National Spatial Development Perspective (NSDP)
• “The advances made in the First Decade by far supersede the weaknesses. Yet, if all indicators were to continue along the same trajectory, especially in respect of the dynamic of economic inclusion and exclusion, we could soon reach a point where the negatives start to overwhelm the positives”.

• Renewed focus on decisive intervention to ensure:
  • inclusive economic growth; and
  • Address poverty and promote social inclusion’
“… it will always be impossible for us to say that we have fully restored the dignity of all our people as long as the overwhelming majority of our people suffer under the burden of poverty and deprivation…” (President Mbeki)

“focus and decisiveness on the part of government, the will to make trade-offs and make choices as well as strategies to inspire all of society…If decisive action is taken on a number of focused area, the confluence of possibilities is such that the country would enter a road of faster economic growth…” (TYR)

This implies a greater appreciation of spatial challenges
PURPOSE OF NSDP

• National spatial guidelines are increasingly recognised as tools to:
  • coordinate government action and alignment
  • maximise overall social and economic impact of government development spending
  • provide a rigorous basis for interpreting strategic direction

• The NSDP is South Africa’s first set of national spatial guidelines, that establishes an overarching mechanism which:
  • Enables a shared understanding of the national space economy
  • Provides a principle-base approach to coordinate and guide policy implementation across government
  • An interpretation of the spatial realities and the implications for government intervention
The NSDP assists government in confronting three fundamental planning questions (given our objective to grow the economy, create jobs, address poverty and promote social cohesion):

Where should government direct its investment and development initiatives to ensure sustainable and maximum impact?

What kinds of spatial forms and arrangements are more conducive to the achievement of our objectives of democratic nation building and social and economic inclusion?

How can government as a whole:
• Capitalise on complementarities and facilitate consistent decision-making?
• Move beyond mere focusing on integration and coordination procedures to establishing processes and mechanisms that would bring about strategic co-ordination, interaction and alignment?
International theory shows that spatial inequality is a product of growth and the dynamic qualities of areas are developed historically and culturally over a long period of time:

Most countries have extreme spatial inequalities – 50% of US GDP is produced in 2% of space; 82% of the EU’s GDP is produced in 36% of its area.

Convergence between developed and undeveloped regions takes a long time - Convergence between regions more successful where poor regions are functionally linked and connected to centres of economic activity

Regions and countries with unequal spatial economies converge at about 2% a year (if at all).
The **spatial concentration of growth** in South Africa reveals the following:

- South Africa is not unique.
- However, the **spatial configuration of our country is not only the product of growth but also apartheid spatial planning** – a disjuncture exist between where people live and where economic opportunities exist.
- Apartheid spatial planning ensured that the mass of our people were located far from social and economic opportunities.
- This **spatial marginalisation** from economic opportunities is still a significant feature of our space economy that **need to be addressed in order to reduce poverty and inequality, AND ensure shared growth.**

**APPROACH**
South Africa’s Space Economy

• Space economy displays quite stark disparities and is significantly polarised.
• Has macro and microscale aspects to them

Macroscale:
  • Concentrated areas of high economic activity, high population densities & levels of poverty
  • Low economic activity, lack of significant diversification, high densities of poverty

Microscale:
  • Legacy of local apartheid – dualism (townships and suburbs)
  • Service delivery backlogs
  • Spatial fragmentation
  • Social and economic exclusion of settlements on the fringes of cities and towns
Interpreting: Portrait of Areas of Economic Potential & High Densities of Poor

<table>
<thead>
<tr>
<th>% of National Pop.</th>
<th>% of people under MLL in SA</th>
<th>% of Nat. GVA</th>
<th>% of SA land surface</th>
</tr>
</thead>
<tbody>
<tr>
<td>62.62% 29.3 million</td>
<td>53.21% 12.5 million</td>
<td>77.04% R940 bn</td>
<td>27.15% 12.7 mill ha</td>
</tr>
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Areas of economic significance extended into an accessibility radius of 60km of where 1 billion rand of GVA is generated/annum

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<td>95.59% R1 167 bn</td>
<td>31.24% 38 mill ha</td>
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Map prepared by CSIR Built Environment for NSDP 2006. Presidency South Africa (May 2006)
**Interpreting: Portrait of Areas of Economic Potential & High Densities of Poor**

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<tr>
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<td>33 Areas with high concentrations of people under MLL</td>
<td>73.0% 34.1 million</td>
<td>67.52% 15.9 million</td>
<td>82% R1, 004 billion</td>
</tr>
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<td>Extent of MLL in areas with medium-high economic accessibility (within a radius of 60km of where at least 1 billion rand of GVA is generated/annum)</td>
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<td>Concentrations of people under MLL in areas with low economic accessibility (not in a 60km radius from spaces where 1 billion rand of GVA is generated/annum)</td>
<td>4.10% 1.9 million</td>
<td>6.52% 1.5 million</td>
<td>0.37% R4.6 billion</td>
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*Map prepared by CSIR Built Environment for NSDP 2006, Presidency South Africa. (May 2008)*

*SOURCE: REX version 2.0c (190) Economic Focus : 2004 Based on Mesoframe Version 1.1*
Successful learning occurs when institutions and incentives work and institutions are locally specific. Regions which already have some economic success are more likely to grow than other regions – this is because individuals, firms, industries and regions LEARN. Unfocused human resource development doesn’t improve GDP growth. Unfocused infrastructure spending doesn’t improve GDP growth. Successful learning occurs when institutions and incentives work and institutions are locally specific. Success achieved through focused and polarised investment. International case studies and theory shows:
• NSDP Assumptions
  1. Location is critical for the poor to exploit opportunities for growth.
  2. Poor concentrated around economic centres have greater opportunity to gain from economic growth.
  3. Areas with demonstrated economic potential provide greater protection due to greater diversity of income sources.
  4. Areas with demonstrated economic potential are most favourable for overcoming poverty.
  5. The poor are making rational choices about relocating to areas of opportunity
  6. Government needs to ensure that poor are able to benefit fully from growth and employment in these areas.
Four assumptions underpin the NSDP principles:

- Dynamic qualities of areas are developed historically and culturally over a long period of time.

- In no country in the world is social and economic development and potential evenly distributed.

- Different regions have different economic potentials and the spatial variations in the incidence of poverty are also vastly different.

- Diverse and disparate spatial contexts suggests a policy approach which itself should be differentiated and conducive to the requirements of the different contexts.
NSDP PRINCIPLES

The NSDP puts forward a set of 5 normative principles in order to:

Contribute to the broader growth and development policy objectives of government
PRINCIPLE 1
Rapid economic growth that is sustained and inclusive is a pre-requisite for the achievement of other policy objectives, amongst which poverty alleviation is key.

PRINCIPLE 2
Government has a constitutional obligation to provide basic services to all citizens (e.g. water, energy, health and educational facilities) wherever they reside.

PRINCIPLE 3
Beyond the constitutional obligation identified in Principle 2 above, government spending on fixed investment should be focused on localities of economic growth and/or economic potential in order to gear up private sector investment, stimulate sustainable economic activities and create long-term employment opportunities.
**Principle 4**

Efforts to address past and current social inequalities should focus on people, not places.

In localities where there are both high levels of poverty and demonstrated economic potential, this could include fixed capital investment to exploit the potential of those localities.

In localities with low economic potential, Government should, beyond the provision of essential services, concentrate primarily on human capital development by providing social transfers such as grants, education and training and poverty relief programmes and reducing migration costs by providing labour market intelligence so as to give people better information, opportunities and capabilities to enable people to gravitate, if they chose to, to localities that are more likely to provide sustainable employment and economic opportunities. In addition sound rural development planning, aggressive land & agrarian reform & expansion of agricultural extension services are crucial.
PRINCIPLE 5

In order to overcome the spatial distortions of Apartheid, future settlement and economic development opportunities should be channelled into activity corridors and nodes that are adjacent to or link the main growth centres. Infrastructure investment should primarily support localities that will become major growth nodes in South Africa and the SADC region to create regional gateways to the global economy.
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Interpreting: Portrait of Areas of Low Economic Activity & High Densities of Poor

- Average per capita income = 9% of national average with huge reliance on welfare transfers and grants – one employed person for every 10 people
- Significant net out migration to cities and towns
- Economic activity highly localised, survivalist for many, lack of significant diversification
- Limited access to quality education, health and other services
- Poor transport linkages and road networks
- Weak local governments with low revenue base & levels of capacity
Meeting the challenge

- Ensure the provision of essential services & social transfers – improve households own productivity
- Main focus of public investment is on human capital development
- Reduce migration costs – labour market intelligence, reception centres
- Sound rural development policies and programmes, aggressive land and agrarian reform and expansion of agricultural extension services
- Functionally linked network of service nodes to facilitate access to key health, education, welfare, financial and other social services
- Develop functional linkages to major centres where possible creating opportunities for access to markets, skills and financial capital.
Meeting the challenge

- Our ability to meet our objectives depends on the performance of different areas and regions

NSDP...macroeconomic considerations important but... development is strongly shaped by processes on the ground, in specific regions

Need to focus on geographical foundations of growth - regions are the critical foundations of development processes...

- Coherent understanding of regional economic development and territorial patterns of economic development, social exclusion and resource use
- Undertaking infrastructure investment and development spending decisions on the basis of an area’s unique potential
- Decentralised approach – district and metro municipalities pivotal sites to facilitate understanding of development challenges and priorities and coordinating government response
To assume strategic responsibility for building an understanding of the nature and extent of development potential, poverty and inequality in spatial terms.

To promote a democratically and interactively pluralistic process that draws together state and non-state institutions and groups in particular the poor and marginalised.

To integrate and coordinate implementation in terms of geographical space and time - inform and be informed by the planning of other spheres of government.

...functional coherent regions, using District/Metro Areas as building blocks...