the current government is committed to redressing the South African landscape. These cannot, however, be achieved in isolation and without confronting the resultant social ills that emanate from these dire inequalities and manifest themselves in every aspect of community life. The discussion that follows outlines what could be considered to be the “antidote” for the many difficulties that are experienced in South Africa and thus also the Western Cape and how they need to be addressed.

This third objective of IE may be stated as a means of encouraging responsible living. Its goal is to reverse the decline in social capital (Ikapa Elihlumayo, 2004). The Department of Social Services and Poverty Alleviation is to lead the way in addressing the need for development of social capital by ensuring that its own programmes are integrated with those of other departments. It is expected to provide comprehensive programmes and infrastructure in dealing with support and confronting social ills that often manifest themselves, particularly in poor marginalised communities. It focuses on a support net for persons who are in need or at risk. At this point the writer should emphasise that, as has been argued earlier, many of the individuals that find themselves “at risk” are in this position because of the legislated inequalities of our recent past. Not addressing the needs of these individuals at risk is tantamount to ignoring the outcome of equity on which IE is based.

The integration of these programmes could demonstrated in the following way. The Department of Education plays a significant role in addressing this problem through its educational programmes, which are aimed at developing the necessary life and career skills at all its institutions, while the Department of Health promotes projects and programmes aimed at promoting healthy living. The Department of Education and Health also takes joint responsibility for education around safer sexual practices for the prevention of acquiring HIV and AIDS, and the prevention and effective management of tuberculosis (TB). The Department of Community Safety ensures that it has the necessary infrastructure, personnel, resources and capacity to manage and police antisocial behaviour and to deal with the negative effects of irresponsible behaviours manifested in society. It should also ensure that its programmes have a preventative focus by allowing communities to participate and develop their civic capacity to ensure support in the crime fighting projects.

Drug abuse is increasingly becoming a major social ill in all communities in South Africa. The marginalised sections of these communities have fewer resources to effectively confront the symptomatic and causative manifestation of this problem. The PGWC and all its arms should work together towards the removal of drug traffickers, while vigorously implementing programmes that could support those individuals, families and communities that struggle with the scourge and consequences of drug addiction.

A combination of integrated approaches is being used to ensure the effective and efficient implementation of varying programmes towards the desired outcome. These strategies are focussed on developing positive alternatives, such as responsible sexual practices, healthy eating habits, advice about preventing, identifying and curing TB, responsible citizenship and highlighting civic responsibility as apposed to the present negative experience of these issues in the community. They may be compared with the national strategies in awareness-raising such as “Arrive Alive”, “Crime Stop”, “Bambanani” and HIV and AIDS campaigns.

The departments of the PGWC thus play a preventative role in trying to assist individuals at risk. These functions include education in its broadest sense, information sharing to assist in life choices and accompanying support functions. For individuals who have made poor choices, there needs to be the support of rehabilitation by means of which these individuals are assisted back to a normal lifestyle. The victims of chance (e.g. being born into abject poverty) are given the necessary assistance to allow them the same access to basic and other services, and the necessary societal support net. Given the context of the South African reality where persons were systematically marginalised and dehumanised as a result of their race, it is evident that building the social capital of the country and the Western Cape is part of an essential support system in addressing and confronting some of the ills that currently exist in our society as a result of our recent past. These programmes, therefore, become an essential tool for assisting in the transformation of our communities into healthy, functional and proactive communities. This approach demonstrates alignment with the national counterpart, GEAR, in that it is able to deal with the dire consequences of unemployment and poverty while it allows the IE strategy to work towards achieving the MDG in confronting the scourge of HIV and AIDS and reducing infection through effective management.

An important aspect of the type of support needed to confront the social ills in our society is the infrastructure required by various departments and communities to effectively launch a significant attack on these ills. No significant impact will be felt until the needed resources are made available. Added to this is the need for the South African landscape to be redesigned to assist it in confronting the lack of integration and transformation of the communities. This building of infrastructure and the need to resign the SA landscape should, therefore, be integrated to ensure that the segregation of the communities is not perpetuated. This will now be jointly outlined in objectives four (4) and five (5).

2.2.3.4 Strategic Infrastructure Investment and Spatial Development Framework

Confronting the segregated landscape and transforming it into an integrated one is an essential outcome for PGWC. This has guided the approach to infrastructure investment and spatial development of the region. This process and the accompanying integration will now be outlined. The fourth and fifth objective of IE will now be dealt with jointly. The development of infrastructure (objective 4) needs to take place within the context of a spatial development framework (objective 5) while jointly coordinating and communicating (objective 6) these activities within and between departments and the different levels of government. The infrastructure investment cannot be separated in practice from its spatial development framework (SDF). These two areas belong together, since the infrastructure investment has to fit into the SDF of the region. This will ensure that the economic development of the region takes place in an integrated manner, which is effective while taking into account the social needs of the region (Spatial Development Framework, 2005:7).

Increasingly the different departments of the PGWC are planning infrastructure in line with the spatial dimensions of the Province. Service centres, coordinating forums and strategies are being implemented and developed in terms of the spatial dimensions of the Province.

The national government's priorities are mainstreamed to ensure that the funding from national government will cascade down to the province and finally to the municipalities, which will be building the infrastructure to facilitate service delivery at a local level. Provincial government takes on joint projects with national and provincial departments, municipalities, community organisations and the private sector to strengthen the capacity of these communities. This is in line with the objectives of IE, which aim at the development of models to demonstrate how public and private partnerships may enable communities to address their needs, while simultaneously creating many new jobs and stimulating the local economy.

Manuel (2005) highlighted that the benefit for communities would be twofold: Not only will they develop the capacity during this period of working together co-operatively, but they will also be the recipients of infrastructure, more resources and have access to new services, which are sorely needed in the poor and marginalised urban and rural communities. This should always be done in a manner to ensure that skills are

transferred to the local communities and that there is broad participation and ownership of the processes and strategies. This will help to ensure that these projects are implemented in a manner in which the integration is desired, transforming the segregated landscape of South African community life into one which is integrated for the sake of redress, and effective, efficient, economic and equitable service delivery.

Examples of such programmes that are already being developed are the replacement of the train line between Sishen and Saldanha, the development of the Klipfontein Road Corridor and the Philippi Transport Interchange which will improve the predominantly black users' mode of public transport. The national and provincial budget for 2005/06 and 2006/07 has allocated significant portions towards infrastructure, buildings, communication system, and new technology. A large portion has been earmarked for infrastructure in the Department of Education for the current financial year (Manuel, 2005). This trend has accelerated during the 2006/07 financial year as a build-up to the 2010 Soccer World Cup. Much of the infrastructure needed at municipal level is being developed in preparation for this event. These include stadiums, transport networks, housing etc.

These projects directly confront the structural problems that cause poverty, lack of adequate educational infrastructure and resultant low levels of education, while providing communities with a mechanism for learning the necessary skills to secure gainful employment or entrepreneurial opportunities. In so doing, the province is working towards the achievement of the first three MDGs.

Concern in this regard is that much of the funding is flowing towards well-developed metropolitan areas, which already have an excellent infrastructure compared to the rural areas. Cape Town will be obtaining amongst other things an excellent, state of the art, world class sports stadium at a price tag of in excess of 1 billion rand. Many of the smaller municipalities will be asking how much of their bulk infrastructure could have been upgraded or replaced with this finance. They see a metropolitan area becoming bigger, better and more sophisticated at the expense of some sorely needed development of basic services to the poor in their areas. This is seen by some as perpetuating the inequalities in the distribution of goods and services to regions, which have already benefited in the era of apartheid, at the expense of "black" areas that have been marginalised. The fact that this is part of the national agenda of proving to the international community that we are able to perform at an international level when it comes

to world class events, does not make it easier to accept. Much of the discussion and disputes have not focused on this reality, but rather on the environment and the needs of a select few.

The need for an integrated approach cannot be emphasised more when looking at the above scenario. It becomes evident that effective coordination and communication is required to ensure that the objectives outlined above are achieved. This will now be outlined.

2.2.3.5 Coordination and Communication

Robbins highlights the need for coordination of activities and processes in a complex institution with a high degree of formalisation and centralisation (Robbins et al., 2002:109). He argued it allows the organisation to achieve its goals effectively and efficiently. The objective of coordination and communication is particularly important given the range of activities, the number of role-players and the scope and complexity of the task that need to be performed by the Departments of the PGWC in governing the Province through rolling out its diverse array of programmes. The lead departments play a significant role in ensuring that this is done. This means that they have to ensure the development of appropriate policies, timeframes, strategic goal setting and the timetable and deadlines handed to it by the Western Cape Provincial Cabinet.

The PGWC has to prioritise effective, regular and clear communication with respect to IE and how it would be able to raise the level of expectation and understanding of the aims, intentions and general awareness of the public at large with regard to the PGDS, namely IE.

The extent to which this has been communicated to the public at large and the local media in the Western Cape is low if measured by the lack of media attention given to the principles of IE. In contrast this is not the case with the Gauteng Trade and Industry Strategy (TIS). The media attention on this strategy and its associated projects is huge and many articles, reports and parliamentary discussions frequently appear in newspapers and on national television. The average person in the Western Cape remains uninformed of the PGDS of this Province and little attention is given to marketing this tool among the people of this Province.

The provincial government has made significant progress at coordinating and communicating its many activities through intergovernmental fora and planning committee meetings. There is, however, very little awareness of the objectives and intended outcomes of the PGDS amongst the population for whom it is intended, namely the inhabitants of the Western Cape. This should be addressed as a matter of urgency by allowing the people of the Western Cape to participate in the shared vision of growth and development of the region.

The role of effective coordination and communication is particularly significant when it comes to improving financial governance at a national, provincial and municipal level. The way to ensure that all parties adhere to sound governance practices is to ensure that the necessary and appropriate standards are developed for the processes and procedure, that these are communicated to all stakeholders and ensure that all role players are then measured with the same standard. This will now be outlined and highlighted as a key component of building accountability in the Province.

2.2.3.6 Improving Financial Governance

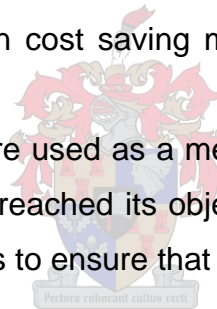
Burger (2005) identified the outcome of good governance as the effective, efficient, equitable and economic use of resources. In its Annual Report to the provincial cabinet, Provincial Treasury highlighted that services should be delivered to the public based on efficiency, effectiveness, economy and equity. These are essential in ensuring that good financial governance objectives are adhered to in dealing with public money. This was highlighted earlier in this chapter, namely that the PT has played a pivotal role in developing and initial implementation of IE. In working towards this objective it had to develop a series of mechanisms or processes to assist it in ensuring that the highest possible level of financial governance was accepted and adhered to. This is supported by Stegmann, the accounting officer of Provincial Treasury, who accentuated that PGDS is encapsulated in the principles of Ikapa Elihlumayo which PT uses in its strategic role of allocating funds between and within departments, and also in its governance and oversight role it plays in the budgeting process (PT, Annual Report, 2004/05:2).

The financial oversight role of the PT over the PGWC has assisted it in developing the necessary structures to ensure that good governance and sound fiscal discipline are adhered to, while delivering its core function, sound fiscal management. It has created a

number of mechanisms to ensure that it is able to meet its objectives. The extent to which the PT can facilitate good governance should be measured against the extent to which:

- The annual report could assist in the development and communication of standards (PT, Annual Report, 2004/05:2).
- The In Year Monitoring (IYM) can ensure effective and efficient budget management and full reporting (PT, Annual Report, 2004/05:13).
- The Medium Term Expenditure Committee (MTEC) could ensure effective management of the Province's fiscal resources and integration of budget priorities of the Province with those of the national government to ensure the success of the macro-economic strategies towards growth and development (PT, Annual Report, 2004/05:12).
- The assessment of the impact of previous fiscal policy/budget.
- Supply chain management strategies are followed to ensure economic development and the effective and efficient utilisation of physical assets (PT, Annual Report, 2004/05:2).
- New initiatives could result in cost saving measures for the PGWC (PT, Annual Report, 2004/05:12).

These standards are specific and are used as a means of assessing the extent to which the departments of the PGWC has reached its objectives. All departments are expected to itemise their deliverable measures to ensure that their objectives are achieved.



At the time of planning and writing this thesis not much was initiated in terms of PT's responsibility with respect to the local government sphere. Although this sphere of government has enjoyed a large degree of independence, the same processes of encouraging accountability and sound governance practices is now being initiated and rolled out to the municipalities in the Province on the basis of the implementation of the Municipal Finance Management Act (MFMA, Act 56 of 2003). The financial oversight role and responsibilities of PT towards the provincial departments are being extended to all municipalities through equivalent or counterpart strategies at this level of government. This implies that PT now plays the same role of financial oversight and capacity building with respect to financial management and good governance at the municipal sphere of government as it does at the provincial sphere. Although it may appear that the above processes are duplicated at these two spheres of government, they are implemented somewhat differently.

The Department of the Premier and the Department of Local Government and Housing enjoy the same position of oversight as the PT. They have been able to employ similar or duplicate processes in expanding their oversight role so as to ensure good governance in all areas in the provincial and local government of the Western Cape. These departments have increasingly cemented their working relationships with a view of supporting, guiding and monitoring the municipal sphere more effectively. This has translated to developmental policies being implemented in a developmental working relationship or partnership. The stakeholders of IE realise the benefit of partnerships for development as outlined by the MDG.

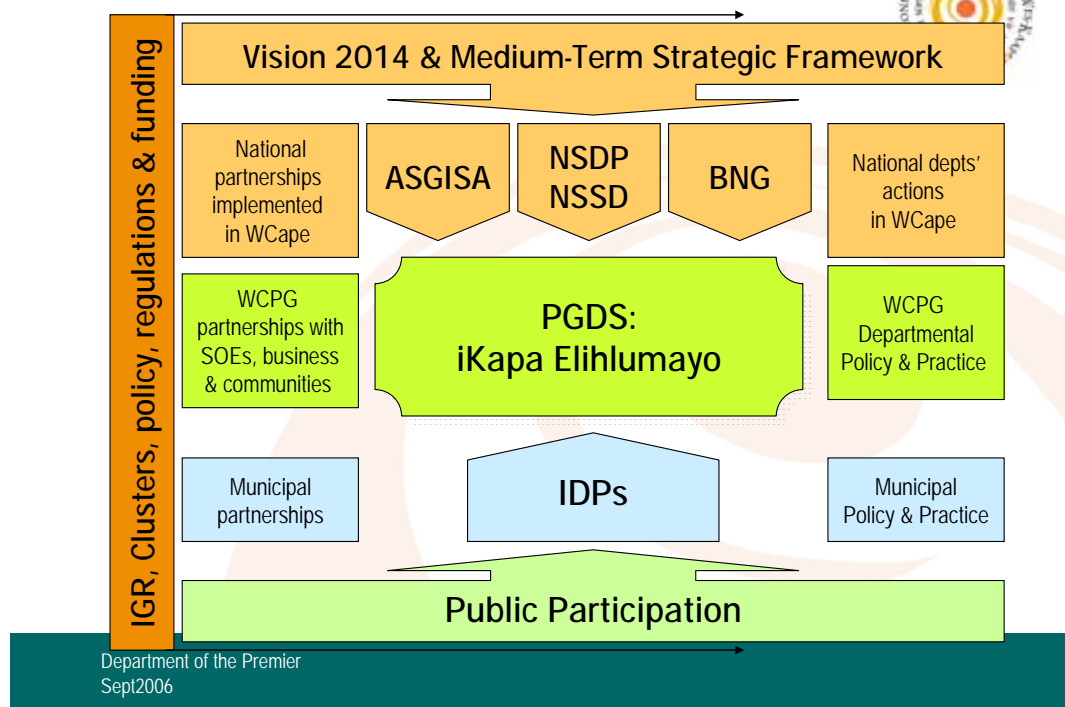
The dual role of PT at the level of the different areas of government is possible as a result of the MFMA and Intergovernmental Relations (IGR) approach which encourage closer collaboration between all tiers of government. The relationship between the national and PGDS has already been established. This form of relation where one strategy relates to and supports another is extended to the municipal and provincial area of government. This concept is termed as provincialisation in IE and will now be outlined.

2.2.3.7 Provincialisation

The eighth objective of Ikapa Elihlumayo aims at ensuring that the Integrated Development Plan (IDP) of the municipalities support the PGDS of the Province, IE. In layman's terms we are moving towards both the provincial and municipal strategies complementing and supporting each other through an optimal contribution of functions between Province and municipalities to reduce duplication (Annual Report, 2004/05:13). The extent to which these are in turn integrated into the national strategy is of paramount importance. This will be the focus when examining the IDP of the City of Cape Town. These principles and the national strategy assume alignment with each other to ensure that the national priorities are implemented at all levels of government.

This forms the basis of the assumption that the developmental strategies of all three levels of government need to be analysed in order to assess the extent to which they play a role in developing the population at their respective spheres of responsibility.

Alignment of the State in Western Cape



The above slide was presented by the Department of the Premier at the Medium Term Economic Committee meeting in September 2006. It adequately demonstrates the central role that IE plays in the strategic positioning of the PGDS and the linkages to the development of the Western Cape. It further demonstrates the degree to which the PGWC should ensure that its strategies are aligned and integrated into those of the national government, while ensuring that these are cascaded down to the municipal tier. The interlinking nature of these strategies demonstrated above necessitates an approach to working together with the national, provincial and local government counterparts which ensures that this integration is facilitated. This adequately encapsulates the concept of provincialisation.

2.2.3.8 Summary

The discussions of IE emphasised the approach of the provincial government as one, which is developmental in nature, since the emphasis is not only placed on growing the economy of the Western Cape, but also maximising the benefits in a manner which increases the choices for the inhabitants of the region. The discussion further highlighted alignment to the Constitution of the Republic in ensuring that the objectives of this Constitution are captured and translated into points of action.

The discussion then further emphasised the working arrangements or coordination that have been established with respect to the implementation of various programmes in

working towards the achievement of various objectives of IE. This prevents the different levels of government from working in silos and ensures a better coordinated approach to overcoming difficulties and jointly finding solutions.

The PGDS, IE, is thus an integrated and coordinated approach to development in the Western Cape. This strategy aims at developing a Province, which adopts the values espoused in the Constitution, while ensuring that the basic needs and services of the inhabitants in the Western Cape are increasingly and progressively realised. It further establishes the PGWC as a key player in determining the economic future of the Province. This is based on the progressive realisation that the national government creates the framework at a national level, but the implementation at a regional level is entirely dependant on the supporting role that the Province has to play. Discussions outlined the alignment of the provincial developmental strategy with the national strategy, GEAR. Since the national GDS has already been demonstrated to be aligned to the achievement of the MDG, the alignment of the PGDS is implied and supported by examples.

The discussions further highlighted and explained the individual objectives of IE, drawing linkages between the different spheres of government by emphasising the priorities that have been established at all three spheres of government. These were further crystallised with numerous supporting examples.

The discussion of GEAR earlier in this chapter and also regarding IE helped to create a framework with respect to the major objectives of the developmental strategy of national and provincial government. These will be used as a basis of discussion in engaging the objectives of the Integrated Developmental Plan (hereafter IDP) of the City of Cape Town.

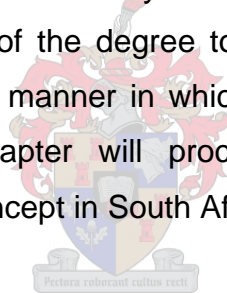
Chapter Three will demonstrate the manner in which the national and provincial priorities strategies, which have been outlined in this chapter, have been captured in the IDP of the City of Cape Town. It could also be argued that the problems experienced at a local level in all municipalities have in effect been captured at a provincial and local level. This argument serves to strengthen the need to ensure that the growth and development strategies at all spheres of government are aligned to accomplish a focussed point of impact through a maximum effect.

CHAPTER 3: IDP: A TOOL FOR TRANSFORMING THE SOUTH AFRICAN LANDSCAPE

3.1 Introduction

The earlier chapters and discussions have highlighted the inequalities along racial lines, which epitomises the South African societal landscape. The cities and towns in South Africa reflect at a micro-level what is true about our country at a macro-level. These inequalities have to be confronted if we wish to transform our society into one which is diverse and where the strength that results from this diversity is used to maximise the developmental potential for all in this society.

This chapter will outline the legislative requirements of an IDP to ensure compliance in the assessment of the IDP of the City of Cape Town. This will further assist in gaining insight to the extent to which the municipality has accepted its developmental role. The previous discussions on development will further assist us in determining the degree of qualitative compliance. This will be followed by an outline of the IDP of the City of Cape Town and a comparative analysis of the degree to which the current IDP, PGDS and GEAR have been integrated in the manner in which they work towards achieving their developmental objective. This chapter will proceed by discussing the legislative framework that supports the IDP concept in South Africa.



The chapter commences with a outline, discussion and analysis of the IDP of the City of Cape Town and how it gives effect to the National GDS and PGDS, GEAR and IE respectively. In the section marked “Overview” there is a brief description of the priority intervention areas that have been identified. This clearly draws attention to the main objectives supported by the IDP. The section marked “Situational Analysis” will provide a clear outline of the difficulties that have already been identified. Addressing these difficulties is often the thrust of the purpose of the IDP.

The role of IDP in local government and how this is given effect to in the supporting legislative framework will first be outlined.

3.2 IDP as a local Government Development Strategy

The main tool currently at the disposal of all municipalities for the transformation of the South African society is the Integrated Developmental Plan (here after the IDP). The use

of this tool (IDP) has been mandated, developed and expanded upon, while clarity has been obtained through various underpinning legislative acts. The volume of legislative references and the numerous provisions of clarity of intention and purpose serve to emphasise the importance that the South African government has placed on the use of this tool (IDP). The IDP and its processes were outlined and clarified to ensure that the desired outcome is understood as it ensures that the developmental outcomes and objectives are achieved for all the people of the country's regions. The support offered by the legislative framework and significant acts will now be outlined.

3.3 Legislative Requirements of the IDP

It is important to remember that the Integrated Development Plan (IDP) of a municipality is required to support the national and provincial objectives and to be aligned to the programmes and strategies of these spheres of government. The Constitution (1996) requires that the IDP be developmental in nature, while Chapter 4 and 5 of the Municipal Systems Act (2000) outlines what means should be provided in terms of the way in which a plan is developed, the type of participation that is encouraged and what the components of such a plan should be. This thesis will outline some of the requirements of such a document.

Section 16 of the Municipal Systems Act (2000) reflects the manner in which community participation should be encouraged. It outlines the necessary processes and procedures that should be followed to encourage participatory democracy. It itemises rigorous steps to ensure that all members of the relevant local municipality have an opportunity to provide their input into this plan. Sections 24 to 26 of the Municipal Systems Act (2000) stipulate that it should have a developmental focus as identified in Sections 152 and 153 of the Constitution of RSA (1996).

Section 26 (a) of the Municipal Systems Act (2000) stipulates that the IDP has to reflect the long term vision of the municipal council. This document should, therefore, reflect the current scenario of the municipality. It should plan to effectively identify key concerns and how the municipality plans to overcome these. This strategic view of the IDP was echoed by one of the presenters on municipal IDPs at a workshop hosted by the Department of Local Government and Housing in 2007 (Grobler, P. 2007). The role of the IDP is one which continues to direct all strategies, plans and actions of the municipality. It

encapsulates the role and outcome of all programmes by directing funding and planning towards the priorities of the municipality.

The MSA (2000) further stipulates that the municipality should identify communities that do not have access to services. This is in line with the Preamble of the Constitution of RSA (1996) which mandates a progressive realisation towards the provision of services for the poor and marginalised. The IDP is further expected to have a developmental focus. This will ensure that it remains aligned to the national and provincial strategies. It further ensures that the developmental opportunities available to individuals in a community, reflect an increase both in volume and in quality.

Another important requirement with which the IDP of a Municipality has to comply is a spatial development framework, as identified in Section 26 (e) of the MSA (2000). This is intended to ensure that the municipality reflects the spatial dimension to development and identifies regions where underdevelopment is evident. This will particularly assist municipalities in addressing the inequalities in spatial investment prior to 1994 as well those that were perpetuated as a result of these inequalities. It further assists the municipality in prioritising development in line with national and provincial spatial development frameworks. The municipality benefits by being able to maximise its advantages when taking into account the planning at all levels of government. A further benefit to the municipality is that it will be able to access national and provincial funding earmarked for joint projects, which support the national and provincial spatial development priorities. This ultimately serves to provide the relevant municipality with a spatial dimension to its spending patterns. This will further allow this local level of government to measure whether the IDP priorities have been translated into budgetary and spending priorities. The IDP, therefore, also provides a means of managing redress on the municipal level.

Operational strategies, disaster management plans, financial plans for three successive years and performance management indicators are required to be included in the IDP of the municipality, as outlined in Section 26 (e)-(i) of the MSA (2000). This will assist the municipality in integrating all its activities and plans into a comprehensive document. It further assists in demonstrating the interrelatedness of all aspects of a municipality's activities. Risk management has become increasingly important within the local sphere of government. Disaster management plans are a means of attempting to minimise the

catastrophic effects of natural and man made disasters. It further allows municipalities to plan in advance and anticipate scenarios with which they may have to contend. The holistic approach to planning and management will further enhance the manner in which municipalities are able to better respond to both positive and negative factors that are encountered from time to time.

Having scrutinised the requirements for inclusion in a municipal IDP this thesis will now focus on the extent to which these themes are captured and expanded on in the IDP of the City of Cape Town.

3.4 IDP of the City of Cape Town

The City of Cape Town has drawn up its IDP to ensure compliance with the Municipal Systems Act of (2000), Municipal Planning and Performance Management Regulations and the Municipal Finance Management Act (Act No. 56 of 2003). This was done to ensure that the City is governed in terms of national and provincial prescripts for municipalities. This serves as a plan for the way in which the City of Cape Town develops the metropolitan region of Cape Town. Its focus ensures a high degree of service delivery for the metro region, but has to be supplemented with addressing some of the key priorities that the municipality has to set in place for this period.

The first section that will be outlined has the heading “Overview” in the IDP of the City of Cape Town. This section sketches, with broad brush strokes, what the priorities in the current IDP are. It provides a motivation for the priorities that have been identified, while demonstrating compliance to the developmental strategies to which it should give effect.

3.4.1 Overview

Performance evaluation has received a significant focus and it is believed to be one of the priorities on which the municipality should focus in ensuring that the developmental challenges facing the City are addressed (IDP, City of Cape Town. 2005/06). The municipality has highlighted its developmental agenda at the start of its strategic planning document. It further uses this document as a means of being held accountable by its constituents for whom it provides a service. To this end the municipality further itemises in Section 12 those objectives by which it is expected to be assessed. The inclusion of this section is in line with the requirements as itemised in Section 26 (i) of the MSA (2000) which stipulates that performance indicators should be included in the IDP to help the

municipality in assessing the extent to which it is able to deliver on the commitment it has made to the inhabitants of the municipal area. The Section 17 (3) (b) of the MFMA (2003) further supports the intention of having identified measurable performance indicators. The municipality can be measured against the predetermined criteria which it has itemised. This is in line with the principles of good governance, as highlighted by the Objectives of IE, and ensuring that the money that the inhabitants of Cape Town pay towards service delivery, is utilised in the most effective, efficient, economic and equitable manner. This increases transparency and accountability in the municipality, which is in turn the desired state for all spheres of government. (IE)

A further area of the importance to the municipality is the upgrade of informal settlements (IDP, City of Cape Town. 2005/06). This project addresses the basic needs of a large sector of the population experiencing dire difficulties with respect to their basic needs of shelter not being met. The IDP is demonstrating compliance to the Bill of Rights in the Constitution of RSA (1996) which embraces the dignity of all citizens through the provision of a housing structure on property. This is in line with meeting the service delivery concerns highlighted by GEAR and also the EPWP. It further adheres to the spatial development framework contained in IE and the Spatial Development Framework of the Western Cape and the national government. The municipality is here demonstrating its alignment to national and provincial priorities and can thus secure for itself funding earmarked for these purposes from national and provincial sources through the EPWP and its programmes.

The municipality wishes to focus on the planned development and play a more directive role in areas earmarked for urban renewal (IDP, City of Cape Town. 2005/06). This has many advantages in that it creates further opportunity for directing investment into areas where it is needed by creating an environment that supports the flow of this investment. It further demonstrates that the municipality has identified the structural and social impact of urban decay in the City. This complies with the MSA (2000) which argues that planning and development, new or old, should be considered within its spatial context. These projects include addressing HIV and AIDS, job creation and crime prevention. The city is demonstrating its commitment to confronting the need to address the micro-economic factors that need to be confronted in its area of jurisdiction the City while simultaneously building the social capital. This demonstrates the integrated manner in which the City is starting to confront some of the difficulties it faces.

The City will further benefit from the institutional capacity of working alongside the PGWC and private sector in the many public private partnership (PPPs) that have been established for the purpose of focusing development, while ensuring service delivery to the population of Cape Town and simultaneously developing its own capacity as a predetermined outcome of the working relationship. The relationship between the City and PGWC will foster effective provincialisation, one of the objectives of IE. It prioritises provincialisation as one of the means of ensuring that municipalities align their strategies and programmes with those of the Province, while the PGWC ensures that it addresses the needs of the municipality through cooperative government. The private sector is then also able to plan more effectively in line with what the City needs and because it possesses the necessary information with respect to the priorities of the municipality. This will further contribute to growing the local economy, which is seen as one of the most important priorities to achieve many of the goals of the City of Cape Town (IDP, City of Cape Town. 2005/06).

An added focus of the City is to ensure that more individuals benefit from this growth. It will be a challenge to ensure that this growth is distributed more evenly than in the past. This is one of the main thrusts of GEAR and IE which focus on an equitable form of growth which is able to generate wealth for all who participate in the economy. This redistributive form of growth is seen as the only one which is sustainable in the long term.

The municipality also plans to address the difficulties experienced with public transport (IDP, City of Cape Town. 2005/06). This will further ease the burden of persons who use this means of transport, since the majority of them are poor and spend a significant proportion of their salaries on transportation. Here the City is demonstrating its support of the GEAR strategy's redistributive component while trying to increasing the efficiencies that it requires in the City, while supporting the Strategic Infrastructure Investment and Spatial Development Framework of IE. This approach clearly puts the responsibility of planning for the poor and marginalised within the ambit of the City. In so doing it confronts the needs of the poor by complying with the sentiments expressed in the Preamble of the Constitution (1996) which states a desire to improve the quality of life of all the citizens of South Africa. The City will be working towards a progressive realisation of this aim.

The municipality is currently addressing and finalising the transformation of its current structure (IDP, City of Cape Town. 2005/06). This is in line with the national agenda of the Department of Public Service and Administration. This department has prioritised the representivity of black persons in all spheres of government. This change is at the heart of all of the intention of the Preamble of the Constitution (Act 108 of 1996) which wishes to transform the fundamental working of the South African society to one which is inclusive of all its citizens and where all are valued as being able to make a meaningful contribution to our society.

The overview highlights the extent to which the City is complying with the legislative requirements as outlined in the discussion around the legislative framework. This discussion has also set the strategic direction of the City by highlighting the issues that will be addressed in the current IDP. It further highlights the approach by the City, which is integrated with the different developmental strategies and programmes of the provincial and national government. The priorities of the City are here highlighted as the priorities outlined in GEAR and IE. This demonstrates that a high degree of provincialisation, as described in IE, has already taken place in the City.

The City supplements its discussion by demonstrating that it has a thorough understanding of the challenges that it faces in various areas. These will now be outlined in the Situational Analysis.

3.4.2 Situational Analysis

This section highlights the various difficulties or obstacles to be confronted through policy interventions, strategies and action plans for implementation. These include the recognition of issues, such as in migration, economic growth in Cape Town, the scale of developmental plans put into operation, improved development outlook, alignment with national strategies and key developmental changes. The City aims to address the influx of unskilled migrant labour while simultaneously confronting the lack of a sufficiently skilled local workforce (IDP, City of Cape Town. 2005/06).

The Western Cape, particularly Cape Town, was negatively affected by the loss of jobs and employment opportunities in the clothing and garment industry. This had a ripple effect and needs to be borne in mind if the City is to plan effectively for the upliftment and development of its poor and marginalised communities. These retrenched individuals are

not necessarily unskilled, but need to be more appropriately skilled for new employment opportunities. Addressing this problem needs the combined and coordinated input of the City, the provincial and national government. This principle is clearly outlined in Sections 41 and 154 of the Constitution of RSA (1996), Sections 34, 35 and Section 37 of the MFMA (1996), and Sections 3 and 24 (1) of the MSA (2000), which argue in favour of cooperative government and accentuate the importance of fostering good intergovernmental relations.

It is, therefore, important for any initiative to succeed that an intergovernmental approach be adopted to ensure the effective management of this problem. This would further ensure that the programmes and projects of the City be aligned with those of the Province and the national government. This will in turn ensure that the City and Province would be able to secure funding in the form of national grants for their combined initiatives.

An example of such a project being managed very successfully is the current bid for a new stadium for the 2010 Soccer World Cup, which will be built in Cape Town. Here the political heads of all three spheres of government have rallied around a common objective – the planning, development and building of the new stadium – and proceeded with as few bureaucratic obstacles as possible. The city is further using the national EPWP as a means of creating employment opportunities for the residents of Cape Town, while meeting its own objectives of building houses, urban renewal and establishing community development workers. The current boom (2006/07 financial year) in the property sector is further proof that businesses and local residents are confident of Cape Town's ability to sustain itself well beyond 2010 World Cup. This also further proves that the Province and the City are embracing the principal of provincialisation and working towards a common goal which will allow all three levels of government to benefit.

The City's awareness of the challenges it faces has put it in a better position to effectively plan toward the reduction of poverty and reduction of the many social inequalities that remain within the City. This is one of the reasons that it is taking advantage of the many opportunities, mentioned above, to act as a catalyst for its wealth creating strategies. It is, however, doing this within the context of providing services and resources to those who are in need. This approach is in line with the GEAR and IE initiatives of redistribution, while enhancing service delivery to the poor. It is further demonstrating a healthy

awareness of the urgent needs of the inhabitants of this municipality and it is mobilising its efforts to deliver these services and support where needed. All of this is being done within the context of aligning its priorities with those of the provincial and national government for maximum effect.

The City is demonstrating that it has adequately planned for the integration of its developmental agenda to give effect to the provincial and national priorities. This can, however, only be achieved if the City has a clear vision of a future course, which is supported by clear objectives it wants to achieve, subsequent to having identified the strategies to be used for implementation. These will now be outlined in the next section.

3.4.3 Vision, Objectives and Strategies

The City of Cape Town has developed a vision that encompasses the principles in the Preamble of the Constitution (Act 108 of 1996), the Batho Pele principles and the Freedom Charter. These include an emphasis on human rights and dignity, good governance and prosperity which accept human development. The vision is supplemented by specific, measurable, achievable and realistic and time-bound goals planned to be realised by the year 2030. These further focus attention on basic services to be extended to all residents of Cape Town, the reduction of crime, the effective management of natural resources in favour of renewable energy, reduction in unemployment and increasing the human development indicators. These are to be implemented through the strategic themes of human development, growth and job creation, access and mobility, building stronger communities and equitable effective service delivery (IDP, City of Cape Town. 2005/06).

The City further recognises the need for good leaders to effectively plan what may appear to be overwhelming and divergent priorities, given the inherent budgetary constraints. It has, therefore, prioritised the development and retention of skills of good leaders, especially those who inspire confidence and support among the inhabitants and who are needed to achieve organisational goals (Ketel, B. 2005). The importance of these skills are described by P. Singh when he quotes the definition of Kouzes and Pousner in his article on leadership and defines a leader as one who possesses the art of mobilising others who want to struggle for shared aspirations (Singh, 1997:30). The City should cultivate these important skills in its various projects or programmes, as they have the

added benefit of motivating the staff towards a high level of performance and achieving a continued and sustained level of motivation.

The City has adequately captured a Cape Town that it envisages by the year 2030. It identified the values that it aims to achieve as those that encapsulate the human rights ethos of the Bill of Rights and other significantly acknowledged works upon which our Constitution is based. These are not achieved in isolation, but within the context of expanding the provision of services to all the inhabitants of the City in a manner that would ensure that they experience an ever increasing array of developmental choices. The City is further ensuring that it has the capacity to concretise this vision by prioritising the retention of skilled persons.

The vision described above should be concretised by the different strategies that have been developed and prioritised for this specific purpose. These strategies will give effect to the desired outcome as described above, Cape Town 2030, by ensuring that the priorities as identified above are translated into a set of practical programmes. To this end the following nine strategies should be seen as giving effect to the emerging of a different Cape Town by 2030. Their strength lies in the strong alignment that may be observed between these priorities and the priorities that were identified at a provincial and national level. It should further be remembered that these priorities have as their main objective the transformation of the South African landscape into one which is more equitable and adopts the values that have been discussed earlier in this chapter, while simultaneously embracing and giving effect to GEAR and IE.

3.4.3.1 Creating Integrated Settlements

The focus of integrated settlements is to ensure that the quality of new and existing environments is improved. The City is currently collaborating with national and provincial departments and a number of NGOs, the private sector and various stakeholders to ensure the effective planning and management of priority projects in historically disadvantaged communities, such as the N2 Gateway, and various projects in Khayelitsha and Mitchells Plain. This is proof of utilising the PPP concept and seeing the results in implementation and service delivery to the poor. The provision of basic services has also been prioritised for informal settlements (IDP, City of Cape Town. 2005/06). This complies with the objectives of IE and supports the Spatial Development Framework. It will also result in a more efficient utilisation of the land around the City of Cape Town. The

City further plans to improve settlement planning and development, housing form, difficulties in implementation processes, increase efficient and effective utilisation of resources, transfer of housing stock, developing a mixed core urban area, decentralisation of industry to areas that are close to residential areas while prioritising sustainable development. This will increase service delivery and the resources directed to the poor. The above count among the urgent priorities identified at all spheres of government and in numerous legislation and policy documents.

The City has a very strong environmental focus, which does not compromise the developmental needs of its citizens. This supports the agenda of sustainable development by ensuring intergroup, intergeneration and interspecies equity for the City of Cape Town. The emphasis on the environment is supported both by the Constitution (1996) and the MSA (2000) which together contain 23 references to safeguarding the natural environment. This approach further supports the GEAR strategy and IE, while ensuring that the redistributive component applies to the way in which the environment is managed on behalf of the inhabitants of Cape Town.

This integrated approach of working with different spheres of government and different representatives from civil society to achieve commonly identified objectives, forms the basis for the approach to economic growth and job creation of the City, which will now be outlined.

3.4.3.2 Economic Growth and Job Creation.

The City fathers are aware that the City's vision and the realisation of its goals are dependant on its potential to create employment, while stimulating economic growth. The economic priorities are to ensure a 6-7% growth rate, job creation focusing on women and the youth, broad based black economic empowerment, reducing the income gap between the rich and the poor, raise the skills development level and its capacity for fit employment, while establishing Cape Town as a competitive business friendly destination (IDP, City of Cape Town. 2005/06).

These priorities are identical to those identified at national and provincial level and show that much of what has been identified as national priorities are in fact experienced in the City and rural areas, albeit at different degrees. They further demonstrate the City's alignment of its priorities to the other spheres of government, which would in turn assist

the City in accessing the much needed funds, programme and institutional capacity that national and provincial government enjoy. The identification of these priorities, therefore, works in the interest of the inhabitants of Cape Town because of the City being able to access national funds on behalf of the people of Cape Town and identifying areas for their intervention and development.

These priorities are driven through investing in people through skills development. The Expanded Public Works Programme is one the vehicles that the City uses to skill persons for employment opportunities and prioritising national and provincial goals. This is further supported by the impetus of the various provincial departments towards achieving these national objectives. The focus is often on a sector, which is seen to have the potential to grow by generating employment opportunities and having transferable skills that may be utilised in other areas. An example of a current national, provincial and City initiative is the agreement signed between South Africa and China in September 2006, which limits the import of 95% of the current import stock from Chinese markets. This has been negotiated at all three tiers of government with the specific aim of assisting the garment industry in the Western Cape, specifically Cape Town.

Another one of the industries being supported by the City initiatives is that of filming. This industry is particularly attractive, since it has the ability to generate foreign income in the form of taxes and services charges, while developing and expanding the technical expertise for South African productions and associated supporting industries. This collaboration of the different tiers of government is to achieve a common objective and termed as Intergovernmental Relations (IGR). It has been defined as “various combinations of interactions, interdependencies, influences as well as different transactions conducted between officials between and among different spheres of government” (Mathebula F.M. 2004). He further highlights that Intergovernmental Forums (IGF) were legislated to ensure that they become a means of facilitating IGR at all levels in the South African public sector. In so doing the national government provided a vehicle of dealing with all matters at national, provincial, local government and municipal level. i.e. between and within these tiers of government. The City of Cape Town has used this framework to its advantage in working towards securing jobs, while provide opportunities for growth for all its inhabitants.

Yet another area receiving a great deal of attention, is the tourism industry. This industry is one of the main reasons for large capital inflow into the South African economy. The City is currently working towards the development and maintenance of infrastructure to support the growing influx of tourists to the Province and City. This is seen in the significant repair work that has been done on the national road routes, which join Cape Town to the rest of the Province and South Africa. Much emphasis has been placed on the environment as one of the natural resources, which is available to the City for attracting tourists. These initiatives are further supported by strategies that focus on developing the economic base of the local people who live near these areas of tourism. This strategy is supported by “The National Responsible Tourism Guidelines for South Africa” (Guidelines. 2002). They focus on the inclusion of Historically Disadvantaged Individuals (HDI) as a prerequisite to any tourism strategy or plan. This is highlighted at many stages in the guideline. There is a constant call to include these individuals in all the stages associated with tourism and its ensuing benefits. The emphasis on local utilisation also focuses attention on the informal sectors, which need to be included and accommodated in this process (Guidelines. 2002:3). There is a constant focus on redress as a means of dealing with our country's past and planning towards the future (Guidelines. 2002:3). It further encourages a stronger local input and community initiatives, drawing attention to the need for locals – as opposed to large multinationals – benefiting from the activities or tourism initiatives. The City has used this approach as a means of ensuring the redistribution of financial resources and equitable growth being encouraged in the tourism industry.

The focus on the redistribution of income, local participation, equity in ownership, training and development and equitable access to the markets, delegation and participatory responsibility and development of human capital, combines in promoting the egalitarian virtues that the South African Constitution guarantees. These concepts are accepted and encouraged by the IDP of the City of Cape Town, and they aim to create opportunities for historically disadvantaged individuals without limiting or restricting the growth of the economy. Its focus is on redistribution from inception to the implementation of a programme. This ensures that those who have access to wealth, plan to include communities from whom they will derive benefit at all levels of a project. The City is further demonstrating that it is working together with the different levels of government to meet its desired growth target, while ensuring that it remains committed to the redistributive approach or priority of provincial and national government.

Discussion of EI has emphasised that one is not able to build a strong economy which emphasises growth and redistribution without confronting the ills or legacy of Apartheid on community life. To this end the City remains committed to building strong communities. This priority of the IDP of the City of Cape Town will now be addressed.

3.4.3.3 Building Strong Communities

One is not able to adequately plan for any area of South African society without taking into account the legacy and impact of Apartheid on South African communities. This is a formidable impediment to equitable development of any society and would ensure the perpetuation of the current inequalities if they are not confronted head on. It is in this context that the emphasis of building strong communities should be understood.

The City further wishes to build strong communities because it sees people as the agents of socio-economic development. The City is focusing its attention on youth, early childhood and programmes that address women's empowerment issues (IDP, City of Cape Town. 2005/06). The concentration on youth development is supported by Ikapa Elihlumayo, while gender empowerment is one of the objectives of GEAR and IE in addressing marginalised communities, including the disabled and street children. It further emphasises the need to teach people the necessary life skills, which would enable them to make the necessary choices to ensure their potential to manage their own lives. The City is aware of the need to address the scourge of HIV and AIDS and TB. It recognises the need for residents to receive the necessary information to make wise choices with respect to their own effective health management. To this end the City through its satellite institutions has played a significant role in educating by means of bill boards, television and pamphlets how to reduce the risks of contracting HIV and AIDS, while supporting healthy lifestyle choices and the use of anti-retrovirals.

These initiatives support IE principle of developing social capital. It recognises that the principal resource of Cape Town is its inhabitants. Cape Town cannot develop in isolation from its inhabitants. This concept is significant in the approach of the City. As with the MDG, GEAR and IE, people are the real focus of development.

Discussion in this section emphasised the strong alignment, and implied support of IE strategy. This strong approach will ensure that the provincial and the City priorities

complement each other, that they secure funding for joint projects and that the focus of the two spheres of government works towards a stronger direct impact in accomplishing the outcome wished for in this priority intervention.

It is with the last statement in mind that the City addresses the need for people to be able to access the City. It emphasises that access to the City is not based on what may be good for the transport system, but rather what is good for the inhabitants of the City. The emphasis is placed on the poor marginalised inhabitants of the City who need access to effective means of transport.

3.4.3.4 Access and Mobility

The City has prioritised the development of an integrated transport system, which meets the needs of all the residents of the City (IDP, City of Cape Town. 2005/06). This is particularly significant since the poorest segment of society – those who could least afford it – often pay proportionally more of their salary towards transportation. This happens despite the system of transportation being unreliable, unsafe and costly. Closed circuit cameras, transportation nodes, upgrade of current transportation infrastructure and a rapid transport system are seen as important supplementary measures to the national initiative of recapitalisation of the taxi industry and the purchase of additional train coaches, which will allow an expansion in the current rail services. The effective planning and development of an integrated transport system is seen as essential for the creation of an environment, which encourages economic development through national and international investment.

The emphasis on the EPWP and the role the national and provincial Departments of Transportation and Public Works are playing in job creation, provision of infrastructure and service cannot be overstated. It is one of the key vehicles in ensuring that the City is adequately prepared and well resourced for the 2010 Soccer World Cup and beyond. It is significant to note that the 2010 World Cup is currently being used as a vehicle to drive development of the City, but is not seen as the goal thereof. The emphasis remains the benefit that will be spread throughout, by means of developmental processes to the inhabitants of Cape Town. The 2010 World Cup is, therefore, a developmental agent being used to fast-track the infrastructure needs of the City. This is currently approached in a manner that ensures the long-term sustainability needs of the City. Some of the theatrics during 2006 and 2007 between the City and the national and provincial

government revolved around this concern, although it has been shrouded in party political discussions.

The City demonstrates in this priority that it has an appreciation for the needs of the inhabitants of this region. It further shows that it grasps the need for ensuring the equitable mobility needs of the people, particularly the poor and marginalised of this region. This approach forms the basis for the discussion regarding equitable service delivery, which will now be outlined.

3.4.3.5 Equitable and Effective Service Delivery

Earlier discussions highlighted the extent to which the City of Cape reflects the disparities that are the remnant of institutionalised Apartheid. This should, therefore, guide the manner in which current service delivery is provided for the inhabitants of Cape Town. Not only should the services be expanded to include all the inhabitants of the City, but it should be done in a manner that recognises the many inequalities that continue to pervade the communities of the City.

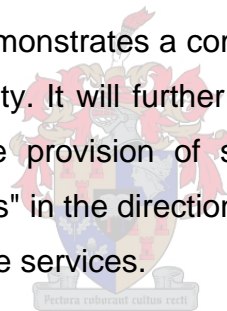
The driving force behind the priorities of the City remains the improvement and provision of service delivery. This will continue to benefit the inhabitants of Cape Town since they remain at the centre of the provision of services. The provision of these services is seen as a means of improving the quality of life for the residents. Access to electricity is seen as essential for the maintenance of a good quality of life (IDP, City of Cape Town. 2005/06).

With this in mind the electrification of homes is understood. This has a direct and an indirect impact on the quality of life residents enjoy. An example is that the lack of access to electricity may directly affect the ability of learners to adequately prepare for an exam while indirectly affecting those learners' ability to achieve success in their studies and thus limit the learners' opportunities. Further examples would include a lack of warm water for washing, and also a lack of access to entertainment and technological appliances. This absence further perpetuates the degree of inequality between the residents within the City. The various policies for the indigent should ensure that residents receive at least the basic services.

The City also plans to manage effectively and equitably access to natural resources and the environment. The exclusion of certain groups from access to natural resources is seen as an obstacle, which should be removed to ensure a greater degree of equity. It is further seen as one of the main reasons for a degree of disassociation from the environment and neglect.

In this regard it may be assumed that Broad Based Black Economic Empowerment ventures with regard to tourism are inevitable. The same will apply to mining, fishing, forestry and the many other industries, which use the environment for human consumption or benefit. This is closely linked to the way in which the City plans to use its spatial resources. The spatial framework should reflect the dispossession of land by the large majority of the population. Redress and redistribution are thus significant themes in this priority, which will now be outlined. This is a fundamental principle espoused in the Preamble of the Constitution (1996) and is accepted by the City.

The current approach of the City demonstrates a commitment to an equitable provision of services to the inhabitants of the City. It will further assist with the transformation of the landscape of the City through the provision of services to all in a manner, which redistributes the wealth of the "haves" in the direction of those who have limited access or who do not have any access to these services.



An example of the skewed development and provision of services is the manner in which infrastructure of the City has been shaped by the provision of extensive road networks which cater for the needs of those who have their own vehicles at the expense of those who do not have any. As a result the associated infrastructure for public transport systems has been neglected and thus the means of transport of the vast majority of people has been neglected. The immediate prioritisation of the public system will, therefore, speed up the equitable provision transportation services. These, amongst others, will be considered while outlining spatial development framework.

3.4.3.6 Spatial Framework

The City is aware of the need to address some of the difficulties associated with traffic and congestion, which is a direct consequence of inequitable planning which was outlined in the previous paragraph. The effective planning and management of the current spatial development of Cape Town is seen as an important component in ensuring that the City

grows, bearing in mind the equitable needs of the people of this City, in a manner that recognises its immediate environment and not at the expense of other regions (IDP, City of Cape Town. 2005/06).

This can be stated simply in ensuring that the needs of Cape Town (metropolitan area) and the needs of smaller surrounding municipalities are taken into account for developmental considerations. The National Spatial Development Framework and the Provincial Spatial Development Framework were consulted to ensure that the City develops its spatial development framework in a manner that does not disadvantage the other surrounding municipalities. This framework was made public to ensure that businesses are able to plan and invest money to benefit from the planned interventions of all three spheres of government. This allows the City of Cape Town to act as a developmental local state, since it is able to direct the flow of development and investment in the interest of the municipal inhabitants.

It is important to remember that the City can only exist in a healthy environment. This implies that the needs of the surrounding municipalities are recognised, while the environmental needs are matched by the developmental needs of the inhabitants of Cape Town to ensure the economic, developmental and social survival of Cape Town. To ignore the above would have dire consequences for the well-being and development of the inhabitants of Cape Town. The City should further reflect on the distribution patterns and how they have been shaped by South Africa's history. This necessitates taking into account means of finding practical solutions in the interest of all when dealing with growth, routes for transportation and future development.

The cost of addressing the developmental needs of the City outweighs the limited resources that are available. This is compounded by spatial inequalities and the resultant lack in lack in infrastructure. The City, therefore, has to ensure that it uses these limited resources available to it in the most effective, efficient, economic and equitable manner. This is supported by the principles of the MFMA, which encourage sound financial practices and accountability. The City thus has to plan in a manner that ensures continued maximisation of the limited resources available. The City refers to this process as financial planning, and its associated processes will be outlined next.

3.4.3.7 Financial Planning

The City has further considered what factors would impact on its financial future (IDP, City of Cape Town. 2005/06). Section 21 (a) of the MFMA (2003) stipulates that the municipality must ensure that its IDP is attuned to the complete budgeting process, from preparation to approval and implementation. This is to ensure that the strategic objectives of the municipality, captured in the IDP, recognise the needs of the financial sustainability of the municipality. These are essential in considering how to effectively negotiate adequate sources of income when planning for the next five, ten or fifteen years. Effective measures may be put in place to supplement these constraints and development policies that will assist in the recuperation of these and other sources of income.

The City, therefore, needs to ensure that it uses good and approved budgeting processes and that it monitors these processes to ensure effective planning in avoiding crises of a financial nature. These principles of good governance, accountability, predictability, participation and transparency, are identified in the course reader of Financial Management and Cost Accounting (Burger, APJ. 2005:5). To this end the PT is able to support the capacity of the City by giving regular feedback and inputs with respect to its financial management practices at different points along the budgetary process. This will ensure that the money of the inhabitants of Cape Town is used in a manner which is transparent and that they receive maximum value for services provided.

Some of the priorities identified to date may seem insurmountable, given the financial constraints of the City. It is consequently essential that the institutional framework should match what is expected in terms of service delivery. The City is aware of the need to change the institutional structure and align it to the evolving and changing role of the City and the new challenges facing the City. The restructuring and re-engineering of the organisation received a great deal of attention and is seen as one of the ways in which service delivery could be improved.

3.4.3.8 Enabling Institutional Framework

The City is also aware that it needs to ensure effective, efficient, economic and equitable service delivery to all residents. To do this it has to ensure a good fit of the function of the organisation with that of the service it should provide (IDP, City of Cape Town. 2005/06). The City has been involved for the past five years in restructuring or realigning its structure to its intended function for maximum efficiency. This process is now drawing to

a close. The legislative (political) and executive (administrative) components are now aligned for effective, efficient, economic and equitable service delivery.

A few of the urgent matters that the City needs to continually address to ensure that it remains abreast with the issues pertaining to transformation, relate to the programme of transforming towards a public friendly environment (supported by the national drive to service delivery through Batho Pele principles), reviewing the policies and practices of the organisation, managing staffing costs, employment equity and risk management. It is significant to note that the desired outcome of restructuring is improvement in service delivery. This drives home the principles of Batho Pele which argues the importance of persons in our approach and design of services.

An example of how this principle is being put into practice is the “Mayor’s Show”, which is aired every Monday evening on a local radio station, “Heart 104.9”. Here the public is given an opportunity to confront some of the poor service they have experienced in their dealings with the City with the aim of encouraging good service delivery, being the outcome of the Batho Pele principles.

The City is demonstrating a commitment towards changing what is perceived to be the old culture of poor service delivery. This emphasises the need for organisational transformation in the way that officials deliver what is required of them. The effective delivery of services of a high standard is further supported by the performance management and performance indicator systems. These have been developed to ensure that the political and official arms of the City identify what they have agreed to in their manifesto and remain committed to ensuring that these programmes and processes are implemented.

3.4.3.9 Key Performance Indicators.

The last section of this IDP captures specific performance indicators, which the City has identified as significant criteria against which it wishes to be measured. This is in line with all legislation pertaining to local government, which contains performance indicators to be identified, and against which the municipality should be examined with respect to service delivery. In doing this, the political and executive bodies of the City are committed to continuing to increase the quality of the service, which they offer to the residents of the City. This again draws attention to the City promising its residents in advance what it

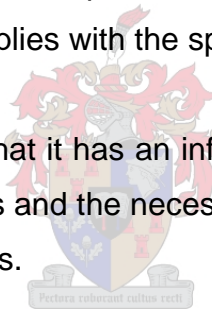
would do for them in this current IDP. This supports the strategies of GEAR and IE in encouraging openness and transparency in its approach to dealing with the public.

3.5 Summary

Discussions of the IDP of the City of Cape Town have demonstrated that it complies with the legislative framework, which regulates the municipal, provincial and national sphere of government. It also highlighted its adoption of all the national and provincial priorities as outlined by the discussion on GEAR and IE. It is currently eagerly working toward the implementation of these priorities through processes that encourage participatory democracy.

These discussions have further emphasised that the City has a clear long-term vision which is outlined in the IDP. The IDP is used as a central document to guide all planning and the implementation of programmes in the City. It is further evident that the City has identified communities who need to be prioritised for the provision of services. The provision of these services also complies with the spatial development framework.

The City has further demonstrated that it has an informed view of the challenges it faces and has identified the key challenges and the necessary strategies which it will implement to bring about the necessary changes.



The officials of the City have demonstrated that they have a long-term and a short-term vision of where they would like to direct the City. The intensity, graveness and urgency of current problems often distract planners from developing a strategic vision of where they should be heading. The City has demonstrated that it will vigorously address these while developing a vision of where it wants to be in the next twenty years. This has been called its "2030 Vision".

The City has also recognised the need for developing integrated settlements. These are aimed at eliminating the polarisation and inadequate service delivery that resulted from the economic disparities and discrimination of South Africa's recent past. These are manifested in all the human settlements across South Africa, but particularly in cities where the need to separate racial groups were previously seen as of paramount importance. Special attention is, therefore, given to ensure that human settlements are integrated with the expressed objective of transforming them into integrated communities.

The diverse and rich nature of these communities will strengthen and build communities that reflect the rich potential of diversity with new approaches to addressing the needs of such communities. This will further strengthen such communities' resilience to social ills, such as crime and drugs.

The City is aware that the precursor to integrated and harmonious living is based upon economic growth, which benefits all its inhabitants. The City is consequently currently prioritising the difficulty associated with transportation. Effective modes of transportation and related infrastructure are seen as a necessary precursor for economic growth in the City. The City will therefore have to prioritise transportation and related infrastructure to facilitate broad based economic growth, which in turn will create a climate for harmonious living. Prioritising the problems associated with transport will have the greatest impact the on the poor in the City who often have to spend inordinately high proportions of their wages in travelling to and from work. By addressing concerns associated with transportation, the City is simultaneously addressing a prerequisite for economic growth, poverty alleviation and creating the impetus transformation of the City into a harmonious environment.

The City has also placed a focus on ensuring effective and efficient service delivery to all inhabitants, especially the HDI, who form a large portion of the indigent inhabitants. To this end numerous policies and strategies have been developed to ensure that these are prioritised.

The IDP of the City of Cape Town has demonstrated its commitment to achieving the MDG through ensuring a strong alignment to GEAR as well as IE. It has demonstrated a passion in confronting and reducing poverty by the redistributive manner that it uses for the implementation of programmes and allocation of resources. BBBEE and SCM processes, which favour historically disadvantaged individuals, particularly women, lend further support for gender equality and empowerment. It further highlights the new manner in which it chooses to approach integrated human settlement and addresses the concerns of service delivery to the poor. Public transportation, used mainly by the poor and marginalised, receives significant attention since the poor often spend proportionally more of their income on transportation, but remain recipients of poor service.

The consequences of poverty, poor maternal health, child mortality, environmental degradation and an increase in HIV infections because of a lack of access to necessary services and information, receive a significant focus as the City takes on joint projects with the province and national government.

The environment receives significant attention, since the City acknowledges the balance that needs to be maintained between growth and development, while taking into account the environmental capacity. It remains committed to development that is environmentally and financially sustainable. The IDP of the City is, therefore, far more responsive to the environment than both GEAR and IE respectively. The IDP further highlights the need to establish working together in partnerships, which will achieve the developmental agenda. To this end, the City is currently working in conjunction with numerous intergovernmental fora as well as private partnerships. These initiatives support the MDG.

On further investigation of the IDP of the City of Cape Town it becomes evident that the agenda of the City aims at the transformation of the landscape of the City, the institutional direction and the role of the City in ensuring development of the inhabitants of the City of Cape Town. The City is aiming at ensuring that the inhabitants of Cape Town have more choices with respect to the services and the quality of these services by prioritising the developmental needs of the inhabitants of Cape Town. It further aims at ensuring a quality of life, which enables the residents of the City to continue to grow and to make significant choices to aid their own development. This demonstrates not only an alignment to GEAR, IE and the MDG, but also a commitment to sustainable development.

CHAPTER 4: THE HUMAN DEVELOPMENT INDEX (HDI) AS A MEASURE OF DEVELOPMENT

4.1 Introduction

The previous chapters emphasised the historical challenges the South Africa government had to confront in determining what developmental priorities would be addressed. These included the many inequalities experienced as a result of the policies of the past and the manner in which these impacted on the social and economic path of South Africans. The resultant legislative mandates and framework to address these inequalities on the part of the national, provincial and municipal government, would ensure that the developmental objectives which were achieved, assisted in creating a more directive developmental path. The policy directions of the South African Government also have an international context in which the goals of the UN were outlined. The government adopted these, since they aim at achieving the same goals at a global level that South Africa has prioritised for its citizens.

The UN priorities further focussed the interventions of the South African government in ensuring it does not remain isolated from the global developmental priorities. Its entry into the international arena as an active member state was welcomed by the UN. Its continued participation in the UN agenda has been guaranteed. Its track record from then on would be measured against the current developmental agenda. The South African government has been aware of the many needs of its people and the many programmes offered by the UN from which it would be able to benefit. The conditions would be compliance with the UN agenda and a series of performance measures which would allow access to critically needed UN funding.

The UN funding is for programmes that it supports in the countries of the developing world. Funding may be approved or disapproved based on the recipient's policy directions and whether they comply with the UN agenda of development. It is, therefore, necessary for the UN and recipients of funding to be able to determine the priority area of intervention. One of the means of determining such an intervention strategy is using the aggregated HDI indices and their disaggregated values. The strategies outlined assume that it is possible to influence the development of individuals in a country or region by spending money on the implementation of specific strategies, which are in turn implemented in a specific manner.

This is the basis of the assumptions for the MDG. It argues that certain policy options are more desirable than others, since they are perceived to be able to raise the developmental state of individuals. It further argues that real growth is always in the interest of the people of a region and that its nature is focused on developing their abilities and skills in a manner that extends the choices available to them.

Annexure A contextualises the use of HDI as the means of measurement of the degree or level of development of the people of a region. It then outlines the manner in which the technique is used by the UN in doing calculations. This index is used, since it is the measurement that the UN applies in calculating the HDI and ranking of its member states. This index is captured on the official website of the UN, which could be consulted at www.undp.org

The following are important points with respect to the use and calculation of HDI in this thesis:

1. The writer has chosen to use HDI as a means of measuring development of the inhabitants of Cape Town.
2. It is further emphasised that the data, calculations and findings are provisional and tentative.
3. It is further assumed that the relationship between this growth and development and the strategies outlined is not causative, but rather that it would have exerted some degree of influence on the development of the inhabitants of the region for whom they are intended.
4. The measurement of HDI provides some general context to the question of whether growth and development has taken place.
5. It is further necessary to state that HDI is an excellent index to measure the average progress with respect to development in a society. It is, however, by no means the only measure that may be used as an indicator of development, since our understanding of development continues to expand with new indicators assisting us in measuring this new understanding.
6. It should furthermore be emphasised that change in development is best measured over a longer period – and not in a year on year basis – since there are too many extraneous factors that influence the choices of persons in the developing regions of the world from one year to the next.

The above discussion regarding the selection and use of HDI forms the basis for outlining the use, purpose and principles behind calculating HDI. This will be followed by a calculation of the HDI over a three year period at the level of organisation in line with the three spheres of government.

4.2 Why use HDI?

Dissatisfaction with respect to the level and distribution of human welfare has been the driving force behind identifying what the measurable outcomes should be, and how they could be manipulated, with a view to raising the plight of those who are less fortunate and in need. The Gross National Product has for many years been the standard measurement of human welfare. This measurement is concerned with the economic and purchasing power of the economy. It does not, however, measure the distribution, nature or quality of this power as the inhabitants of a country or region experience it. It does not give recognition to work done at home, subsistence agriculture or unpaid services, traditionally the domain that poor and many women occupy, particularly in the developing countries (ul Haq Mahbub, 2003).

Against this background of dissatisfaction with the way in which development was perceived, that the new emerging view of human development is clearest: it is a process in which the choices of an individual are increased, thus allowing him/her a better quality of life (South African Human Development Report, 2000). This view of development as facilitating the provision of a greater degree of options to choose from in life is further supported by Jahan Selim (2001) when he states: "It is because of this fact that development should be woven around people since individuals are the theme, focus and reason for development" (Jahan, S. 2001). Fukuda-Parr (2003) highlights that human development is far greater than its measurement. She argues that it is concerned with living in freedom and dignity with the right to choices that allows one to achieve a creative lifestyle.

These are, to name but a few, some of the reasons for the extent of dissatisfaction in the developing world to effectively capture the essence of development, with the intention of identifying its components, measuring them and actively working to raise or improve the condition of all the persons in that society.

In capturing the essence of what is meant by the concept of development, analysts identify economic and social indicators. The search for an effective tool was given impetus at the presentation of the Human Development Report tabled by the United Nations Development Programme in 1989. The first presentation of the Human Development Index (HDI) was developed along principles, which would expand people's choice, be relatively simple to calculate, would be a composite index rather than separate indices, would cover social and economic choices, while the methodology would be kept simple to allow for refinement and adaptations. The absence of verifiable data would not hinder the calculations of HDI, but would be used as a pressure point to persuade policy makers to invest in adequate methodologies to ensure that accurate data is provided (ul Mahbub, 2003).

4.3 The Definition of HDI

The United Nations has accepted the HDI measurement as a means of more accurately assessing the degree to which the population of a country is being developed, other than the traditional Growth Domestic Product (GDP) per capita. The GDP per capita is no longer regarded as an accurate measure of human development, since it does not take into account the vast disparities that are hidden between those who earn a great deal and those who live below the bread line in abject poverty. This is one of the reasons why the writer of this essay chose the HDI as an index to measure development.

HDI ratio includes calculations for a life expectancy index, an educational index which consists of adult literacy index and gross enrolment index, and a GDP index. These are then added and expressed in a ratio out of 1. The closer the ratio is to the integer one (1), the higher the HDI of that country (United Nations, 2001). HDI is based on a cut-off point for what is considered to be a reasonable standard of living for any individual. The definition and calculations focus on the sufficiency of what is acquired rather than how much an individual has the potential to acquire above this line. This removes the focus from how much has been acquired, and rather directs it on the use for which the income has been intended (ul Haq Mahbub, 2003). This cut-off point is adjusted upwards or downwards when necessary. The calculation takes into account the values of these "reasonable" standards of living when determining an index.

Attention will now be given to the actual manner in which the calculation is used and how it has since its inception been interpreted.

4.4 Advantages of HDI

Some sceptics may at this stage still wonder why the HDI should be considered. The following is an argument in favour of the use of this tool:

This index is multi-dimensional and does not restrict itself to one area of life experience of a community whose HDI is being assessed. It further focuses policy makers' attention on the goals of development. These may then be planned and directed, as opposed to planners hoping blindly somehow to improve the lot of those for whom they are planning.

The index highlights the inequalities in income distribution easily hidden in the calculation of GNP. It emphasises the manageability of development despite the income disparities between rich and poor nations (ul Haq Mahbub, 2003). This allows governments and policy makers to systematically determine the development of a strategy and how this strategy may be implemented in a manner as to ensure an increase in the development of the inhabitants of a region or a country.

Some may argue that it removes the need to address global redistribution of wealth and resources and may describe this aspect as a critique or shortcoming of HDI since it does not emphasise the need of redistributing resources as a precursor of development. This notion is vehemently opposed by ul Mahbub and he argues that income does not translate into development of a society, although they are linked. He furthermore argues that HDI is a valuable tool to use alongside GNP, since it adds value to understanding and analysing a society.

The plethora of developmental strategies that arise from these indicators are a further benefit and could guide policy makers in a programme of action.

Ul Mahbub further argues that the HDI can be a useful indicator since it is able to identify where the country's current strength lies with the understanding that this should be used to facilitate or focus economic growth around these strengths with a view to harnessing untapped potential (ul Haq Mahbub, 2003). Since it allows countries to identify areas where they are doing well, it is able to assist them to prioritise more effectively. An example of this could be a country which has a relatively high quality and level of education accompanied by good skills level. If the GDP Index of this country is low it

should prioritise spending in line with policy options which would facilitate economic growth.

HDI further assists countries in identifying the means to development and the priority areas of intervention. The clarity which these objectives have given has allowed policy makers and donor organisations to examine whether or not their organisations comply with the new format and how donor funding should be allocated and earmarked. This principle is currently being applied by the national, provincial and local governments in RSA as a means of determining the priority interventions and planning for the infrastructure needed for growing the economy to ensure development. Municipalities have also been asked to identify areas in their municipal areas, which would allow them maximum growth for the broadest benefit to the relevant municipal populations.

The connection between poverty alleviation and the resultant development has helped human development to drive the development of individuals as its main priority and to emphasise that human development is the goal, while economic growth is a means to this end (South African Human Development Report, 2000). This has put human development at the centre stage of all human interactions and planning. This view is supported by Sen (2000) when he postulates that human development is an important pluralistic concept (Sen, A. 2000). In doing so, he implies that the concept of human development is multifaceted and that it permeates all of human existence.

Jahan (2001) supports this interpretation in arguing that people are at the centre of development. He further states that economic growth is not an end in itself, but rather a means to enhancing persons' lives (Jahan, S. 2001). Jahan (2001) further highlights the benefits or advantages of using the Human Development Index. The first is that of having a single summary measure. Along with Haq (1990), he argues that this makes it an easy point of reference which is measurable, by giving insight into the extent at which development has taken place. This is because this is a composite set of indices which can complement the measurement of trouble spots in a society through disaggregating the indices for regions, Provinces and races, ethnic groups and rural-urban divide.

He also highlights that the use of HDI has shifted predominant thinking away from per capita Gross National Product towards the development of individuals within an economy. This has resulted in a change in the pattern of allocation of resources, shifted to align the

policy options to those of the human developmental agenda. It has further developed a degree of healthy competition between neighbouring countries to prioritise and implement policies, which would increase their respective HDI rating, thus favouring the human development of the citizens of that country. He argues that it has also become a strong advocacy tool for interest groups to raise awareness while lobbying for a particular policy direction (Jahan, S. 2001).

This is illustrated by the way the Treatment Action Campaign (TAC) has rallied support around issues of government's role in communication and taking responsibility for the treatment of persons who are HIV positive and have developed full blown AIDS.

The HDI is also seen as developing a high degree of focus on equity since it draws attention to all individuals in the population. The usefulness of this system to stress the variances within and between communities is also emphasised (Fukuda- Parr, 2003.) Anand and Sen (1994) also agree when they draw attention to the distribution pattern being overlooked and attention is simply directed towards the mean average of the numbers. They further argue that detail is lost in this regard. The argument in favour of using distributional concerns alongside the aggregated information cannot be more clearly emphasised in making any analysis. This point is particularly made for the use of alternative measures to supplement the HDI calculation (Anand and Sen, 1994).

The use of HDI should not be adopted without addressing the concerns or difficulties that this methodology or index pose. This would be tantamount to intellectual suicide and could undermine the very purpose for using this index, thus undermining development. These concerns should also be addressed because they can add to the effectiveness with which data and methodological implementation could be better focussed to give effect to the developmental agenda.

4.5 Concerns in using HDI

HDI uses limited variables and some have argued that others should be included, such as food, security, housing and environment to enhance the outcome being measured. Others have stated that if HDI does not include a reflection of political freedom, it is not an accurate measure of the reality of the population of the world and is thus incomplete. ul Haq Mahbub (2003) argues that this may not necessarily provide greater clarity, but may in fact be too complex for an accurate interpretation of the reality in which individuals

find themselves. At best HDI is a partial reflection that may be used alongside many other indices to create a better mirror and tool of evaluation of the degree of development.

A more serious consideration is that HDI measures a very basic level of human development and does not adequately address the needs of those countries that have developed beyond this basic level. This is particularly true for the Latin American countries and the USA and Western Europe. HDI does, however, create a universal framework with which the countries of the world are able to rank and rate their progress with the intention of prioritising their developmental focus.

A further criticism against HDI is that the data used is often unreliable and skewed, depending on the sources from which they have been obtained. This leads to an inaccurate picture of the developmental levels of a country and may result in them taking a misguided policy direction. Jahan (2001) is cautious to add that HDI is an average measure of human achievement in a society. He focuses attention on the rich source of information available as a result of using the HDI. In doing so, he further warns that this measurement is used as a means of understanding human development, but it cannot reflect every aspect of human development. He cautions that the HDI should be used in conjunction with all tools available for interrogating and adding value to understanding and supporting the human development agenda, including that of Gender Development Index, Gender Empowerment Index and Human Poverty Index.

A major concern is that HDI does not take into account the distribution of achievements. This allows one only to develop an average measure, but does not necessarily assist in prioritising the needs of the most marginalised within a society. The latter should be a conscious decision of policy makers (Fukuda- Parr, 2003). The point of averaging information is of great concern especially when dealing with the contentious issue of gender. Here it is argued that the averaging may result in policy decisions in favour of men or women without taking into account natural patterns and the context of these patterns.

An example of this is the numbers of females in a population (versus male) and female life expectancy (compared to that of males) in developed countries. Females enjoy greater representivity compared to their male counterparts in both categories. In averaging these totals the assumption could be made that men should, therefore, receive

preferential treatment in a particular policy option to improve their representivity and life expectancy. The question is what role biology plays in this phenomenon. Of even greater concern is that women have a significantly lower life expectancy and numbers in the population of the developing world. This is often due to high levels of death related to child birth and the choices women are allowed (Anand and Sen, 1994).

The extent to which development would be considered also comes into play when averaging and disaggregating information towards policy options. Assumptions need to be reconsidered to check their validity and facts may have to be re-examined for the purpose of greater clarity.

4.6 SUMMARY

This chapter emphasised that discussions regarding HDI focused on how developmental strategies are assisting South Africa in transforming its polarised society. The many existing inequalities affect the development of its people in a manner which is inequitable. It further highlighted that this has been accepted in line with the UN agenda as outlined in the MDG since they serve the developmental agenda of the present government while providing access to international funding for programmes that are expensive for South Africa to develop and implement, given its limited resources.

The study has emphasised that the relationship between implementation of Growth and Development Strategies and achieving the intended development is not one of cause and effect, but rather that developmental strategies have a more directive influence on attaining the development objectives of the inhabitants in a region.

The writer of this thesis has provided motivation for the use of the calculations of HDI, while cautioning against an over simplistic acceptance of this measure as the only measure of development. Attention was drawn to how this measure is able to adequately capture a sense of what the average developmental state of a country or a region is. The need was stated for supporting indices along with other indicators to focus on specific areas of concern, not to oppose the calculation of HDI, but rather to enrich an analysis of the real state of development.

This study has calculated and analysed the difference in the HDI for the three spheres of government over a period of time. Provisional indications in Appendix A seem to support

the assumption that the strategies are having a positive impact on the growth and development of the inhabitants of Cape Town. These are, however, not conclusive and need further investigation. The objectives outlined above support the choice of evidence based policy options. This should encourage more in-depth research in the field of development and result in policies that are far more desirable since their effectiveness has been tested with the use of data and the methodologies have been proved.

Discussions captured in Appendix A drew attention to the lack of adequate, relevant data for use in calculating the HDI of the inhabitants of the City. The City was able to translate statistics from the 2001 census into what is referred to as the Socio-Economic Index (SES). This is similar in nature to HDI, since it attempts to address issues of human development, but it does not readily translate into the indices that are required for calculating HDI.

This chapter has further provided motivation for the use of HDI, while cautioning against not confronting concerns with respect to the use of HDI. These have served to provide a more accurate analysis of the data for the country at a national, provincial and municipal sphere.

Finally, this chapter has also served to demonstrate that it is possible to calculate the HDI of a region and use this information to highlight strengths and focus attention on the areas of greatest concern. This may enable the different spheres of government to research, plan and implement policy options that are evidence based. However, this cannot be done without confronting the difficulties in gaining access to the necessary information since it affects the credibility of any calculation and resulting policy options that should be implemented. This is a serious concern for the PGWC that has repeatedly motivated evidence based policy options to be developed and implemented.

CHAPTER 5: SUMMARY, FINDINGS AND CONCLUSIONS

5.1 Summary

Chapter 1 emphasised the historical challenges the South Africa government had to confront in determining what developmental priorities would be addressed. These included the many inequalities experienced as a result of the policies of the past and the manner in which these impacted on the social and economic path of South Africans. This chapter further highlighted the resultant legislative mandates and framework that was developed to address the inequalities. National, provincial and municipal government, would ensure that the developmental objectives which were achieved, assisted in creating a more directive developmental path. The chapter also highlighted that the policy direction of the South African Government has an international context with a focus on the MDG of the UN. The government has embraced these goals, since they aim at achieving the same targets at a global level that South Africa has prioritised for its citizens at a national level.

The discussions in the previous paragraph formed a basis for a comparative analysis on the strategies of the three spheres of government with respect to the degree that they supported the achievement of the MDG. The national, provincial and municipal strategies were then outlined against the backdrop of the MDG.

Chapter 2 developed and outlined a conceptual framework for sustainable development, which would be used for purpose of discussion. It then outlined the national GDS, GEAR. The focus of GEAR was on creating the correct environment in the economy, which would encourage economic growth and stability. The degree to which the five driving strategies of GEAR were supportive of the MDG was also highlighted. This chapter also outlined the PGDS, IE. This strategy has a particular emphasis on growing the Cape by growing the people of the Cape. The eight objectives of IE were outlined with an emphasis for support of the MDG.

Chapter 3 emphasised the interrelatedness and complementary relationship between GEAR, IE and the IDP of the City of Cape Town. The cascading of national objectives to a regional sphere and these in turn to the local sphere was emphasised and supported with numerous examples. The role of the IDP as the local government developmental

strategy was highlighted with particular attention to the legislative requirements. The IPD of the City of Cape Town was outlined by describing the nine focus areas. This was finalised with a particular focus on the manner in which the focus areas of the City supported the MDG.

The interrelatedness of these strategies was examined with particular attention to how the national objectives are cascaded down to a provincial and finally to a local level. The degree of coordination was outlined with an emphasis on the benefit obtained from a focused, directional intervention. The objectives of GEAR and how these are translated into IE objectives and in turn into the IDP of the City of Cape Town were emphasised at different points in the thesis. The alignment between the different strategies and facilitation of the coordinated efforts for the planning and implementation of these strategies between the three spheres of government were examined. Where possible, examples of this coordinated and integrated approach was used to demonstrate the degree to which alignment has been achieved.

Chapter 4 established the link between the MDG, developmental strategies and the measurement of the level of development of the people of a region. It provided motivation for the use of the HDI and discussed advantages and disadvantages of using the indices. Annexure A provided data, did calculations and provided provisional findings, which were highlighted as tentative.

The writer is acutely aware that the effectiveness of a developmental strategy or policy option cannot be measured over a short-term period. The real impact of the policy on the inhabitants is sometimes only felt years after its introduction or mainstreaming. It should further be noted that good strategies and policy options may be implemented in an incorrect manner. It may be implemented late, without proper consultation, upon inadequate communication, with little or no evidence in support of the policy option and not reflect the risks associated with this particular strategy. This could have an undesired outcome despite the developed strategy being a good one.

5.2. Findings of the Comparative Analysis of the Developmental Strategies

5.2.1. The three GDS from the different spheres of government prioritise poverty alleviation or eradication and resultant programmes which stimulate economic growth as essential parts of each strategy. This is because they have made the

connection between poverty alleviation and the resultant development as a vehicle of driving the development of individuals as its main priority and emphasise that human development is the goal, while economic growth is a means to this end (South African Human Development Report, 2000). This has put human development at the centre stage of all human interactions and planning. This view is supported by Sen (2000) when he postulates that human development is an important pluralistic concept (Sen, A. 2000). In doing so, he implies that the concept of human development is multifaceted and that it permeates all of human existence. Jahan (2001) supports this interpretation in arguing that people are at the centre of development. He further states that economic growth is not an end in itself, but rather a means to enhancing persons' lives (Jahan, S. 2001).

5.2.2. Education is significant area of focus, which is addressed by national and provincial government with far reaching consequences and great impact at all three spheres. Concern of the three spheres of government is best captured in the following example. The Accounting Officer of the Western Cape Education Department duly expressed his concern at the statistic that approximately 50% of the learners that start in grade one drop out before they reach grade twelve. He further stated that many learners are exiting the system without an adequate preparation for the job market. He concluded that schooling was not sufficient to address the needs of the learners. It had to be focused on a developmental outcome. To this end the Education Department endeavours to raise both the quality of education and the quality of the outcome (Swarts, R. 2006). The accounting officer emphasised the importance of how what happens in the classroom and what happens outside of the school environment in a place of employment should complement each other. This implies that it is not good enough for a Province to have a high number of pass rates every year if those students land up becoming labourers. The quality of the outcome should assist learners increasingly becoming more prepared for more and better choices, which is the intended purpose of development.

Swarts (2006) further emphasises that this is a necessary prerequisite for growth and development in the Province. To this end the Department of Education is planning to better prepare learners and educators for e-readiness by spending R35 million on Information and Communication Technology for the 2007/08

financial year. This is further supported by the initiative of the Department of Cultural Affairs and Sport to build and refurbish a significant number of libraries. These Departments are combining their resources towards ensuring that learners are more adequately equipped for the types of choices that they will eventually have to make. It further implies an expansion of choices (services) that are being made available to learners who have previously been identified as the basis of development.

5.2.3 Health Care is another area of great concern, which receives significant attention particularly with its focus on primary health care. To this end the national, provincial and local have outlined strategies, which include advancing primary health care and extending its arm and support base to all of the residents. The increased allocation to primary health care for the current and successive financial years is to be welcomed. Effective management of these programmes will result in a greater management of the health risks of the City. These include a comprehensive programme of confronting tuberculosis, HIV and AIDS awareness raising and treatment via anti-retrovirals. The current mayor has indicated the intention of the City to provide ARVs to the residents of Cape Town. The provincial and local government is currently doing Voluntary Counselling and Testing (VCT) as part of its comprehensive programme of becoming better prepared for living with the reality of HIV and AIDS. These measures will go a long way in raising the life expectancy of the City and of the Western Cape's inhabitants. The Accounting Officer of the Department of Health could, therefore, boldly and rightly argue that effective management of the health of a society forms the core to the development of that society (Househerm, 2006).

5.2.4 Strategies and policy options are not supported with the necessary evidence base required for academic acceptance. This does not imply that the necessary rigour is not followed in drawing up policy options or developmental strategies but rather that the intended goal is less easy to quantify and measure. This goes against the call of the Premier of the Western Cape, Ebrahim Rasool, in the preface of a report, "Measuring the State of Development in the Province of the Western Cape". He states "This report is the beginning of a systematic process to make our policy processes more evidence based and outcomes focused ..." (Department of the Premier, 2005). The Premier of the Western Cape, who has given considerable

input to the IE strategy, is arguing for strategy development and policy direction to be based on certain known research measurement and findings. This is the basis upon which the different spheres of government are expected to operate. Using evidence based policy options is also the basis for UN funding of strategies and programmes. Alignment with the developmental agenda, MDG, is not in itself enough to ensure access to funding of programmes by the UN. It is critical for countries to be able to have informed policy tools, which could guide countries in identifying the areas of intervention, which should have priority and the manner in which these should be implemented.

5.2.5 The most significant move towards raising the developmental level of the people the country, Western Cape and the City of Cape Town is by embracing the principles of the developmental state. Trevor Manuel (2004) highlighted the thrust of a developmental state as one which determines to influence the direction and pace of economic development by directing and intervening in the developmental process. Manuel (2004) quoted Patrick Heller, that “the developmental state is one which manages the delicate balance between growth and social development”. Manuel further clarified that the preoccupation of the budget of a developmental state is the battle against poverty and deprivation and that it allocates resources towards expanding economic opportunity. To this end the National Government and Provincial Government of the Western Cape have ensured that these principles are adhered to during the budgeting process by developing the GEAR and Ikapa Elihlumayo as national and provincial development strategies. These principles are also central to the newly developed national developmental strategy, Accelerated Shared and Growth Initiative for South Africa (ASGI-SA).

5.3 Conclusions

This study emphasised the inequalities pervading South African society and the many initiatives that government launched in confronting the daunting task of raising the developmental level of all citizens, thus ensuring the social and economic freedom that has been promised since political freedom was achieved. This study further demonstrated that the international context of the UN MDG has assisted in sharpening the approach and directing development towards an overlap between the MDG of the UN and the South African priorities for development. This has been beneficial to South Africa since it

has allowed access to much needed funding for the implementation of developmental programmes.

The study furthermore outlined the macro-economic strategy applicable during the time period of the current IDP of the City of Cape Town and highlighted the manner in which these national priorities cascaded down to the PGDS and the IDP of the City of Cape Town. The coordinated and integrated approach has enabled the Province and the City to access funding for mainstreaming national priorities in much the same way as South Africa has benefited from implementing UN aligned priorities. This coordinated approach has added a greater focus and combined energy in achieving the developmental objectives of the international community while remaining relevant to the context in which ordinary South African find themselves.

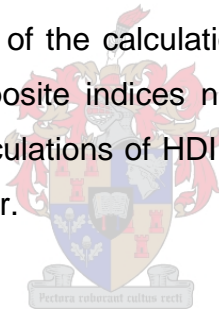
The study further highlighted the need to develop, establish and maintain systems for sharing information, intergovernmental fora that will drive the developmental agenda at a local level. These should aim at ensuring that the resources of the budgeting processes are geared at addressing specific developmentally targeted indices, such as the level and quality of education, quality of primary health and raising the general income of South Africans in a sustainable manner.

The study also highlighted the developmental nature of South African policies, while providing provisional, tentative indications that they are having the desired outcome, although it is too early to develop solid conclusions along these lines.

5.4 Recommendations for future study:

5.4.1 A great concern is the lack of sufficient, easily accessible and reliable data to make those informed decisions that the Premier of the Western Cape promised. The writer of this essay assumed that the official statistical department, Statistics South Africa, would dispose of the relevant data that could be easily accessed and used. This is not the case and many gaps currently exist with respect to the completeness, currency and adequacy of relevant datasets. This is clearly reflected in a note to a report released by the Department of the Premier of the Western Cape which starts with the words: “Due to the difficulty of obtaining data...” (Department of the Premier, 2005). It is of paramount importance that the national, provincial and local government spheres of the RSA continue to bring pressure to bear on Statistics South Africa, since so much research is dependant on access to complete and reliable data sets.

5.4.2 In lieu of the tentative nature of the calculations and findings of Annexure A, it is recommended that the composite indices needed for the calculation of HDI be prioritised to facilitate the calculations of HDI in a more sophisticated manner with more rigorous statistical vigour.



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Annexure A

1.1 Introduction

Chapter 1 highlighted the dire developmental inequalities that confronted the democratically elected government of South Africa. It further emphasised the international developmental agenda, as captured in the MDG, and how this directly influenced the planning and development of GDS of the South Africa. Chapter 2 assisted in outlining academic thinking around the concepts of sustainable development. This chapter also emphasised that an effective developmental strategy incorporates effective planning and development within the environmental limitations of a region for its inhabitants.

Chapter 2 then outlined the national GDS, GEAR. The focus of GEAR was on creating the correct environment in the economy, which would encourage economic growth and stability. This chapter also outlined the PGDS, IE. This strategy has a particular emphasis on growing the Cape by growing the people of the Cape. The eight objectives of IE were outlined.

Chapter 3 emphasised the interrelatedness and complementary relationship between GEAR, IE and the IDP of the City of Cape Town. The cascading of national objectives to a regional sphere and these in turn to the local sphere was emphasised and supported with numerous examples. The role of the IDP as the local government developmental strategy was highlighted with particular attention to the legislative requirements. The IPD of the City of Cape Town was outlined by describing the nine focus areas. This was finalised with a particular focus on the manner in which the focus areas of the City supported the MDG.

The purpose of this annexure is to offer provisional or tentative calculations of the HDI of the three spheres of government for 2003, 2004 and 2005. It is reasonably assumed, over time, that these growth developmental strategies will have an impact on the HDI of the three spheres for which they are intended. This section of the thesis will outline the technique used by the UN in doing calculations.

1.2 The Calculation of HDI

The manner in which the UN calculates the HDI for all countries of the world will now be outlined. The UN constantly emphasises that these calculations could highlight in an aggregated manner the extent of development of the inhabitants of a region or country. It further highlights that the accuracy of such a calculation assumes that data is readily available and credible. Both of these assumptions have proven difficult for the UN in general, since many nations often contest the source of data and the ratings assigned to them on the basis of the data being used. Notwithstanding these discrepancies with regard to the source of the data and resultant calculations, the efficacy of the methodology is widely accepted. The wide acceptance of the methodology has motivated the writer of this thesis to choose to include the calculations, as elucidated in the UN website.

The first point of calculation is to define the lowest level a country occupies with respect to the specific variable that is being used. This is termed as the deprivation level. The three components of HDI are Life Expectancy, Educational and GDP Index. These indices and the manner in which they are calculated will now be outlined.

1.3 Life Expectancy Index

Life expectancy is perceived as a measure of the relative health that the inhabitants of a region or a country enjoy. This is directly attributed to the perceived array of options in healthcare and healthy living by the individuals of that region. This is in turn based on the assumption of adequate resources available for the inhabitants of that region or country. It must at this point be emphasised that these resources need not be available as a result of the institutional infrastructure, but may be adequately provided by the social infrastructure and support networks outside of the formal institutional support of that society.

This value is calculated by dividing the minimum observable life expectancy of the people in a region or country with the maximum observable life expectancy of the same. This could best be clarified with the use of an example. If the minimum observable life expectancy of a population is 25 years, the maximum observable life expectancy is 85 years and the population's life expectancy is 50 years, then:

$$\text{Life Expectancy Index} = \frac{50-25}{85-25} = \frac{25}{60} = 0.42$$

1.4 Calculating the Education Index

The level and quality of education of education is perceived to be one of the most significant determinants of a good quality of life. This is because the level and quality of one's education often gives one the added advantage of selecting the most suitable career path to follow. The converse of the above is that the lower the level and quality of education, the less choice one has in selecting a career or employment opportunity. This is, therefore, a significant aspect to determining the development of a group of people given the definition of development highlighted earlier as the ever increasing array of choices that result from the effective implementation of policy options that accumulate to the benefit of individuals.

The nature of the calculations does not take into account the quality of education, but is restricted to the level of education only. Calculating the impact of the quality of education is not the purpose of assessing HDI, although it should be noted as a legitimate concern to be analysed.

The educational index measures a country's achievement in adult literacy and the population's combined enrolment in primary, secondary and tertiary education. These are termed as the Adult Literacy Index and Gross Enrolment Index. These indices are calculated by dividing the percentage of the adult literacy and the gross enrolment by 100 and expressing them as decimal numbers. The Education Index is then calculated by adding the Adult Literacy Index to the Gross Enrolment Index. The Adult Literacy Index is weighted at 2/3, while the Gross Enrolment Index is weighed as 1/3 of the total. A clarifying example follows: The Adult literacy Index of a country may be 80% while the Gross Enrolment Index is 70%.

Educational Index

$$\text{Adult Literacy Index (ALI)} = \frac{80}{100} = 0.80$$

$$\text{Gross Enrolment Index (GEI)} = \frac{70}{100} = 0.70$$

$$\begin{aligned}\text{Educational Index} &= \frac{2}{3} (\text{ALI}) + \frac{1}{3} (\text{GEI}) \\ &= \frac{2}{3} (0.80) + \frac{1}{3} (0.70) \\ &= 0.53 + 0.23 \\ &= \mathbf{0.76}\end{aligned}$$

1.5 Calculating GDP Index

The GDP index is calculated using the adjusted GDP per capita, which is also termed as purchasing power parity. This allows countries to compare their relative income with respect to the amount of goods their money can purchase in comparison with the earning power of an American and the amount of good he/she can buy in the USA. This calculation allows comparisons with respect to the general income of persons around the world. This is termed as logging the values and is calculated in the following way. Purchasing power parity between two countries is the rate at which the currency of one country needs to be converted into that of a second country to represent the same volume of goods and services in both countries. The US Dollar is used as a benchmark against which all currencies are calculated to determine parity. This comparison assumes that:

1. Similar products are compared.
2. This further assumes that their physical and economic prices are identical or that they are perceived to be similar by the users (Diewert, E. 2006).

$$\begin{aligned}\text{GDP Index} &= \frac{\log(10\,346) - \log(100)}{\log(40\,000) - \log(100)} \\ &= \frac{4.0147 - 2}{4.602 - 2} \\ &= \frac{4.0147 - 2}{4.602 - 2} \\ &= \frac{2.0147}{2.602} \\ &= 0.774\end{aligned}$$

The difficulty in this calculation is that it is difficult to disaggregate the national PPP to provincial and then local levels. This has been particularly difficult because HDI calculations have not been mainstreamed in South Africa and its different levels of government, its regions and population groups. For the purpose of this calculation the national, provincial and municipal values will be regarded as being equal. It should be noted that the GDP of the Western Cape is significantly higher than that of the country. It is furthermore significant that the earning power of the inhabitants of the City of Cape Town is the highest in the

Province. We may consequently assume that the PPP of the Metropole is higher than that of the Western Cape, which in turn is higher than that of the country as a whole.

1.6 Calculating HDI

The next phase in the process of calculation involves determining what the combined inputs are for the HDI. This involves dividing each of the above indices by a 1/3 and adding them together. This amounts to the HDI, with each of the components weighted equally.

The values in the table below were acquired from different sources to comply with the needs as identified in the above discussion. The main source was Statistics South Africa unless otherwise stated. All assumptions will be explained and motivated in the discussion that follows.

Raw Values needed to calculate HDI

Life Expectancy		South Africa	Western Cape	City Of Cape Town
	2003/06/03	48,2	61,5*	61.4***
	2004/06/01	47,2	62,1	61.4***
	2005/06/01	47,1	61	61.3***
Educational Index	Adult Literacy			
	2003	86,9*	94,6*	95.0
	2004	87	94**	95.0
	2005	87	94.1**	95.2
	Gross Enrolment			
	2003	94**	85.1**	87,8****
	2004	97.8**	85.96**	86,5****
	2005	90,3*	83.8**	86,5****
GDP Index	10 346 (PPP \$)	10 346 (PPP \$)	10 346 (PPP \$)	10 346 (PPP \$)

Data with no asterisk was obtained from Statistics South Africa

* Data from HSRC

** National Education Department

*** ASSA

**** Calculated with Information obtained by WCED and the ASSA model.

A combination of Mid Year Population Estimates and General Household Survey for 2003, 2004 and 2005 were used from the Statistics South Africa website. These were not complete and needed to be supplemented by other institutions, such as the National and Provincial Departments of Education and the Human Science Research Council. Where the

figure for one value was adjusted in a later statistical analysis, the updated figure was used. For instance the average life expectancy for 2004 at birth was 51,4 years in the 2004 according to the Mid-Year Population Estimates for 2004. This was rectified to 47,2 years in 2005 Mid Year Estimates. The ASSA model was used to obtain information with respect to statistics for the City of Cape Town since these were not available from the Cape Town and Pretoria offices of StatsSA.

The writer of this thesis approached the City of Cape to ascertain which data were available for use in calculating the HDI for the City. The City responded by forwarding some information on indicators which it had developed, and referred to as the Socio-Economic Index (SES). These indicators were developed to assist the City in focusing on developmental interventions of the City. The difficulty in using this data is that it was based on the StatSA survey of 2001. Although this data provide a picture of the socio-economic landscape of the City, it cannot be readily translated into the three indices to calculate a composite HDI for the City¹. The lack of adequate and recent data has been further complicated by a shortage of staff, lack of resources and the institutional transition, which the City has experienced for the past seven years. This has led to the City prioritising the economic growth by establishing partnerships with businesses². No subsequent census or development of supplementary data have been done to date in this regard.³

Another factor for consideration is the difficulty and complexity associated with calculating the relevant PPP for South Africa, Western Cape and the City of Cape Town. This complex set of equations is normally calculated by an international company. These figures are not updated annually and are not readily calculated at a regional level within countries. The latest calculation for South Africa was 2003. A new calculation is expected in to be prepared for the first quarter of 2007 (Diewert, E. 2006). The calculation will be focussed on individual countries and regional groupings, such as the Latin American countries. The same figure was used for this purpose for all three years and for the Western Cape and the City of Cape Town. These figures are an average calculation and it would be reasonable to assume that the PPP for the Western Cape and Cape Town would be higher than that for

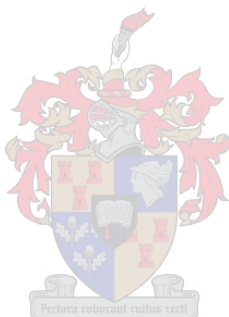
¹ Small, Karen. 2007. Strategic Development Information and GIS, City of Cape Town

² Van Eden, Amanda. 2007. Economic and Human Development, City of Cape Town

³ Gee, Janet. 2006. Strategic Development and Information, City of Cape Town

South Africa. The relatively lower rate of unemployment and higher per capita income ensures that the Western Cape and Cape Town enjoy a higher GDP and, therefore, a higher PPP value. It may furthermore be assumed that City residents would further enjoy a higher PPP value, since the City is the financial hub of the Province.

Its current budget and relatively high income and expenditure rate ensure that the residents enjoy a higher income than elsewhere. The concentration of entertainment amenities further prove that City residents have higher volumes of excess income to spend on such amenities. This is further supported by the relatively many large companies that are located in the City that reap the benefit of establishing economies of scale.



1.6.1 Calculation of the HDI of South Africa for 2003, 2004 and 2005.

Life Expectancy: South Africa

2003	2004	2005
$\frac{48.2-25}{85-25} = \frac{23.2}{60} = 0.387$	$\frac{47.2-25}{85-25} = \frac{22.2}{60} = 0.37$	$\frac{47.1-25}{85-25} = \frac{22.1}{60} = 0.368$

Educational Index: South Africa

2003		2005	
Adult Literacy Index (ALI) = $\frac{86.9}{100} = 0.869$ Gross Enrolment Index (GEI) = $\frac{94}{100} = 0.94$ Educational Index = $\frac{2}{3} (ALI) + \frac{1}{3} (GEI)$ = $\frac{2}{3} (0.869) + \frac{1}{3} (0.94)$ = $0.579 + 0.31$ = <u>0.889</u>		Adult Literacy Index (ALI) = $\frac{87}{100} = 0.87$ Gross Enrolment Index (GEI) = $\frac{90.3}{100} = 0.903$ Educational Index = $\frac{2}{3} (ALI) + \frac{1}{3} (GEI)$ = $\frac{2}{3} (0.87) + \frac{1}{3} (0.903)$ = $0.58 + 0.301$ = <u>0.881</u>	
2004		GDP for SA for 2003, 2004 and 2005.	
Adult Literacy Index (ALI) = $\frac{87}{100} = 0.87$ Gross Enrolment Index (GEI) = $\frac{97.8}{100} = 0.978$ Educational Index = $\frac{2}{3} (ALI) + \frac{1}{3} (GEI)$ = $\frac{2}{3} (0.87) + \frac{1}{3} (0.978)$ = $0.58 + 0.326$ = <u>0.906</u>		GDP Index = $\frac{\log(10\,346) - \log(100)}{\log(40\,000) - \log(100)}$ = $\frac{4.0147 - 2}{4.602 - 2}$ = $\frac{4.0147 - 2}{4.602 - 2}$ = $\frac{2.0147}{2.602}$ = <u>0.774</u>	
SA HDI for 2003		SA HDI for 2004	
= $\frac{1}{3} (LEI + EI + GDP \text{ Index})$ = $\frac{1}{3} (0.387 + 0.76 + 0.774)$ = $\frac{1}{3} (1.921)$ = <u>0.640</u>		= $\frac{1}{3} (LEI + EI + GDP \text{ Index})$ = $\frac{1}{3} (0.37 + 0.906 + 0.774)$ = $\frac{1}{3} (2.05)$ = <u>0.683</u>	
SA HDI for 2005		SA HDI for 2005	
= $\frac{1}{3} (LEI + EI + GDP \text{ Index})$ = $\frac{1}{3} (0.368 + 0.881 + 0.774)$ = $\frac{1}{3} (2.023)$ = <u>0.674</u>		= $\frac{1}{3} (LEI + EI + GDP \text{ Index})$ = $\frac{1}{3} (0.368 + 0.881 + 0.774)$ = $\frac{1}{3} (2.023)$ = <u>0.674</u>	

1..6.2 Calculation of the HDI of the Western Cape for 2003, 2004 and 2005.

Life Expectancy: Western Cape

2003	2004	2005
$\frac{61.5-25}{85-25} = \frac{36.5}{60} = 0.608$	$\frac{62.1-25}{85-25} = \frac{37.1}{60} = 0.618$	$\frac{61-25}{85-25} = \frac{36}{60} = 0.60$

Educational Index: Western Cape

2003		2005	
Adult Literacy Index (ALI) = $\frac{94.6}{100} = 0.946$		Adult Literacy Index (ALI) = $\frac{94.1}{100} = 0.941$	
Gross Enrolment Index (GEI) = $\frac{85.1}{100} = 0.851$		Gross Enrolment Index (GEI) = $\frac{83.8}{100} = 0.838$	
Educational Index = $\frac{2}{3} (ALI) + \frac{1}{3} (GEI)$ = $\frac{2}{3} (0.946) + \frac{1}{3} (0.851)$ = $0.631 + 0.283$ = <u>0.914</u>		Educational Index = $\frac{2}{3} (ALI) + \frac{1}{3} (GEI)$ = $\frac{2}{3} (0.941) + \frac{1}{3} (0.838)$ = $0.627 + 0.279$ = <u>0.906</u>	
2004		GDP for WC for 2003, 2004 and 2005.	
Adult Literacy Index (ALI) = $\frac{94}{100} = 0.94$		GDP Index = $\frac{\log(10\ 346) - \log(100)}{\log(40\ 000) - \log(100)}$	
Gross Enrolment Index (GEI) = $\frac{86}{100} = 0.86$		= $\frac{4.0147 - 2}{4.602 - 2}$	
Educational Index = $\frac{2}{3} (ALI) + \frac{1}{3} (GEI)$ = $\frac{2}{3} (0.94) + \frac{1}{3} (0.86)$ = $0.627 + 0.287$ = <u>0.914</u>		= $\frac{4.0147 - 2}{4.602 - 2}$	
		= $\frac{2.0147}{2.602}$	
		= 0.774	
W Cape HDI for 2003		W Cape HDI for 2004	
= $\frac{1}{3} (LEI + EI + GDP\ Index)$		= $\frac{1}{3} (LEI + EI + GDP\ Index)$	
= $\frac{1}{3} (0.608 + 0.914 + 0.774)$		= $\frac{1}{3} (0.618 + 0.914 + 0.774)$	
= $\frac{1}{3} (2.296)$		= $\frac{1}{3} (2.306)$	
= 0.765		= 0.769	
		W Cape HDI for 2005	
		= $\frac{1}{3} (LEI + EI + GDP\ Index)$	
		= $\frac{1}{3} (0.60 + 0.906 + 0.774)$	
		= $\frac{1}{3} (2.28)$	
		= 0.760	

1.6.3 Calculation of the HDI of the City of Cape Town for 2003, 2004 and 2005.

Life Expectancy: City of Cape Town

2003	2004	2005
$\frac{61.4 - 25}{85 - 25} = \frac{36.4}{60} = 0.606$	$\frac{61.4 - 25}{85 - 25} = \frac{36.4}{60} = 0.606$	$\frac{61.3 - 25}{85 - 25} = \frac{36}{60} = 0.605$

Educational Index: City of Cape Town

2003		2005	
Adult Literacy Index (ALI) = $\frac{95}{100} = 0.95$ Gross Enrolment Index (GEI) = $\frac{87}{100} = 0.87$ Educational Index = $\frac{2}{3} (ALI) + \frac{1}{3} (GEI)$ = $\frac{2}{3} (0.95) + \frac{1}{3} (0.87)$ = $0.633 + 0.29$ = <u>0.923</u>		Adult Literacy Index (ALI) = $\frac{95.2}{100} = 0.952$ Gross Enrolment Index (GEI) = $\frac{88.5}{100} = 0.885$ Educational Index = $\frac{2}{3} (ALI) + \frac{1}{3} (GEI)$ = $\frac{2}{3} (0.952) + \frac{1}{3} (0.885)$ = $0.663 + 0.295$ = <u>0.958</u>	
2004		GDP for City for 2003, 2004 and 2005.	
Adult Literacy Index (ALI) = $\frac{95}{100} = 0.95$ Gross Enrolment Index (GEI) = $\frac{88}{100} = 0.88$ Educational Index = $\frac{2}{3} (ALI) + \frac{1}{3} (GEI)$ = $\frac{2}{3} (0.95) + \frac{1}{3} (0.88)$ = $0.633 + 0.293$ = <u>0.926</u>		GDP Index = $\frac{\log (10\,346) - \log (100)}{\log (40\,000) - \log (100)}$ = $\frac{4.0147 - 2}{4.602 - 2}$ = $\frac{4.0147 - 2}{4.602 - 2}$ = $\frac{2.0147}{2.602}$ = 0.774	
City C Town HDI for 2003		City C Town HDI for 2004	
= $\frac{1}{3} (LEI + EI + GDP \text{ Index})$ = $\frac{1}{3} (0.606 + 0.923 + 0.774)$ = $\frac{1}{3} (2.303)$ = 0.768		= $\frac{1}{3} (LEI + EI + GDP \text{ Index})$ = $\frac{1}{3} (0.606 + 0.926 + 0.774)$ = $\frac{1}{3} (2.306)$ = 0.769	
City C Town HDI for 2005			
= $\frac{1}{3} (LEI + EI + GDP \text{ Index})$ = $\frac{1}{3} (0.605 + 0.958 + 0.774)$ = $\frac{1}{3} (2.337)$ = 0.779			

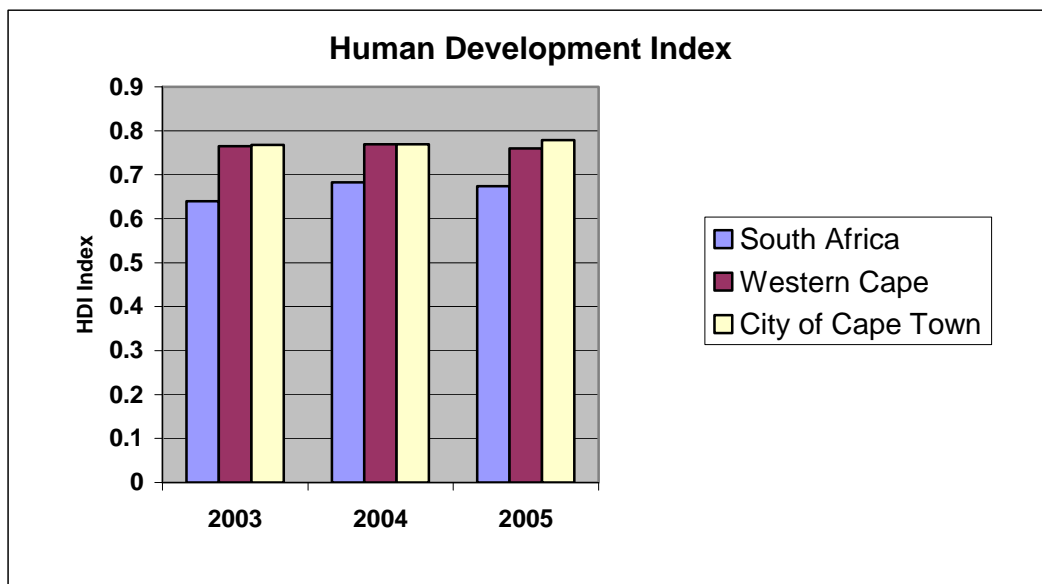
1.7 Results and Findings

HUMAN DEVELOPMENT INDEX

	2003	2004	2005
South Africa	0.64	0.683	0.674
Western Cape	0.765	0.769	0.760
City of Cape Town	0.768	0.769	0.779

Year on year increase for 2003, 2004 and 2005		106.7%	98.7%
		100.5%	98.8%
		100.1%	101.3%

SA & Western Cape as an expression of HDI of Cape Town	South Africa	0.833	0.888	0.865
	Western Cape	0.996	1.000	0.976
	City of Cape Town	1.000	1.000	1.000



2. Provisional Findings

The writer of this thesis wishes to reiterate the tentative nature of the data used and for which different calculations have been made. The index figures, however, do seem to support the growth and development of the people of the three spheres.

The of HDI of South Africa and the Western Cape demonstrated a similar pattern in that it increased from 2003 to 2004 and then decreased in 2005. The City of Cape Town's HDI increased for the three consecutive years. The HDI of South Africa increased by 6.7 percentage points from 2003 to 2004 and decreased by 1.3 percentage points from 2004 to 2005. The HDI of the Western Cape increased by 0.5% for 2003 to 2004, but decreased

from 2004 to 2005. The HDI of the City of Cape Town increased by 0.1 percentage points from 2003 to 2004 and a further 1.3 percentage points from 2004 to 2005.

The HDI of the City of Cape Town exceeded that of South Africa in all three years, although a significant reduction in the gap took place in the last two years. The difference between the HDI of the City and the Western Cape is not significant in the first two years, but is estimated at about 2% for the last year.

2.1 Interrogating the Data:

The Western Cape has traditionally enjoyed a higher pass rate in matric, despite the pupil teacher ratio in the Province being the highest in the country at 35.7 learners to 1 educator (Department of Education, 2004). Mitigating factors include a lower dropout rate coupled with better resourced educational institutions. Ironically this is the legacy of Apartheid, where white and coloured children enjoyed a higher percentage spent per capita on educational resources and related infrastructure. The high percentage of white and coloured persons in the Province has resulted in better resourced institutions which are, therefore, able to outperform their counterparts in the rest of the country. Once a competitive advantage has been established it is difficult for the disadvantaged to catch up. Another factor is the disproportionately high concentration of tertiary educational institutions in the City of Cape Town. The opportunities for advancing one's studies and, therefore, one's career prospects is significantly higher in the City than outside the City. This explains why the Province's educational index is higher than the average for the rest of the country and why the City's educational index is higher than that of the Province.

Gross enrolment is expected to be higher than the 85 percent, which is used in the calculation. The department of education was not able to provide statistics for all the schools in the City. A significant group in the population, private schools, has not been included since details in this regard are not available from the WCED or StatsSA. This has a deflating effect on the results for gross enrolment and consequently lowers the educational index of the City. In turn this has the effect of lowering the average HDI of the City of Cape Town.

The City's life expectancy is equal to that of the Province, although the inhabitants have the benefit of three major hospitals and many satellite hospitals and clinics. This could be attributed to some of the negative influences of living in a City, such as disproportionately high crime rates, high degrees of stress and the resultant unhealthy lifestyle. In recent years drug related crime and gangsterism has significantly decreased the life expectancy of young people in certain areas of the City. The current HIV infection rate of the City is still comparatively low at 5,7 per cent, when taking into account the infection rate of the rest of the country (ASSA, 2006). The infection rate is, however, highest in communities containing many historically disadvantaged individuals. This lower overall rate is to the City's advantage and should be aggressively managed with focused campaigns to ensure that it does not grow proportionally to the detriment of the life expectancy of the residents.

The expectation of a higher HDI for the City is a reasonable one if one considers that a large portion of the provincial budget is allocated here. The combined proportion spent on the inhabitants of Cape Town compared to the rest of the Province is, R16,17 billion and R21,03 billion respectively. The combined amount of money to which the residents have access is, therefore, a significant portion of the provincial budget, which is primarily spent on services for the City, which could be combined with the whole budget of the City which amount to approximately R37,2 billion (Annual Consolidated Financial Statements, 2006). Despite this inequality in distribution, the residents of the City of Cape Town do not enjoy a significantly higher HDI than the rest of the Province. The reason for this may be because of the high degree of inequality in the City in terms of income disparity and resultant resource expenditure. The amounts indicated above only reflect government spending and not private sector expenditure in the Province and City, or who the recipients of this spending are. This could account for the income disparity and the resultant limited choices of a large section of the population.

A further explanation for these findings may be that the City of Cape Town is so significant in the Province, that it in fact determines the HDI of the Province. This highlights that there is in fact no difference between the City and the Province and thus has not been able to raise the life expectancy, despite its many first world achievements. It further highlights the high degree of income disparity, which manifests itself in the quality of life of all the

inhabitants of the City. This was an unexpected outcome of the study. It was assumed that the City has a well established infrastructure to support the activities of a first world lifestyle, which would mean that its benefits would be extended to all. This study has highlighted the degree of inequality in the City where one group of people are able to enjoy a first world style of living, while others have to deal with the consequences of informal settlements. The stark reality was driven home when the writer of this thesis picked up a well-qualified colleague for a work related trip. This colleague had to be collected from an informal settlement. It later became evident in the ensuing discussions that this revenue analyst was saving up sufficient money to ensure that he would be able to purchase a home of his own.

3. Findings

3.1 Despite the high level of infrastructure and resource allocation the City's HDI is not significantly higher than that of the Province. A possible explanation for this is that the budgeting process is taking into account the inequalities in the distribution of resources. In drawing up the budgeting and allocations resources being adjusted accordingly, these ensure an equitable distribution of resources among the population of the Province.

3.2 Effective health management is an area where the City would be able to raise the life expectancy rate of its residents. One way of doing this is to address the issues of major concern. These include advancing primary health care and extending its arm and support base to all of the residents. The increased allocation to primary health care for the current and successive financial years is to be welcomed. Effective management of these programmes will result in a greater management of the health risks of the City. These include a comprehensive programme of confronting tuberculosis, HIV and AIDS awareness-raising and treatment via anti-retrovirals. The current mayor has indicated the intention of the City to provide ARVs to the residents of Cape Town. The provincial and local government is currently doing Voluntary Counselling and Testing (VCT) as part of its comprehensive programme of becoming better prepared for living with the reality of HIV and AIDS. These measures will go a long way in raising the life expectancy of the City and of the Western Cape's inhabitants. The Accounting Officer of the Department of Health could, therefore, boldly and rightly argue that effective

management of the health of a society forms the core to the development of that society (Househerm, 2006).

3.3 Education is a further significant area that could be addressed with far reaching consequences and great impact. The Province and City currently have a very good track record in terms of this index, since it has a high enrolment (school attendance rate) and a high literacy rate (basic literacy). However, it is important to distinguish between a sound education and schooling. The education index measures the degree to which a society experiences basic literacy and enrolment in a school. It does not measure the effectiveness of the preparation or appropriateness of the type of skills on which the authorities are focused or developed. The Accounting Officer of the Western Cape Education Department duly expressed his concern at the statistic that approximately 50% of the learners that start in grade one drop out before they reach grade twelve. He further stated that many learners are exiting the system without an adequate preparation for the job market. He concluded that schooling was not sufficient to address the needs of the learners. It had to be focused on a developmental outcome. To this end the Education Department endeavours to raise both the quality of education and the quality of the outcome (Swarts, R. 2006). The accounting officer emphasised the importance of how what happens in the classroom and what happens outside of the school environment in a place of employment should complement each other. This implies that it is not good enough for a Province to have a high number of pass rates every year if those students land up becoming labourers. The quality of the outcome should assist learners increasingly becoming more prepared for more and better choices, which is the intended measure of HDI. Swarts (2006) further emphasises that this is a necessary prerequisite for growth and development in the Province. To this end the Department of Education is planning to better prepare learners and educators for e-readiness by spending R35 million on Information and Communication Technology for the 2007/08 financial year. This is further supported by the initiative of the Department of Cultural Affairs and Sport to build and refurbish a significant number of libraries. These Departments are combining their resources towards ensuring that learners are more adequately equipped for the types of choices that they will eventually have to make. It

further implies an expansion of choices (services) that are being made available to learners who have previously been identified as the basis of development.

3.4 The most significant move towards raising the HDI of the country, Western Cape and the City of Cape Town is by embracing the principles of the developmental state. Trevor Manuel (2004) highlighted the thrust of a developmental state as one which determines to influence the direction and pace of economic development by directing and intervening in the developmental process. Manuel (2004) quoted Patrick Heller, that “the developmental state is one which manages the delicate balance between growth and social development”. Manuel further clarified that the preoccupation of the budget of a developmental state is the battle against poverty and deprivation and that it allocates resources towards expanding economic opportunity. To this end the National Government and Provincial Government of the Western Cape have ensured that these principles are adhered to during the budgeting process by developing the GEAR and Ikapa Elihlumayo as national and provincial development strategies. These principles are also central to the newly developed national developmental strategy, Accelerated Shared and Growth Initiative for South Africa (ASGI-SA).

3.5 A great concern is the lack of sufficient, easily accessible and reliable data to make those informed decisions that the Premier of the Western Cape promised. The writer of this essay assumed that the official statistical department, Statistics South Africa, would dispose of the relevant data that could be easily accessed and used. On further investigation this department was found lacking and could not provide the writer with the necessary information or means of doing the calculations. Other sources of information had to be sourced to complete the data required for calculations. This adds concern as to how accurately one is able to calculate HDI given that different sources were used for this purpose. This view is supported by an article which challenges the authenticity of data used by the UN regarding the 2003 calculation of the HDI of South Africa (Lehohla, 2003). The writer of the article further emphasised the weaknesses in the process that the UN follows in gathering this information and stated that the process of data capturing in itself was not flawless for many countries. This reality too seems to have manifested itself in South Africa. This is clearly reflected in a note to a report released by the

Department of the Premier of the Western Cape which starts with the words: “Due to the difficulty of obtaining data...” (Department of the Premier, 2005). It is of paramount importance that the national, provincial and local government spheres of the RSA continue to bring pressure to bear on Statistics South Africa, since so much research is dependant on access to complete and reliable data sets.

4. Conclusion

In the first part of this annexure the writer outlined both the international and the national context for development. Attention was drawn to the way in which the MDG formed the backdrop for the developmental strategies of all three spheres of government in South Africa. This has influenced the developmental objectives of South Africa and the manner in which reporting on these objectives is done. This in turn has provided the writer of this thesis with the motivation in using the HDI, as measured by the UN, as a basis for measuring development at the three spheres of government.

The writer further emphasised the tentative nature of the data used, as well as the subsequent index calculations. This has highlighted the need for the calculations to be performed in a more sophisticated manner with more rigorous statistical vigour. The emerging indicators have, however, been interrogated with the understanding that it seems to support the growth and development of the people of the regions of the three spheres of government.

The writer of this thesis is of the opinion that ensuring that developmental policy options are extended and implemented is of paramount importance in confronting the inequalities and thus affecting the transformation of the South African society. The writer, therefore, wishes to use the calculations and finding in this annexure, however tentative, to motivate for the use of HDI support or evaluation in government in deciding what policy options are to be implemented. To this end, the City, Province and National Government should share joint responsibility in ensuring the capturing, recording and sharing of relevant datasets, which will enable all spheres of government to make decisions about policy options which are evidence based.