State of Cape Town 2006

Development Issues in Cape Town

Introduction

The State of Cape Town report 2006 provides an outline of the state of Cape Town- it includes information and commentary on a range of developmental themes: Environment, Spatial and Regional Planning, Integrated Human Settlements, Transport, Economy, Human Development, Crime and Governance.

Although the first decade of democracy delivered a significant improvement to the quality of life for many Capetonians, there remain a number of challenges associated with urbanisation. Poverty and its related problems have persisted in the midst of economic affluence- the problem is not the absence of economic growth, but the failure to harmonize economic, social development and sustainability objectives. In Cape Town in particular these include urban sprawl, unemployment, poverty, housing backlog, HIV/AIDS, tuberculosis, crime, overburdened infrastructure, unsustainable resource use and increasing pollution levels.

The key objective of the report is to provide an up-to-date snapshot of the most pertinent issues influencing the state of Cape Town. It highlights some of the opportunities and challenges the city faces, contextualised within an international, national and local context. It attempts to provide practical suggestions that need to be considered to address these challenges. It is intended to serve as a base to inform discussions on the choices that the city needs to make in relation to urban management issues.

Development Issues in Cape Town

Environment
- Environment is one of strongest assets driving tourism and attracting skilled staff for the city's economy
- Finding balance for sustainable development and improving quality of life remains a challenge
- Growing consumption, pollution (air, water, waste) and protection of city's biodiversity are key issues that must be addressed

Spatial and Regional Planning
- Cape Town's current urban form is unsustainable, economically unproductive and prohibits spatial, racial and economic integration
- Addressing the city's urban sprawl through densification represents one of its key challenges
- Addressing the city's spatial and regional planning challenges will only be successful if the city is seen within its context of a city in its region rather than as an entity separate from its region

Human and Social Development
- Cape Town is faced with immense social and economic challenges, due to decades of distorted development manifested in highly skewed distribution of income and wealth
- This is reflected in growing levels of absolute poverty, inadequate housing, poor health status (especially impact of HIV/AIDS) and exclusion of certain segments of population from full participation

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Economy

- Gross Geographical Product growth rate has remained below 4.5% for past 4 years - likely to remain below this for 2006/7
- Main challenges: (i) creation of productive employment opportunities; (ii) reduction of extent of poverty
- Unemployment has grown from 13% in 1997 to almost 23% in 2004, with drop in 2005 to 21%
- Distribution of economic growth highly skewed towards those with greatest skills and access to resources and mainly accompanied by jobless growth

Integrated Human Settlements

- Most new households (due to in-migration and population growth) are poor
- Insufficient funding and capacity to meet demand
- A key challenge is managing infrastructural demands resulting from increased economic and population growth
- Insufficient funding and a lack of institutional capacity to address backlogs remain a key challenge

Transport

- Transport challenges: (i) increased reliance on private car; (ii) ineffective public transport; (iii) no coordination between stakeholders
- Modal split – currently 52% private vehicle use and 48% public transport use

Crime

- Some crime categories over the past few years have demonstrated an improving situation (reduced murder and business crime), although far from normalised. Drug related crime has increased
- Incidence of murders still extremely high with a total of 1856 murders in 2005/6, representing an annual murder rate of 57 per 100 000 population and effectively an average of five murders every day. Drug related crime has almost tripled in 4 years

Governance

- Challenges facing city are inter-related and addressing these cuts across responsibilities of all spheres of government and civil society
- Critical to find innovative ways to deal with challenges in a more sustained and integrated way
- Emergence of partnerships (spheres of government, business) and move from a top-down 'government' approach by public sector to a 'governance' approach by all key stakeholders will become increasingly important

Conclusion

Despite significant economic growth over the past decade development trends in Cape Town indicate a situation that has not delivered equitable and shared growth to the city and its residents. By all indications a change is needed in the developmental agenda; continuing down the same path is likely to lead to the worsening of the current negative trends in the city.

As the challenges facing the city are inter-related, these must be addressed in a more sustainable and integrated way involving all major stakeholders in the city. This concept of 'city' leadership by key stakeholders in the city rather than only leadership by the city government is key if the challenges are to be addressed effectively. The basis for the way forward thus lies in integrated leadership of the city driven through partnerships between the City of Cape Town, other spheres of government, parastatals, civil society and business.

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