

Secondary cities in South Africa: The start of a conversation

THE BACKGROUND REPORT

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Table of Contents

TABLE OF CONTENTS	2
FOREWORD	3
1. INTRODUCTION	6
1.1 A HIERARCHY OF CITIES	6
1.2 SECONDARY CITIES WITHIN THE URBAN HIERARCHY	10
1.3 THE SOUTH AFRICAN CHARACTERISATION OF SECONDARY CITIES.....	14
2. ABOUT THIS REPORT	17
2.1 WHAT THIS REPORT ATTEMPTS TO DO	17
2.2 OUR CHOICE OF SECONDARY CITIES	17
2.3 OUR KEY INDICATORS	19
3. A PROFILE OF POTENTIAL SECONDARY CITIES IN SOUTH AFRICA	23
3.1 ROADMAP TO THE CITY PROFILES	23
3.2 LOCATING OUR SECONDARY CITIES	26
3.3 A PROFILE OF SOUTH AFRICAN SECONDARY CITIES	27
4. HOW DO THESE CITIES STACK UP AGAINST EACH OTHER?	50
4.1 WHERE ARE MOST SOUTH AFRICANS LIVING?	51
4.2 WHERE ARE THE DENSEST CONCENTRATIONS OF PEOPLE IN SOUTH AFRICA TODAY?.....	53
4.3 WHICH ARE THE LARGEST CITY ECONOMIES IN SOUTH AFRICA TODAY?.....	54
4.4 WHICH CITY ECONOMIES HAVE GROWN THE MOST OVER THE PAST 5 YEARS?.....	56
4.5 WHERE ARE THE HIGHEST PER CAPITA EARNINGS IN THE COUNTRY?	58
4.6 WHICH MUNICIPALITIES GENERATE MOST OF THEIR OWN ANNUAL REVENUE?	60
4.7 WHICH MUNICIPALITIES HAVE THE HIGHEST PER CAPITA REVENUE?	61
5. WHAT DOES APPLYING THE CRITERIA REVEAL?	64
5.1 DEMOGRAPHIC CHANGES IN SECONDARY CITIES	64
5.2 ECONOMIC CHANGES IN SECONDARY CITIES	65
5.3 CHANGES IN CITIES' PERSONAL INCOME LEVELS	66
5.4 CHANGES IN CITIES' PUBLIC FINANCES.....	66
5.5 CHANGES IN CITIES' CAPACITY TO GENERATE EMPLOYMENT.....	67
6. ARE THERE ANY OTHER CONTENDERS?	69
7. TAKING THE CONVERSATION FORWARD	71
POSTSCRIPT	73
REFERENCES	76

Foreword

The South African Cities Network (SACN) prides itself on playing an active role in debates on our national urban agenda. There have been a number of recent developments which have triggered our desire to open up a conversation on South Africa's possible 'secondary cities'. The recent release of the *National Development Plan* by the Presidency has provoked the entire policy and research community to think more carefully about the country's future development trajectory. As the Cities Network, it has motivated us to reflect more deeply on the role that different urban spaces can play in the national space economy.

The recently-released *National Development Plan* describes the human settlement challenge in South Africa:

"The landscape has changed since 1994. The Gauteng city-region has reinforced its national dominance and attracted growing migration. The coastal city-regions have performed less well, especially in terms of job creation, largely because the manufacturing industry has failed to gain traction. The performance of smaller cities has been uneven, depending on their dominant industries. Many small towns and rural areas have stagnated or declined, as agriculture and mining have struggled. Parts of the former homelands are changing their economic structure, supported by increased spending from social grants. This is occurring along major transport corridors, in developing tourism areas, and along national borders where trade and transport are growing" (National Planning Commission, 2011)

Most of our nine member cities are governed by metropolitan municipalities and that arena has, typically, been the focus of our research papers. However, we have noted an increasing number of enquiries and interest in the subject of 'secondary cities'. This appears to reflect a growing interest in the urban spaces that are *not* currently considered metropolitan areas, but that appear to be exhibiting strong demographic and economic growth. The recent declaration of Buffalo City and Mangaung as new metropolitan areas, requiring a new form of metropolitan government, has also reawakened interest in the layer of cities that fall just beneath the country's eight existing metropolitan areas. It has made us think, inter alia, about what changes need to occur in a city before it is considered to have evolved into a more complex metropolitan area. This publication attempts to explore the notion of 'secondary cities'.

'Secondary cities', as the literature tells us, play a distinct and fairly specialised role in national life. They often act as catalysts for development in their surrounding regions. They also alleviate demographic pressure from a country's metropolitan areas and, arguably, offer a better quality of life than densely-populated urban conurbations. It may be important for the South African development community to enhance their understanding of these places and the role they could play in the national space economy. This understanding may also lead to better insights about the different types of local government that should govern different spaces. This, in turn, could advance the notion of a 'differentiated approach' to local government in South Africa.

This report on South Africa's possible secondary cities is an exploratory one. Its principal aim is to act as a catalyst for debate. We also hope it will stimulate further research and policy work on this

relatively neglected subject in the urban agenda. Given its intent, we would encourage policymakers, researchers and practitioners to view it as a working or discussion paper, and to engage vigorously with its contents.

Thus, this report marks what we hope will be the beginnings of a robust debate on secondary cities in South Africa. We've attempted to catalyse that debate by contextualising the discussion, by providing some base information on possible secondary cities, and by posing a few questions. There are, in fact, more questions than answers in this document. We trust that this will stimulate you into exploring the issues raised in this report further. Above all, we hope that this exploration will make us think more carefully about the role of secondary cities in our future development trajectory.

Sithole Mbanga

Chief Executive Officer: South African Cities Network

Special Recognition



**GLOBAL
INSIGHT**

Our pursuit to empirically ground this exploratory study in concrete South African data was made possible through a very generous donation of data from IHS Global Insight, a private company whose data is increasingly being used by the South African public sector.

Municipal-level data is notoriously difficult to source in South Africa because most public sector data is disaggregated to national and provincial levels only. Our budgetary and time constraints would have made it impossible to achieve our objectives under normal circumstances (i.e. having to build up the datasets, or to acquire them from the various private data vendors). However, Global Insight very graciously provided us with its data for the 30 municipalities included in this study for the years 2000, 2005 and 2010. This enabled us to draw the indicator time-series and comparisons for the cities over the past decade. We thank Global Insight and, in particular, Gerhard Bijker and Henk Gnade for their support in contributing to our effort to establish an empirical foundation for future conversations on this important subject.

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In addition, a number of people have interacted with us during the development of this publication. We're grateful to the following people for their invaluable insights and guidance: Ivan Turok (HSRC), Helene Verhoef, Michael Kihato (SACN) and Sithole Mbanga (SACN).

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1. Introduction

All development activity occurs in space. People settle in particular places. Production and consumption of goods and services occur there. Houses are built, infrastructure is developed and governments set up local offices to manage the activity that occurs in these spaces.

Not all spaces in a country attract the same attention, however. Many millennia ago, people tended to settle in those areas that could provide them with life-sustaining resources. As society grew more evolved, economic activity became more important. Each major economic transformation in the world resulted in different spatial features being seen as more important. Hence, whereas once people tended to settle in places which had natural transport systems like a river, or places that hosted mineral wealth or agricultural promise, today's generation looks for places that offer lucrative jobs or a decent quality of life.

Over time, intense economic and social activity became concentrated in particular spaces, and that, in turn, attracted more people, firms and investment towards them¹. These spaces are the *urban centres* within a country, and they are made up of a number of different cities and towns. But even within this group of urban centres, there are some cities that are more prominent than others within a country and, in some instances, on the international stage as well. We begin this report by exploring the notion of a hierarchy of cities. We then turn our attention to a particular category of cities within this hierarchy - a grouping often termed 'secondary cities'.

1.1 A hierarchy of cities

The earliest notions of a hierarchy of cities argued that a city's pre-eminence could be the result of one of three conditions: antiquity, walls and privilege (Verdier, 2006). In the 18th century, new ways of comparing cities and towns began to emerge, **emphasising population and urban functions**. The modern-day idea of a hierarchy of cities is usually ascribed to Walter Christaller's seminal 1933 work which gave rise to central place theory.

1.1.1 The notion of a hierarchy

Christaller's work was important because it introduced the idea that human settlements - and, more especially, urban centres - could be *differentiated* in terms of their size, economic role and so forth. This could be conceptualised as a pyramid or hierarchy of cities. He also argued that the size of the urban centre is determined by the type of goods and services it provides. Larger settlements, he argued, provided 'higher order' good and services, whereas smaller settlements provided 'lower order' goods and services.

Despite subsequent criticisms of central place theory, the idea of a hierarchy of cities remains influential. In very broad terms, this hierarchy could be seen to consist of differentiated layers of cities, smaller towns, rural villages and rural settlements. **It is the group of differentiated 'cities' at the apex of this pyramid that we are particularly interested in. The focus of this report is on**

¹ Not all major cities in the world are long-standing urban centres, however. Significant economic investment can sometimes make a town spring up out of practically nowhere, and grow into a relatively sophisticated urban centre in a short space of time. Secunda, for example, was only built in the 1980s to accommodate Sasol workers, yet is today enough of a developed centre to merit its inclusion in this report on 'secondary cities'.

one category within that group: a category that is commonly termed 'secondary cities'.

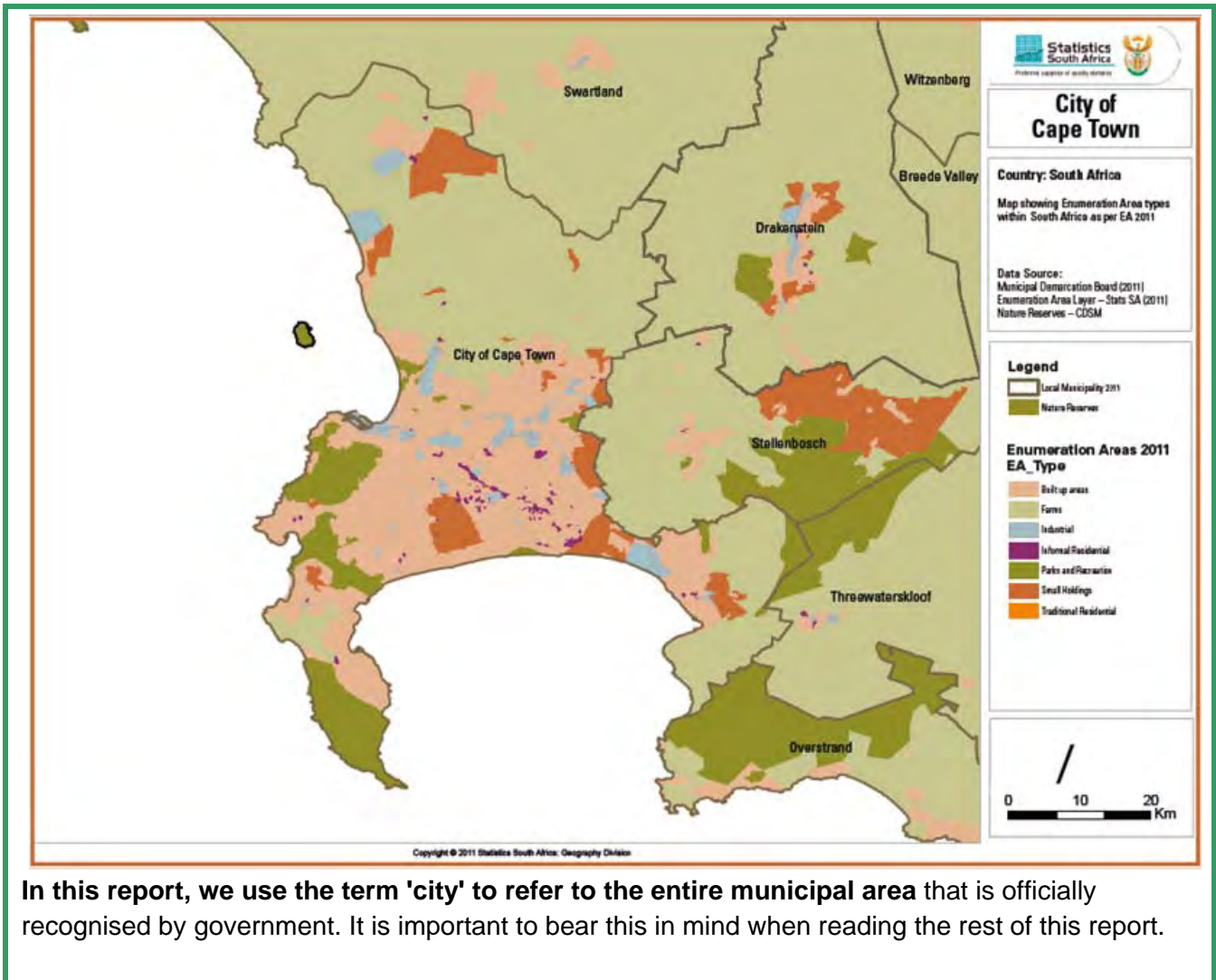
The notion of a 'city'

The term 'city' conjures up an image of a built-up urban area teeming with people, vehicles and sophisticated economic activity. That is certainly the traditional definition of the term, but it is no longer a completely accurate one. Today's cities are complex places. They usually have a conventional built-up urban core, often centred around a historical Central Business District (CBD). However, significant suburbanisation has occurred in most traditional cities of the world, including South African, where both people and firms have moved out of the core city centre into outlying suburbs. This has led to the city becoming more spread out or sprawled. Because firms (employers) are now scattered over a greater area, the movement patterns of workers becomes more complex and transport systems become more intricate. A more recent phenomenon is that major new developments like airports, science parks, new universities, office parks, new financial centres and recreational theme parks are increasingly being located outside traditional city boundaries in almost all countries across the globe (Simmonds and Hack, 2000).

This, then, is the first important change to the traditional city: it is today far more spread out and covers a complex, inter-linked functional area often made up of multiple towns, with industrial areas, residential suburbs, informal settlements, green spaces and even farmlands and traditional authority areas interspersed amidst them.

There are a number of terms used to describe this new functional area, including *urban agglomeration*, *region*, *metropolitan area* or *city-region*. Typically, these functional areas cover an area that is made up of several traditional cities, each governed by their own municipality. A number of city-regions internationally have not adjusted their administrative (municipal) boundaries to accommodate the entire functional area. There is, in fact, a robust and protracted debate on the wisdom of having just one municipality govern the entire functional area. This is often because that functional area covers multiple towns, with their own long-standing municipalities which have strong vested institutional interests in maintaining the status quo. In South African terms, envisage this in terms of the Gauteng city-region, which could potentially cover areas currently governed by the municipalities of Johannesburg, Tshwane, Emfuleni, Sasolburg and so forth.

However, there is a second difference to what could be termed the traditional city. In post-apartheid South Africa, local government (municipal) boundaries were deliberately drawn to capture the linkages between traditional 'cities' and their rural hinterlands. This is because apartheid planning had artificially segregated different pockets of spatial activity. Hence, rural dwellers often had to (and still do) travel to their neighbouring towns to work or shop. Because of the economic inter-relationships between these places, administrative (municipal) boundaries were drawn to capture the entire related area. As a result, many municipal areas in South Africa today have a combination of urban centres, rural villages and traditional authority areas within their boundaries. Even an unquestionably urban area like the 'City of Cape Town' has significant farmlands within its municipal boundaries - places that would have been conventionally termed 'rural'.



The 'cities' that form the apex of the urban hierarchy are differentiated in terms of their size, economic role, the influence they exert and so forth. There are two lenses through which we can view this urban hierarchy:

- A focus on a global hierarchy of cities, which explores the 'position' a city has on the international stage.
- A national lens, which looks inwardly at the role of different cities and towns in a country.

1.1.2 A global hierarchy of cities

The idea of a global hierarchy of cities is not a new one (Geddes, 1915; Hall, 1966). The idea of a 'dominant' group of cities on the world stage is, in fact, one that's been in existence for almost a hundred years.

There are different views on what this 'dominance' might mean and, as a result, there are differing perspectives on how to define a global hierarchy of cities. **Some writers emphasise population size**, and the literature of this school of thought usually refers to *mega-cities* (Perlman, 1976; Fuch, 1999). Another perspective focuses on the **function of cities**, rather than their demographic size (Hall, 2005). This literature refers to *world cities* or *global cities*. We look briefly at both definitions,

and their resultant hierarchies, as well as how South African cities feature in them.

A hierarchy based on population size

Developing a hierarchy of cities based on population size is not particularly difficult to do. It simply involves comparing the populations of cities across the globe and ranking them in a fairly straightforward manner. What does become slightly more complex is the unit of measurement. In other words, does one look at the traditional city or the functional area that has evolved around it². Most major studies, including the United Nations (UN) report cited below, tend to look at the entire functional area. Different reports use varied terminology, such as urban agglomerations or city-regions, to describe this functional area. We've chosen to use the latter term when presenting all international statistics in this report.

The UN's list of the 30 most populous cities (or mega-cities) in the world in 2010 included three African cities - Cairo, Lagos and Kinshasa. South Africa's most populous city, Johannesburg, ranks 89th on this hierarchy according to the UN. Cape Town also makes the top 100, coming in at 98th. In other words, **two South African cities currently rank amongst the world's 100 largest mega-cities.**

A hierarchy based on function

An alternate view is to develop a global hierarchy of cities based on the city's role or function in the world system. There have been numerous attempts to do that over the years (Geddes, 1915; Hall, 1966; Hymer, 1972), but the current debate about world cities is intrinsically connected to the phenomenon of globalisation (Hall, 2005). Saskia Sassen (1991), in particular, emphasised the fact that the globalisation of economic activities - and the growing importance of the services sector - meant that certain cities became sites for specific types of production, servicing, marketing, and innovation.

There is no universally agreed-upon global hierarchy of cities based on *function*. However, the *Globalisation and World Cities Research Network (GAWC)*³ has, over time, developed a sophisticated hierarchy of cities which most academics and policymakers subscribe to⁴. 'World cities', also sometimes called global cities, occupy the apex of the global hierarchy of cities (Hall, 2005).

In summary, global hierarchies of cities look at either population (the *mega-city* discourse) or function (the *world cities* discussion). In the era of globalisation, the world city discourse is intrinsically linked to whether the city has a significant services sector. Financial, legal, media and innovation-related services are seen as particularly telling signs of a strong services economy, and

² See earlier overview of 'the notion of a city' for a summary of this distinction

³ The GAWC has, amongst its founding members, influential thinkers such as Manuel Castells, Saskia Sassen, Peter Hall and Peter Taylor. It is based at the University of Loughborough in the UK. Other think-tanks that are currently working on the notion of a global hierarchy of cities include the US journal *American Policy (Global Cities Index)*, the Japanese Institute for urban strategies (*Global Power Index*) and the *World City Survey* published by estate agency Knight Frank and Citibank. All three of these groups have exactly the same 4 cities at the top of their lists: all rank New York City and London as their top 2 world cities, with some differences emerging amongst them as to whether Paris or Tokyo are 3rd or 4th in the hierarchy. By contrast GAWC's 2010 ranking was London, New York, *Hong Kong* and Paris.

⁴ See Kim, Y and Short, J (2008), for example

the presence of these industries are used as a gauge of how integrated or 'connected' the city is to the world system. London and New York have topped this list for decades. Some cities, like New York and Tokyo, may be considered to be both a mega-city and a world city. Other cities are just one or the other. Delhi, for example, is unquestionably a mega-city, but not a significant world city yet.

Of interest to South African policymakers, perhaps, is the fact that two South African cities (Johannesburg and Cape Town) rank in the top 100 of the world's largest mega-cities, and three cities (Johannesburg, Cape Town and eThekweni) are mentioned in the influential GAWC ranking of world cities.

1.1.3 A national hierarchy of cities

Global hierarchies of spaces are interesting, because they tell us something about the international economic system and the role of particular places in global culture. Within a country, however, the criteria for defining a national hierarchy of cities may follow quite a different logic.

There is no universally accepted definition of what constitutes a national hierarchy of cities. Many analysts simply speak of a continuum from 'very urban' to 'very rural' when describing national hierarchies.

Despite the lack of a concrete definition for national urban hierarchies, it is clear that much of the debate in this field focuses on 'primate' and 'secondary cities', which form the apex of the hierarchy.

1.2 Secondary cities within the urban hierarchy

The term 'secondary city' has become a normal part of development parlance. However, there is no clear definition of what exactly a secondary city is (UNCHS, 1996; Rondinelli, 1983). The phrase itself implies that this is a group of cities that sits somewhere *below* the group at the very apex of an urban hierarchy - an apex occupied by 'primary cities' or 'primate cities'. Because much of the discourse about secondary cities involves comparing them with their country's primate cities, we take a quick look at the concept of primacy.

1.2.1 Primate cities in national life

The term 'primate city' was first used to describe the city that emerged as the most populous during a country's urbanisation process (Jefferson, 1939). Primate cities were typically much larger than their nearest closest rival, and many definitions identify just one primate city in a country - the town with the largest population.

Beyond theoretical definitions, however, different countries in the contemporary world define their primate cities in different ways. Most countries identify just one primate city within their borders - and that choice is *either* the capital city (Paris in France), or the city with the largest population (New York in the USA). In some instances, this is an easy choice as the capital city houses a much larger population than the second city (Paris versus Marseilles, for example) and there is little contestation about the identity of the primate city. In other places, the choice becomes extremely difficult as designated capital cities (such as Brasilia) have not become as influential in national life as traditional (and more populous) cities like São Paulo and Rio de Janeiro in Brazil.

Other countries choose multiple primate cities, often places which have some of the largest populations internationally (such as the mega-cities of Delhi and Mumbai in India) or those cities that are much more prominent or influential (economically, politically or culturally) than other urban centres in the country (São Paulo and Rio in Brazil)

The table below provides an indication of the differences between the largest and second-largest cities in some countries. **The differences are sometimes stark, with Lagos being more than 3 times as large as its nearest closest rival, Kano, and Kinshasa more than 5 times as large as Lubumbashi. The notion of primacy becomes easier to understand in national contexts like these.** Capital cities are marked in bold and underlined.

Country	Most populous city-region (2010)	Other city-regions (2010)
Nigeria	Lagos (10 578 000)	<ul style="list-style-type: none"> • Kano (3 395 000) • Ibadan (2 837 000) • <u>Abuja</u> (1 995 000) • Kaduna (1 561 000) • Benin City (1 302 000)
Democratic Republic of Congo	<u>Kinshasa</u> (8 754 000)	<ul style="list-style-type: none"> • Lubumbashi (1 543 000) • Mbuji-Mayi (1 488 000) • Kananga (878 000) • Kisangani (812 000)
Brazil	São Paulo (20 262 000)	<ul style="list-style-type: none"> • Rio de Janeiro (11 950 000) • Belo Horizonte (5 852 000) • Porto Alegre (4 092 000) • Salvador (3 918 000) • <u>Brasília</u> (3 905 000)
India	<u>Delhi</u> (22 157 000)	<ul style="list-style-type: none"> • Mumbai (Bombay) (20 041 000) • Kolkata (Calcutta) (15 552 000) • Chennai (Madras) (7 547 000) • Bangalore (7 218 000) • Hyderabad (6 751 000)
China	Shanghai (16 575 000)	<ul style="list-style-type: none"> • <u>Beijing</u> (12 385 000) • Chongqing (9 401 000) • Shenzhen (9 005 000) • Guangzhou (8 884 000) • Tianjin (7 884 000)
France	<u>Paris</u> (10 485 000)	<ul style="list-style-type: none"> • Marseille-Aix-en-Provence (1 469 000) • Lyon (1 468 000) • Lille (1 033 000) • Nice-Cannes (977 000)

		<ul style="list-style-type: none"> • Toulouse (912 000)
Germany	Berlin (3 450 000)	<ul style="list-style-type: none"> • Hamburg (1 786 000) • München (Munich) (1 349 000) • Köln (Cologne) (1 001 000)

Source: UN (2009). *World urbanisation prospects*

Defining primate cities is important because it helps us to define the secondary cities that form the next rung of the urban hierarchy.

1.2.2 What are secondary cities?

There are numerous and varied references made to 'secondary cities' in referring informally to South Africa's urban landscape⁵. The references appear to vary widely both in terms of their criteria for selection⁶, and also in their purpose⁷. However, as mentioned, there is no clear-cut definition of secondary cities, and their identification in a country appears to be linked to the national classification of primate cities. It's also not completely clear where the term originated, but John Friedmann's seminal 1986 work is often cited as important in this regard. Friedmann uses the terms 'primary' and 'secondary' cities in the global context, but its meaning can be devolved towards national contexts.

1.2.3 The distinguishing characteristics of secondary cities

There are no precise criteria that tell us what characteristics a secondary city should possess. In general, however, most classifications of secondary cities focus on **relative population sizes** (Conrad, 2010). Much of the academic literature draws on demographer Kingsley Davis' definition of 'Class ii cities', defined as having a population of 100 000 to 500 000 (UNCHS, 1996). Another influential definition argues that secondary cities are those places that host populations of 100 000 or more, excluding the country's largest urban centre (Rondinelli, 1983). The implication of Rondinelli's definition is that a country would have just one primate city - the one with the largest population.

Beyond population size, however, more recent debates have begun to look at other characteristics that they consider important for secondary cities. Organisations such as the World Bank, the European Union (EU) and major policy think-tanks have recently begun to identify these other significant features that include the city's:

Population density:	How many people live within 1 square kilometre of the city?
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⁵ See, for example, various reports by National Treasury, the Centre for Development and Enterprise and the SACN's *State of the Cities Reports*, P Pillay (2004) and C Rogerson (2006)

⁶ As discussed later in this section, 'secondary cities' may be taken to mean other large (non-metro) cities, or to refer more specifically to towns experiencing rapid population growth due to increased urbanisation or economic activity, for example. In the policy domain, it may refer to questions of city capacity or economic role.

⁷ For example SACN's *2011 State of the Cities Report* uses the category 'secondary cities' in reference to a set of cities grouped together merely for statistical reporting purposes (Mangaung, Buffalo City and Msunduzi). In the policy domain, the concept may refer to questions of city capacity or economic potential (see, for example, National Treasury's draft *Cities Support Programme*, op cit)

Size and nature of city economy:	How significant a contribution does the city make to the national economy? Which industries or sectors dominate the city's economy? Is there a burgeoning services economy in the city?
Economic growth rates:	How fast is the city's economy growing?
Economic advantages:	Do they offer more competitive advantages and opportunities than primate cities do (e.g. greater potential for growth in property markets as well as lower labour costs)?
Per capita incomes:	How much does the average person in the city earn?
Regional importance of the city:	Is it an administrative centre - or regional market - for the surrounding towns? Does it host a university to which surrounding townsfolk travel to daily, for example?
Administrative status of the city:	Is the city the seat of local government headquarters? ⁸
Education infrastructure:	Does it have good universities and/or a sound schooling system?
Technology intensity:	Is there a presence or concentration of Research and Development firms, IT industries and other technology-based industries?
Availability of skilled labour:	Is there a ready pool of skilled people, especially 'knowledge workers' (IT professionals, engineers, scientists, etc), living in the city?
Capacity for innovation and creativity:	Does the city have the right infrastructure, leadership and mindset to foster the innovation and creativity that's required for economic success?
Multiple business-language skills:	Is the local population fluent in languages that multi-national companies conduct their business in?
High quality of life:	Does the city offer scope for cultural and recreational pastimes? Is it a pleasant place to live in, with good schools for children?
Urban governance:	How well do state institutions that govern the cities (especially municipalities) perform their functions?

Sources: World Bank: 2008, 2009, 2010; European Union: 2010; EPSON: 2010, 2011; McKinsey: 2011

⁸ This criterion won't apply in South Africa, because this country has wall-to-wall local government. In many other places in the world, however, sub-national government administrations are to be found only in certain towns.

There are, in summary, a number of characteristics that appear to define a secondary city internationally. Many of these are very focused on the city's demographic and economic profile. Other important variables seem to be those that are related to the capacity to develop a knowledge economy - innovation, R&D capacity, presence of skilled professionals, tourism and so forth.

1.2.4 The importance of secondary cities

Historically, secondary cities were seen as important for two principal reasons:

- They were seen as alternative urban centres for people to live and work in, something that could relieve pressure off the country's primate cities. This was especially important in national contexts where a country's urbanisation process had resulted in very skewed development, with almost all demographic and economic activity occurring in just one city.
- It was believed that secondary cities could play an important catalysing role in their surrounding region, especially their rural hinterlands. The latter is almost the traditional definition of the term, with secondary cities being seen as having 'central place functions' (Rondinelli, 1983). In other words, these places act as markets for the agricultural produce of their surrounding farmlands, as administrative and service centres for their rural hinterlands and as links between these hinterlands and the country's primate cities.

The nurturing of secondary cities was seen as an important catalyst for more balanced and dispersed growth across the country. Many governments have, in fact, designed specific national policies aimed at nurturing secondary cities in order to achieve these objectives.

Perhaps most interestingly, the international spotlight has turned on secondary cities today because that is where the fastest population and economic growth is happening. The World Bank's latest urban and local government strategy, for example, is deliberately directed almost exclusively at secondary cities in the world (World Bank, 2009). The European Union is currently funding a major research programme into Europe's secondary cities, with the express intent of finding ways to strengthen them (ESPON 2010, 2011). Private sector think-tanks are also paying increasing attention to secondary cities, seeing them as the principal drivers of global economic growth (McKinsey, 2011).

These demographic and economic shifts of power within countries have placed secondary cities prominently on the policy agenda of both national governments and international organisations.

1.3 The South African characterisation of secondary cities

The South African discourse on a hierarchy of spaces is fairly limited. There is no *official* hierarchy that sets out how different cities, towns and settlements rank in the overall national space economy⁹. The Centre for Scientific and Industrial Research (CSIR), however, undertakes comprehensive spatial analysis that often informs public policy (Maritz, 2010; Naude et al, 2008; van Huyssteen et al, 2009). Its typology of human settlements is based on an area's key characteristics and functional roles, and differentiates between:

⁹ Despite early attempts by the CSIR to develop a typology for the Department of Human Settlements (see du Plessis, 2003, for example)

- City-regions
 - Cities
 - Regional service centres
 - Service towns
 - Local niche towns
 - Dense rural settlements
- (van Huyssteen and le Roux, 2010)

This typology was recently cited in the National Planning Commission's *National Development Plan* (2011), and can therefore be viewed as having some official status in public policy. The CSIR typology is also based on the role of the area in the broader functional region (Maritz, 2010), and is therefore interesting for our view of secondary cities as playing an important role in their rural hinterlands.

A typology of economic activity

The National Spatial Development Perspective (NSDP) (2006) argued that there are areas of national economic significance, and these should be the specific target of public policy interventions. The NSDP produced a different kind of typology - that of economic activity. More specifically, it differentiated between:

- **Highly diversified economic concentrations** (Gauteng area¹⁰, Cape Town-Worcester area and Durban-Pietermaritzburg area)
- **Diversified service economy concentrations** (Port Elizabeth metro area, Bloemfontein and surrounds, East London area, George-Mossel Bay area, Nelspruit-Bosbokrand area, and Kimberley area and Polokwane area)
- **Public and other service economy areas** (Kroonstad area, Mafikeng-Lichtenburg area, Thohoyandou-Giyani area, Umtata area, Bethlehem-Harrismith-Phuthatjithaba area)
- **Mass-produced and specialised economy concentrations** (Rustenburg area, Welkom area, Phalaborwa area, Witbank-Secunda area, etc)

(The Presidency, 2006)

Many of its 26 areas of national economic significance coincide with the secondary cities profiled in this report.

The other important typology of spaces that we have in South Africa, and the one that is used most often, is the categorisation set out by the post-apartheid system of local government. This classification makes a distinction between metropolitan areas and non-metropolitan areas, but only provides clear criteria for the former.

The local government categorisation, however, is somewhat limiting. There are only two categories of municipalities useful for our purposes: metropolitan municipalities (Category A) and local

¹⁰ The NSDP makes reference to functional areas, rather than administrative areas defined by official municipal boundaries. See NSDP (2006) for overview of 26 areas of national economic significance, many of them coinciding with the secondary cities profiled in this report

municipalities (Category B). There have been some attempts to further delineate different groupings within the Category B municipalities¹¹. However, these attempts have used the size of the local government budget as their delineating criteria, and that is not an appropriate starting point for our report on secondary cities.

1.3.1 South Africa's potential secondary cities: A few assumptions

Given the relative murkiness of the subject matter, we are going to make a few assumptions about South Africa's secondary cities for the purposes of this report:

- We assume that South Africa has multiple primate cities, and we will define these as the 8 metropolitan areas currently recognised by law¹²
- Potential secondary cities may be found outside that list, and these are cities that are currently governed by a local (Category B) municipality
- There are a number of ways to identify the country's secondary cities. For the purposes of this report, we have chosen the only quasi-official list of secondary cities available from the South African public sector - one drawn up by National Treasury (outlined below)
- We chose this list because it represents a useful starting point to catalyse a debate on potential secondary cities in South Africa. However, we do not assert that this is the best possible list and, at the end of this document, we suggest ways in which the selection process may be refined

Hence, because the South African debate on secondary cities is hugely under-developed, we have taken a quasi-official list of secondary cities in South Africa, and applied a selection of indicators to the cities concerned. We've also attempted to compare these secondary cities, both to each other and with the country's 8 metros. Our intention in all of this is to stimulate more rigorous thinking on the subject. At the end of this report, we provide some suggestions on how the subject of South African secondary cities can be explored more thoroughly.

Before we turn to this matter, however, there's a final point to ponder. Whilst South African discussions on 'secondary cities' are hugely under-developed, there is growing interest in the subject of metropolitan government in the country. The interest has, arguably, been sparked by the recent declaration of two new metros in the country - Buffalo City and Mangaung. This declaration has led many South African cities, as well as national policy observers, to question what changes must occur in a town for it to be considered an 'aspiring metro'. Are 'secondary cities' the same as being an 'aspiring metro' - or do the two types of places offer different opportunities, and contribute different things, to the national space economy? This is not the primary theme of this report, but we are aware of the importance of the debate, and of the interest it has generated amongst South African municipalities.

¹¹ See work done by Palmer Development Group for the Municipal Infrastructure Investment Framework, as well as derivations thereof in DCOG's *Local government turnaround strategy* and in National Treasury documents that refer to 'secondary cities'

¹² Eight South African cities are currently governed by metropolitan municipalities, and may therefore be officially considered to be 'metropolitan areas'. These 8 areas also presently have the highest population figures in the country (see data later in this report), and may therefore also reasonably be considered South Africa's primate cities.

2. About this report

The South African Cities Network regularly issues a *State of the Cities Report*, in which we profile our 9 member cities. We believe these reports provide an important barometer for how the country's largest cities are performing and evolving. In response to growing interest in the idea of 'secondary cities' and our role in engaging substantively with the national urban agenda, we'd like to use this paper to extend into a conversation about the next tier of South African cities that appear to have a critical, though perhaps slightly differentiated, role to play in national development.

This report is our way of turning the lens on South Africa's possible secondary cities. We hope that, like all other Cities Network reports, it will provide food for thought for policymakers, researchers and the development community in general.

2.1 What this report attempts to do

The South African debate on secondary cities is highly under-developed. As a result, this publication poses more questions than answers. In many ways, then, this is an exploratory report and our principal intention is to catalyse debate rather than provide definitive answers.

However, this report does consciously attempt to contribute to the following:

- To provoke thinking on the notion of an urban hierarchy: what it consists of, why it matters and what the policy implications are of its adoption
- To introduce the concept of a second-tier of cities within the urban hierarchy - a discussion that is almost completely absent in the current urban agenda
- To catalyse a discussion on the role that secondary cities could play in the national space economy
- To reflect on 22 *potential* secondary cities, by applying a limited set of criteria to them
- To compare these potential secondary cities to the eight existing metropolitan areas in terms of the same criteria
- To begin a conversation on the types of criteria, or indicators, that South Africans could use to identify secondary cities
- To flag areas for further research, policy development or data collation

2.2 Our choice of secondary cities

Because of the under-developed nature of the subject, there is no official list of secondary cities in South Africa. There are two quasi-official lists, both emanating from National Treasury. The first list consists of 19 cities, selected on the basis of their municipal budget size. This work draws on previous work¹³ done on differentiating local municipalities (Category B municipalities) into 4 sub-categories. The second list forms part of Treasury's draft *Cities Support Programme* (CSP) (August 2011). It sets out 22 South African cities, including all provincial capitals, that are not currently governed by a metropolitan municipality. The CSP does not rank its 22 secondary cities in any

¹³ See, for example, early versions of the Municipal Infrastructure Investment Framework (MIIF). The B1 - B4 categories of local municipalities mentioned in the MIIF were taken through into subsequent government documents such as the *Local Government Turnaround Strategy*. Secondary cities, under these definitions, are those areas governed by local municipalities that have a significant budget ('B1' municipalities).

order, but it is useful in that it goes beyond municipal budget size and looks at factors like population and the size of the economy: Gross Valued Added by Region (GVA-R)¹⁴. It therefore gets closer to the indicators that define what a secondary city is.

We believe this list is a useful point to begin a discussion into South African secondary cities. Our report therefore profiles the 22 cities cited in the *Cities Support Programme*, and we have not collated data on any city outside that list. We also believe, however, that a more rigorous research exercise into South African secondary cities should collate data on every town in the country - and compare them in terms of key variables like population, economic growth and so forth. The results of such an exercise may yield 'secondary cities' that are not found in the list below. Because of the limitations of this study, however, we have confined ourselves to the list of 22 cities below.

We've arranged the secondary cities presented in this report in alphabetical order, initially per province and then per municipality. Free State, for example, is the first province arranged alphabetically, followed by Gauteng and Kwazulu Natal. Within an individual province, the cities are then arranged in alphabetical order. **The important point is that the order of the secondary cities presented here does not constitute any type of ranking at all.**

	City	Major town	District	Province
1	Matjhabeng	Welkom	Lejweleputswa	Free State
2	Emfuleni	Vereeniging	Sedibeng	Gauteng
3	Mogale City	Krugersdorp	West Rand	Gauteng
4	Msunduzi	Pietermaritzburg	Umgungundlovu	Kwazulu Natal
5	Newcastle	Newcastle	Amajuba	Kwazulu Natal
6	Umhlathuze	Richards Bay	uThungulu	Kwazulu Natal
7	Lephalale	Ellisras	Waterberg	Limpopo
8	Polokwane	Pietersburg	Capricorn	Limpopo
9	Emalahleni	Witbank	Nkangala	Mpumalanga
10	Govan Mbeki	Secunda	Gert Sibande	Mpumalanga
11	Mbombela	Nelspruit	Ehlanzeni	Mpumalanga
12	Steve Tshwete	Middelburg	Nkangala	Mpumalanga
13	City of Matlosana	Klerksdorp	Dr Kenneth Kaunda	North West
14	Madibeng	Brits	Bojanala Platinum	North West
15	Mafikeng	Mafikeng	Ngaka Modiri Molema	North West
16	Rustenburg	Rustenburg	Bojanala Platinum	North West
17	Tlokwe	Potchefstroom	Dr Kenneth Kaunda	North West
18	//Khara Hais	Upington	Siyanda	Northern Cape
19	Sol Plaatje	Kimberley	Frances Baard	Northern Cape
20	Drakenstein	Paarl	Cape Winelands	Western Cape
21	George	George	Eden	Western Cape
22	Stellenbosch	Stellenbosch	Cape Winelands	Western Cape
	Metros in South Africa			

¹⁴ GVA-R is the local equivalent of national GDP. The term is used to describe the output of any sub-national entity (such as provinces or cities)

Buffalo City	East London	-	Eastern Cape
Nelson Mandela Bay	Port Elizabeth	-	Eastern Cape
Mangaung	Bloemfontein	-	Free State
City of Johannesburg	Johannesburg	-	Gauteng
Ekurhuleni	Germiston/Alberton/ Kempton	-	Gauteng
Tshwane	Pretoria	-	Gauteng
Ethekwini	Durban	-	Kwazulu Natal
Cape Town	Cape Town	-	Western Cape

2.3 Our key indicators

In the previous chapter, we highlighted a number of internationally proposed characteristics of secondary cities. The presence of one of these characteristics (such as a large population or rapid economic growth) is typically an *indicator* that the town in question is evolving into what may be termed as secondary city.

Because of time and financial limitations to this study, we are unfortunately not able to discuss all the indicators we would have ideally selected. Municipal-level data is also not available in South Africa for some of the indicators that international studies report on.

Towards a more comprehensive set of indicators for South African secondary cities

We'd like to briefly set out some of the indicators we think are important for future discussions on secondary cities. In other words, *how* should a town qualify as a secondary city in South Africa today? What are the features it should possess?

We think the following indicators should be explored in future research on the subject:

- City's demographic *profile* (age, gender, poverty profile etc)
- Nature of the city economy (dominant sectors, sunset and sunrise sectors)
- Level of economic diversification (tress index)
- Regional importance of the city
- Innovation within the city
- Educational profile of the city (including an overview of tertiary infrastructure)
- Number of Research and Development firms, IT industries and other technology-based industries in the city
- Profile of the labour force within the city
- Quality of communications infrastructure and services
- Ease of doing business (government red-tape, zoning laws, etc)
- Municipal performance (the quality of urban governance)

These will provide us with a more substantive understanding of how South African urban spaces are evolving - and what this may mean for national development.

Despite our time and data limitations, we have selected a few key indicators that provide telling signs that a town can be considered a secondary city. These are discussed below.

2.3.1 Demographic changes in the city

Most international definitions of secondary cities focus on the size of the population that resides in the city. **City population** figures are therefore an important indicator of whether a town is evolving into a more sophisticated urban centre (or secondary city). In this report, we ask the question as to whether a profiled city has been attracting or losing people over the past decade? It is important to realise, however, that population changes could be due to a number of factors. Population increases in a town could be the result of high fertility rates, lowered mortality rates or inward migration. Population decline, on the other hand, could be a consequence of increased mortality, lower fertility rates or outward migration.

Whilst all these factors significantly influence the size and nature of the city population, it is **migration trends** that are especially interesting for our purposes. This is because it gives us a sense of whether people are attracted to a particular town (because of work opportunities or the quality of life offered) - or whether they are choosing to leave the town in search of greener pastures elsewhere. Current data does not allow us to distil the migration figures from the natural processes of population change in our secondary cities¹⁵. However, this would make for very interesting further study.

Population density is an equally telling indication of whether a town is evolving into something more akin to an urban conglomeration. Large urban centres tend to house a significant proportion of people within a single square kilometre of the city. In other words, population is more concentrated in these places than in more dispersed rural farmlands, for example. Hence, it is relatively important to ascertain whether population density is increasing or decreasing in a city. This is calculated by dividing the city population by the city area size. As the formula suggests, population density may be affected by either population change or boundary change.

Many analysts also look at the population change *rate* in a city over time. Has the city's population doubled over time, for example? How does this compare to other cities in the country that may have tripled or quadrupled their populations in the same period? Whilst we agree that this is a very interesting avenue to explore, we thought it more useful to investigate whether a city was attracting a larger **percentage share of the national population** over time. This is especially useful for a report like this, which aims to identify South Africa's secondary cities. If a non-metro, for example, hosted 5% of the South African population in 2010, this says something significant about the place. Our report therefore looks at these trends over the past decade.

Due to data and time constraints, this report unfortunately does not cover a **demographic profile** of the city populace. However, future research into South African secondary cities could ask several useful questions about the nature of the people living in these spaces: Do they belong to any particular age group or educational profile, for example? This could tell us whether retired people

¹⁵ There are some instances where a fairly sizeable decline in population over just 10 years is a clear indication that people are migrating out of the city (since it's unlikely that this type of decline would be due to natural attrition). Matjhabeng is one such example of a city that's clearly seen an outward movement of people since 2000.

are moving to any particular part of the country - or whether young graduates are attracted only to the metros. If a city population is made up of largely under-18s, it could tell us something about dependency ratios - and what this means for poverty profiles, state grants or employment statistics. In brief, a city's demographic profile will enable us to tell the far more interesting, and far more nuanced, story beyond the numbers.

2.3.2 Changes in the city's economy

The size of a city's economy is a key signal that the area is evolving into a strong urban centre. The common term used to indicate the size of an economy is Gross Domestic Product (GDP). When one talks about the economies of smaller spaces within a country, such as a province or city, economists use the term Gross Value Added by Region (GVA-R). This is the term we use in this report. We have looked at city GVA-R because it provides us with, arguably, the most telling indicator that a South African town is evolving into a secondary city.

However, it's also important to look at how significantly that city economy is growing (or declining) over a period of time. This report therefore looks at **economic growth rates** as well. More specifically, we explore how fast (or slowly) a city's economy has grown between 1996 - 2000, and then in between 2000 - 2005 and finally between 2005 - 2010. These time blocs also coincide relatively neatly with the term of office for South African local government.

Finally, we turn our lens on a **city's share of national GDP**. How much, in other words, does a particular secondary city contribute to the national economy? How does that compare to other secondary cities, or to South African metros? Has this picture changed over time?

2.3.3 Changes in income levels in the city

An additional important indicator of whether a city is evolving into a sophisticated space that can be considered a secondary city revolves around **personal income levels**. Personal income includes all the money earned by the people of that city. It includes items like salaries, pensions or other state grants, as well as earnings from one's properties or other businesses.

In some places, income levels are very high because the city may house a significant proportion of the country's wealthy. This, however, masks the fact that huge inequalities may exist *within* the city, as urban centres tend to also attract the poor. Hence, many analysts believe it is more useful to look at **income per capita** levels - an estimation of the income earned by 1 person in the city. Calculating this average allows one to even out the differences between rich and poor earnings in the city over a certain time period, giving you a more realistic picture of the prosperity of the city's residents. It is calculated by dividing total personal income in a city by the city's population.

In this report, we look at per capita earnings in our profiled cities.

2.3.4 Changes in the city's public finances

Municipal government is a critical element of the success story of an area. It determines what public infrastructure is built, how well services are delivered, how citizens' priorities are listened to and, most critically, the vision for the city. None of that would be possible, however, without a municipal budget.

We therefore spend some time looking at municipal finances. In particular, we explore three questions. First, we examine how much money the municipality concerned has at its disposal - and whether this has increased over time. In other words, we look at the **annual total revenue** of a municipality. This could be made up of the grants received from national government, the user charges on electricity and other services, property rates, traffic fines and so forth.

We also focus on how much of that money is generated by the municipality itself - or **own revenue**. This is an important question to ask. If a municipality governing a secondary city does not generate enough of its own income - and is reliant on national government for transfers - it is not likely to be particularly effective in re-shaping its city's destiny. We then make some assessment of the proportion of a municipality's revenue that can be attributed to 'own revenue'. Whilst we understand that there are many possible sources of own revenue, we focus on the two most significant: service charges and property rates. Finally, we reflect on **per capita revenue**: how much of money did the municipality have at its disposal to spend on each of its citizens.

2.3.5 Changes in the city's employment capacity

We believe that an important element of the story of secondary cities, especially in the South African context, should be its ability to create jobs. We therefore look at the employment figures for each of our secondary cities, as well as the unemployment rate. We have unfortunately not been able to get extensive data on this indicator, and therefore provide merely a snapshot of the city in 2007.

2.3.6 Other indicators we have not looked at in this report

There are any number of other interesting indicators we believe a study of this nature should look into. Because of our time and budgetary constraints, as well as data limitations, we have not done so. Other sections of this report, however, set out some of the indicators that we believe are important in defining secondary cities in South Africa.

3. A profile of potential secondary cities in South Africa

We turn our attention now to an individual profile of each of our 22 selected secondary cities. In each profile, we try to present you with a picture of how our key indicators have evolved within that city over the past ten years. We also try to provide you with other facts about the city that we think you will find interesting.

3.1 Roadmap to the city profiles

Each of the city profiles that follow in this report is structured in exactly the same way. This document draws principally on data from IHS Global Insight, a private firm whose data is being increasingly used by government departments in public policy-making. IHS Global Insight data is based on Stats SA data, but the firm supplements this with other sources and, importantly for our purposes, disaggregates the information to municipal level. This is supplemented by data from various government sources, as well as independent publications like the *District Health Barometer*. Data sources are cited in the roadmap below.

A caution about municipal data

There is no organisation in South Africa, either in the public or private sector, that has a comprehensive set of municipal data that is derived from primary research. The recent 2011 Census by Statistics SA *may* change that, but those results won't be released for some time to come. The only comprehensive sources of municipal-level data are to be sourced from private data houses such as IHS Global Insight, our primary source in this report.

Readers should keep in mind that some of the data is generated through statistical and economic modelling techniques that might result in unintended anomalies in variables. This is not a situation that is unique to South Africa, and statisticians and policymakers around the world face virtually the same limitations. We have highlighted the possible anomalies in data wherever they have caught our attention, and would urge readers to keep this context in mind.

Despite the occasional anomalies, however, we believe it's critical to begin any policy conversation on the basis of empirical information, rather than anecdotal evidence or assumed truths. We've therefore consciously constructed this report around actual data. We have also highlighted those issues we believe require additional research in order to ascertain whether a city's performance is the result of a mere data anomaly or - more interestingly - a signal that something significant is happening in that city that policymakers aren't aware of yet. We hope that the research and policy community will respond to our challenge. We believe that, in so doing, we can collectively build a more solid knowledge base for our development choices at the municipal level.

There are three main elements to the city profiles:

- **An introduction to the city**, highlighting its history, geography or something distinctive about the place

- An overview of **the city's evolution over the past 10 years**: This section presents the *indicators* that we believe are important in *defining* whether a town is evolving into a secondary city or not. Hence, it looks at population size economic growth rates, and so forth
- **Other facts about the city**: Tell us something additional about the city concerned. Poverty rates, for example, give us a deeper understanding of the space we're talking about. They do not necessarily *define* whether a town is evolving into a secondary city is. That's because large urban centres, like secondary cities, are contradictory places that attract both the wealthy and the poor.

In summary, we've been careful about delineating the indicators that *define* a secondary city, from those issues that merely tell us something additional and useful about the place.

Roadmap to the city profiles

All the city profiles are structured in exactly the same way. Two types of indicators are given. The indicators in purple give an overview of the city's evolution over the past decade and are important for defining whether a town is evolving into a secondary city or not. The other facts are additional indicators that say something useful about the city but do not necessarily define whether a town is evolving into a secondary city.

This document draws principally on data from IHS Global Insight, a private firm whose data is being increasingly used by government departments in public

policy-making. IHS Global Insight data is based on Stats SA data, supplemented with other sources and disaggregated to municipal level. No organisation in South Africa, either in the public or private sector, has a comprehensive set of municipal data that is derived from primary research. This may change with the recent 2011 Census by Statistics SA, but those results won't be released for some time to come. The only comprehensive sources of municipal-level data are to be sourced from private data houses such as IHS Global Insight, our primary source.

THE CITY'S EVOLUTION

Presents the indicators that are important in defining whether a town is evolving into a secondary city or not.

DEMOGRAPHICS

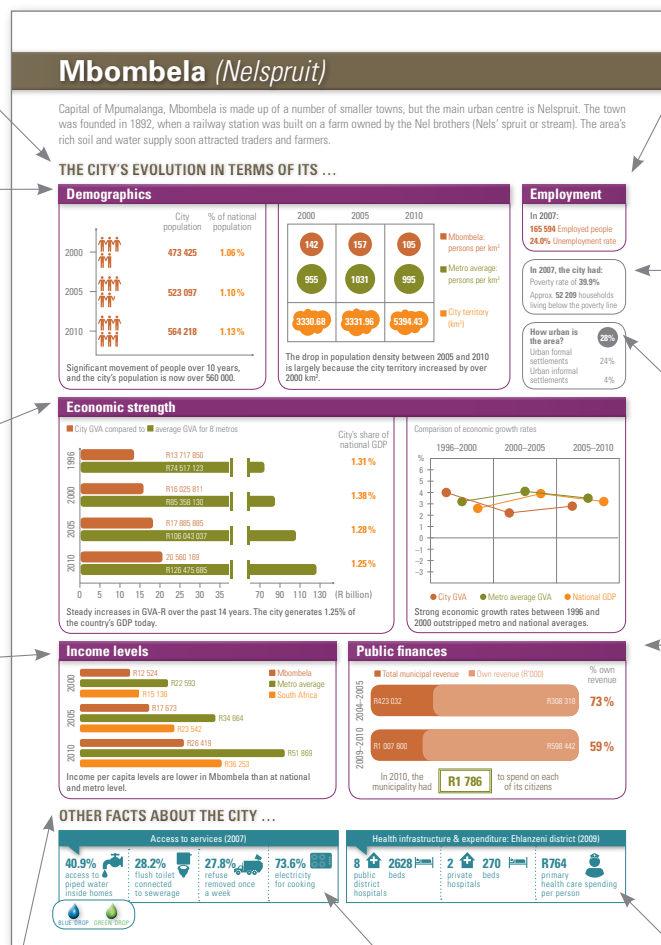
- Has the city been attracting or losing people over the past decade?
 - Is the city's share of the national population growing?
 - Has population density in the city increased or decreased?
- (Source: IHS Global Insight, 2011 and area size figures from Municipal Demarcation Board, 2011)

ECONOMIC STRENGTH

- Is the city economy growing? (In constant 2005 prices)
 - Is the city's share of national GDP increasing?
 - How fast is the economy growing?
- (Source: IHS Global Insight, 2011)

INCOME LEVELS

- How much does the average person in the city earn? (Current prices)
- (Source: IHS Global Insight, 2011)



EMPLOYMENT

- How many people are employed in the city?
 - What is the unemployment rate?
- (Source: Calculations done for the SACN by Dr Michael Aliber (2011), based on Stats SA's 2007 Community Survey and using a poverty line set out in Argent et al., 2009)

Poverty rate

Presents city poverty rates, as well as the number of households living below the poverty line. (Based on calculations done by Dr Michael Aliber, 2011.)

How urban is the area?

The extent of urbanisation within a municipal area, based on an independent assessment by Palmer Development Group, using Stats SA's 2001 census results

PUBLIC FINANCES

- How much money does the municipality receive?
 - How much of that income does it generate itself?
 - How much money does the municipality have to spend on each of its citizens?
- (Source: National Treasury, 2011)

OTHER FACTS ABOUT THE CITY

Presents additional indicators that say something useful about the city.

Access to services

Based on Stats SA's 2007 Community Survey. Also includes Department of Water Affairs Blue drop (drinking water quality) and Green drop (waste water care works) certification.

Health infrastructure

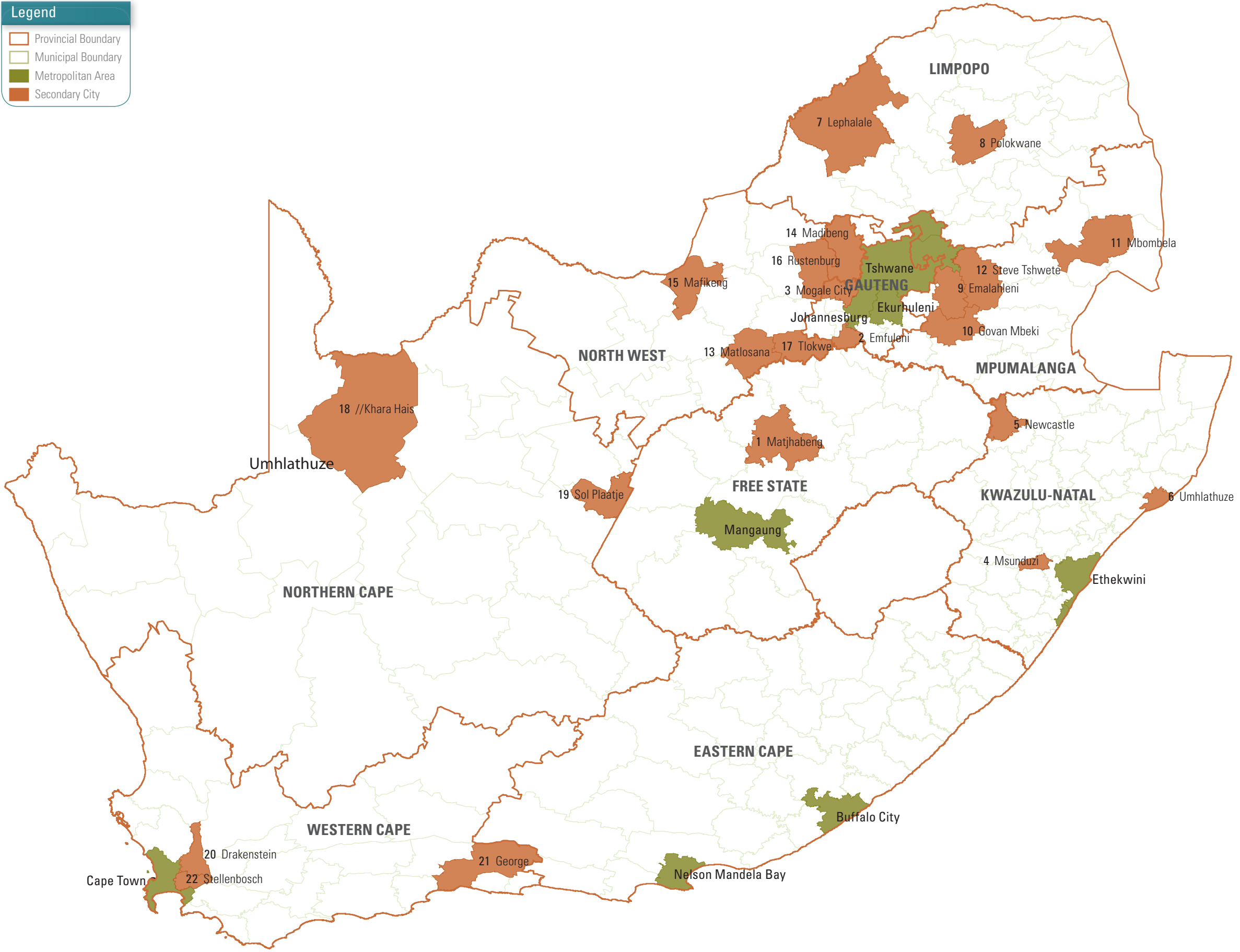
No health statistics are available in South Africa for local municipalities. Therefore, district health stats are presented, sourced from the District Health Barometer 2008/09 produced by the NGO Health Systems Trust and based on official Department of Health statistics.

Readers should keep in mind that some of the data is generated through statistical and economic modelling techniques that might result in unintended anomalies in variables.

Locating the secondary cities

Legend

- Provincial Boundary
- Municipal Boundary
- Metropolitan Area
- Secondary City



City	Major town	District
1 Matjhabeng	Welkom	Lejweleputswa
2 Emfuleni	Vereeniging	Sedibeng
3 Mogale City	Krugersdorp	West Rand
4 Msunduzi	Pietermaritzburg	Umgungundlovu
5 Newcastle	–	Amajuba
6 Umhlathuze	Richards Bay	uThungulu
7 Lephalale	Ellisras	Waterberg
8 Polokwane	Pietersburg	Capricorn
9 Emalahleni	Witbank	Nkangala
10 Govan Mbeki	Secunda	Gert Sibande
11 Mbombela	Nelspruit	Ehlanzeni
12 Steve Tshwete	Middelburg	Nkangala
13 City of Matlosana	Klerksdorp	Dr Kenneth Kaunda
14 Madibeng	Brits	Bojanala Platinum
15 Mafikeng	–	Ngaka Modiri Molema
16 Rustenburg	–	Bojanala Platinum
17 Tlokwe	Potchefstroom	Dr Kenneth Kaunda
18 //Khara Hais	Upington	Siyanda
19 Sol Plaatje	Kimberley	Frances Baard
20 Drakenstein	Paarl	Cape Winelands
21 George	–	Eden
22 Stellenbosch	–	Cape Winelands

Metros in South Africa	Major town
Buffalo City	East London
Nelson Mandela Bay	Port Elizabeth
Mangaung	Bloemfontein
City of Johannesburg	Johannesburg
Ekurhuleni	Germiston/Alberton/Kempton
Tshwane	Pretoria
Ethekwini	Durban
Cape Town	Cape Town

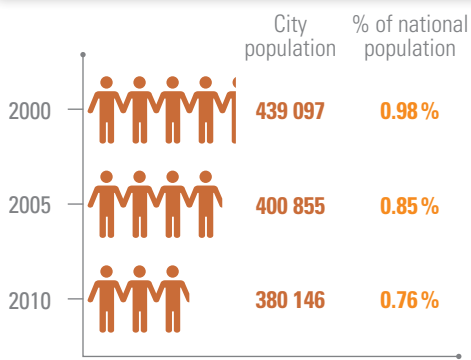
3.3 A profile of South African secondary cities

Matjhabeng (Welkom)

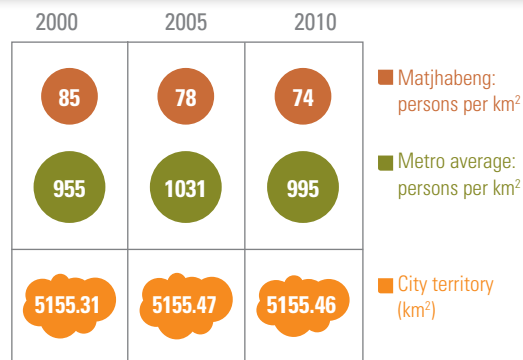
In 1946, a rich gold mine was discovered on an insignificant farm called Welkom in the Free State. It attracted hordes of residents, and by 1947 the township of Welkom was declared. Just 65 years later, the city of Matjhabeng is a significant urban centre that sits atop the Witwatersrand gold reefs.

THE CITY'S EVOLUTION IN TERMS OF ITS ...

Demographics



Only city in the report showing outward movement of people over the past decade.



Population density figures consistently well below the metro average.

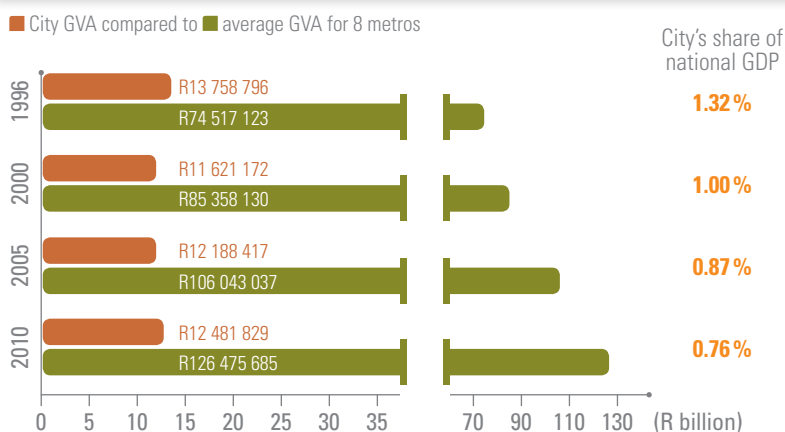
Employment

In 2007:
120 959 Employed people
35.1% Unemployment rate

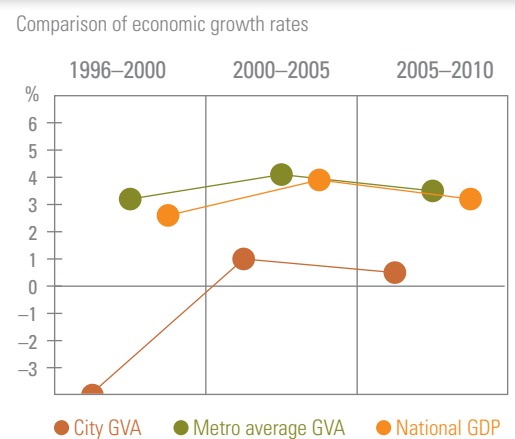
In 2007, the city had:
 Poverty rate of **36.5%**
 Approx. **45 640** households living below the poverty line

How urban is the area? **96%**
 Urban formal settlements 76%
 Urban informal settlements 20%

Economic strength

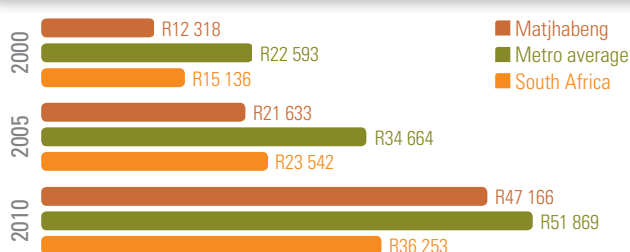


Mixed economic performance, with diminishing economy since 1996. The city generates 0.76% of the country's GDP today.



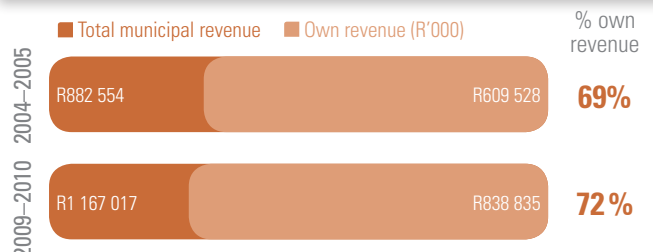
Economic growth below metro/national averages, with negative average growth rates for 1996-2000.

Income levels



For most of decade, per capita income below national and metro averages but today the 7th largest in South Africa.

Public finances



In 2010, the municipality had **R3 070** to spend on each of its citizens

OTHER FACTS ABOUT THE CITY ...

Access to services (2007)



Health infrastructure & expenditure: Lejweleputswa district (2009)



Emfuleni (Vereeniging)

Emfuleni is where two historical documents were signed: the Vereeniging Peace Treaty (in 1902, marking the end of the second Anglo-Boer war) and South Africa's democratic constitution (in 1996, the official demise of apartheid). Between these two watershed events, the city experienced the tragic massacres of Sharpeville (1960) and Boiopatong (1992).

THE CITY'S EVOLUTION IN TERMS OF ITS ...

Demographics

Year	City population	% of national population
2000	667 788	1.49%
2005	665 181	1.40%
2010	675 534	1.36%

Emfuleni currently has the 9th largest city population in South Africa.

Employment

In 2007:
156 721 Employed people
44.8% Unemployment rate

In 2007, the city had:
 Poverty rate of **44.1%**
 Approx. **77 048** households living below the poverty line

How urban is the area? **96%**
 Urban formal settlements: 80%
 Urban informal settlements: 16%

	2000	2005	2010
Emfuleni: persons per km ²	676	674	699
Metro average: persons per km ²	955	1031	995
City territory (km ²)	987.45	987.65	965.89

Emfuleni is the 6th most densely populated city in South Africa.

Economic strength

City GVA compared to average GVA for 8 metros

Year	City GVA (R billion)	Average GVA for 8 metros (R billion)	City's share of national GDP
1996	R13 816 729	R74 517 123	1.32%
2000	R11 305 507	R85 358 130	0.98%
2005	R13 362 940	R106 043 037	0.95%
2010	R14 740 081	R126 475 685	0.9%

Mixed economic performance, but GVA-R has been rising since 2000. The city generates less of the country's GDP today than it did 14 (or even 5) years ago.

Comparison of economic growth rates

Rapid recovery after 2000 not enough to match the metro and national average growth rates.

Income levels

Year	Emfuleni	Metro average	South Africa
2000	R13 448	R22 593	R15 136
2005	R21 507	R34 664	R23 542
2010	R35 167	R51 869	R36 253

Emfuleni's per capita income levels have been consistently below the metro average but are close to the national per capita income.

Public finances

Period	Total municipal revenue (R'000)	Own revenue (R'000)	% own revenue
2004-2005	R1 358 680	R952 118	70%
2009-2010	R2 845 280	R2 030 199	71%

In 2010, the municipality had **R4 212** to spend on each of its citizens

OTHER FACTS ABOUT THE CITY ...

Access to services (2007)

- 75.8%** access to piped water inside homes
- 87.6%** flush toilet connected to sewerage
- 85.2%** refuse removed once a week
- 92.2%** electricity for cooking

Health infrastructure & expenditure: Sedibeng district (2009)

- 2** public district hospitals
- 1083** beds
- 7** private hospitals
- 709** beds
- R578** primary health care spending per person

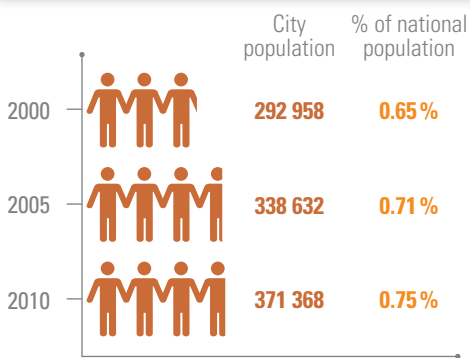


Mogale City (Krugersdorp)

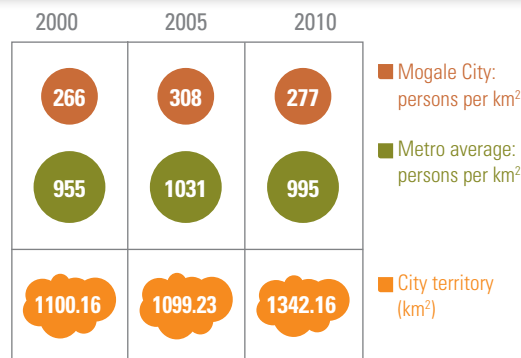
Mogale City can trace its history back 3 million years. Known as the Cradle of Humankind, the area contains 15 major fossil sites and is where humans first mastered fire. The city is also home to Mrs Ples (a 2.5 million-year fossil) and Little Foot (a 3.3 million-year skeleton fossil).

THE CITY'S EVOLUTION IN TERMS OF ITS ...

Demographics



A steady increase in population over the past 10 years.



Some fluctuations in population density over the past 10 years but always below the metro average.

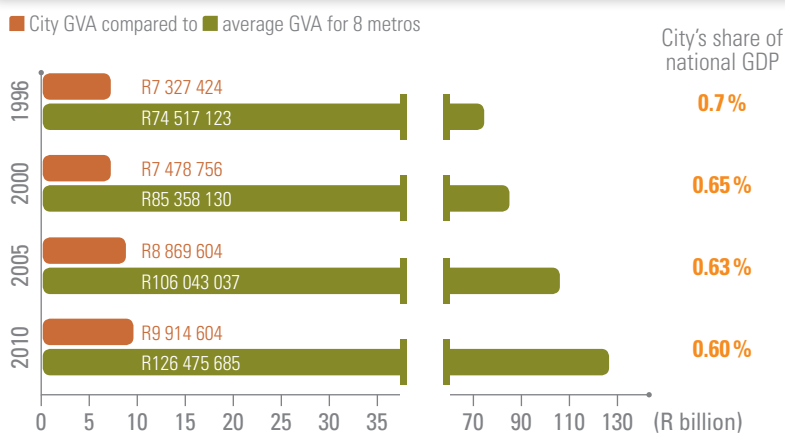
Employment

In 2007:
115 824 Employed people
25.7% Unemployment rate

In 2007, the city had:
 Poverty rate of **31.7%**
 Approx. **26 636** households living below the poverty line

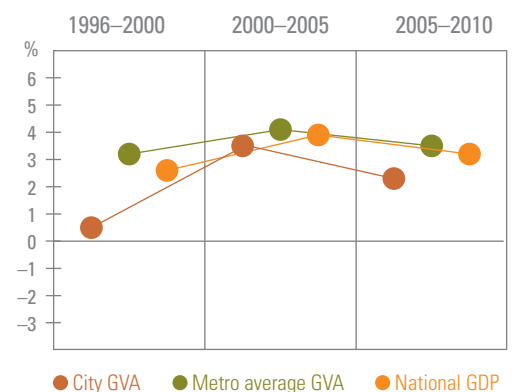
How urban is the area? **75%**
 Urban formal settlements: 70%
 Urban informal settlements: 5%

Economic strength



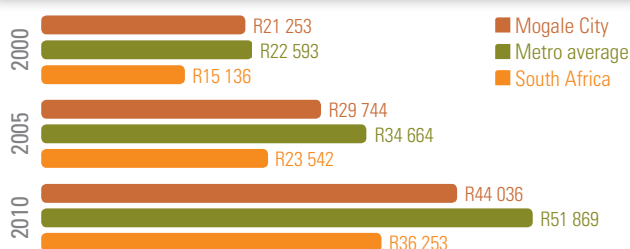
A city economy that has grown consistently, without any negative dips, since 1996. Today, the city generates 0.6% of the country's GDP.

Comparison of economic growth rates



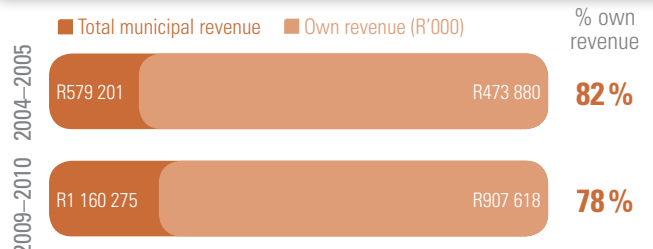
Better performance after 2000, but economic growth rates below metro/national averages.

Income levels



Although more than the national average, the income per capita consistently falls short of the metros.

Public finances



In 2010, the municipality had **R3 124** to spend on each of its citizens

OTHER FACTS ABOUT THE CITY ...

Access to services (2007)



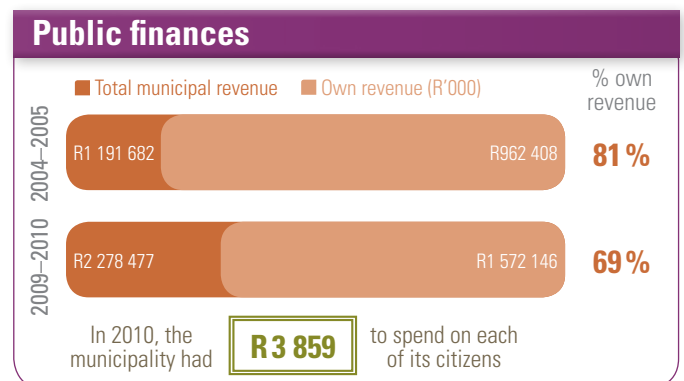
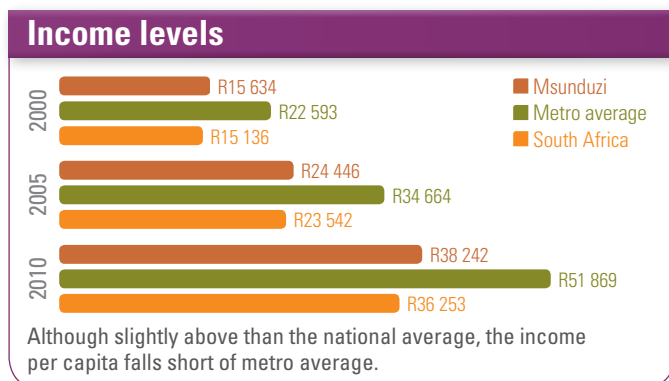
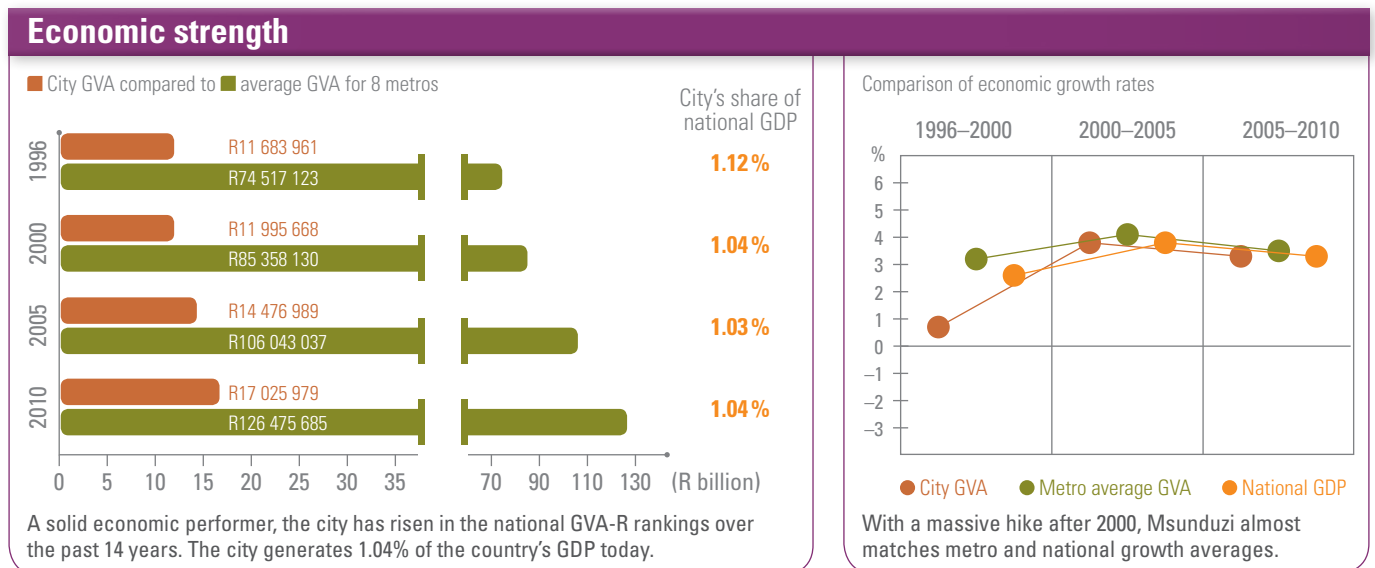
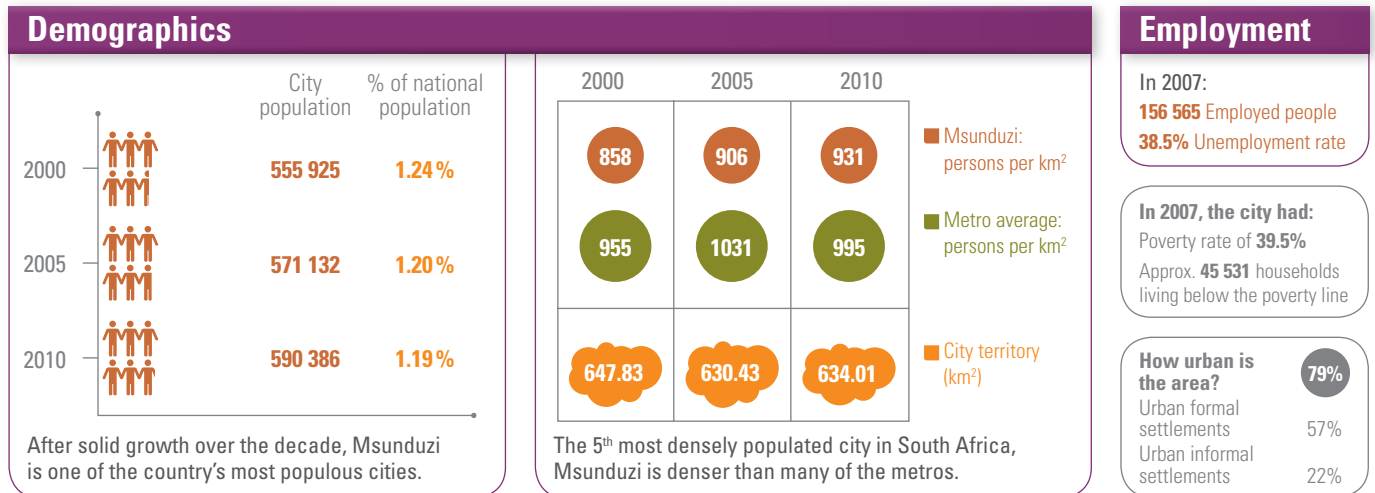
Health infrastructure & expenditure: West Rand district (2009)



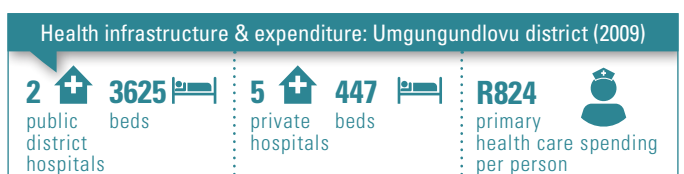
Msunduzi (Pietermaritzburg)

Msunduzi is centred on the town of Pietermaritzburg, which has been a capital city for nearly 200 years: of the Voortrekker Republic of Natalia (1838), then of the British Natal colony (1843) and today of KwaZulu-Natal. Pietermaritzburg's name is derived from Piet Retief and Gert Maritz, two prominent nineteenth-century Voortrekker leaders.

THE CITY'S EVOLUTION IN TERMS OF ITS ...



OTHER FACTS ABOUT THE CITY ...

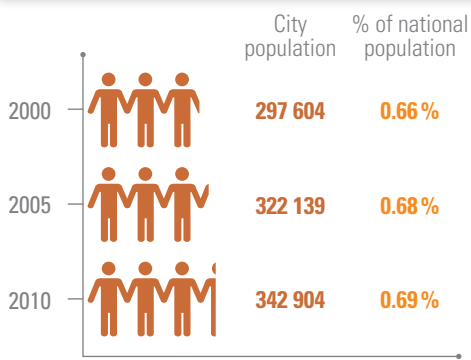


Newcastle

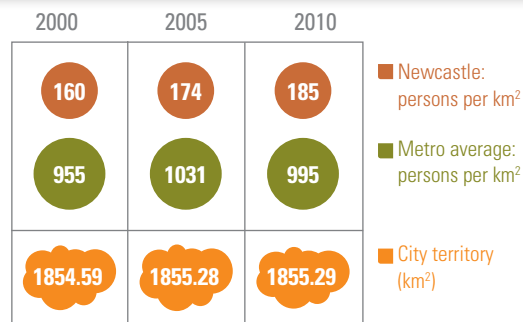
Founded in 1864 and named after the Duke of Newcastle, then British Colonial Secretary of the Cape, Newcastle played an important role in the Anglo-Boer war and is at the centre of the 'KwaZulu Natal Battlefields'. Substantial coal deposits were discovered in the early twentieth century, but today the city is a pre-eminent retail centre.

THE CITY'S EVOLUTION IN TERMS OF ITS ...

Demographics



This inland town has received about 40 000 new residents over a decade.



Population growth combined with little change in its area size has made Newcastle more densely populated over the past 10 years.

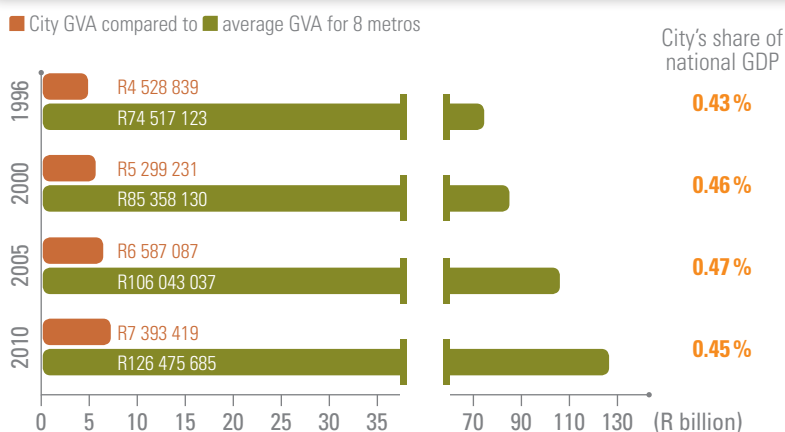
Employment

In 2007:
58 482 Employed people
48.4% Unemployment rate

In 2007, the city had:
 Poverty rate of **50%**
 Approx. **35 972** households living below the poverty line

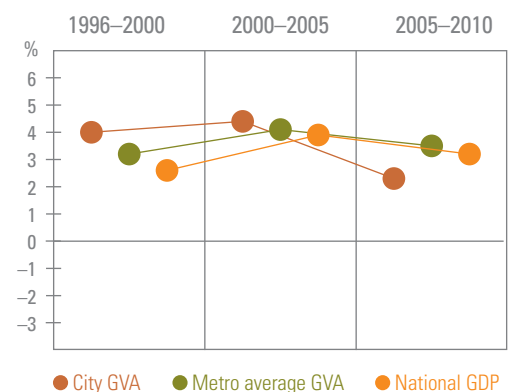
How urban is the area? **76%**
 Urban formal settlements: 73%
 Urban informal settlements: 3%

Economic strength



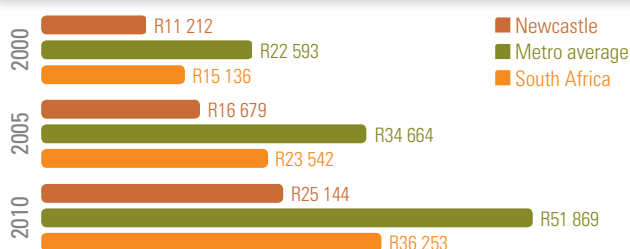
The size of the economy has increased steadily over the past 14 years. The city generates 0.45% of the country's GDP – slightly more than 14 years ago.

Comparison of economic growth rates



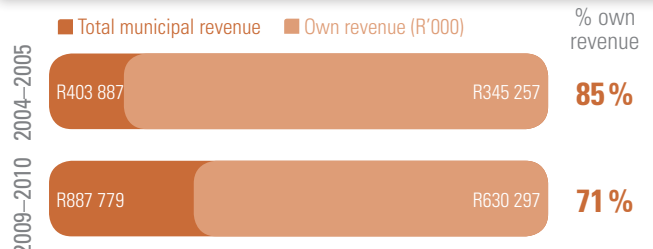
The economy appears to have performed better than metro and national economies up until 2005.

Income levels



The per capita income is below metro and national levels.

Public finances



In 2010, the municipality had **R2 589** to spend on each of its citizens

OTHER FACTS ABOUT THE CITY ...

Access to services (2007)



Health infrastructure & expenditure: Amajuba district (2009)

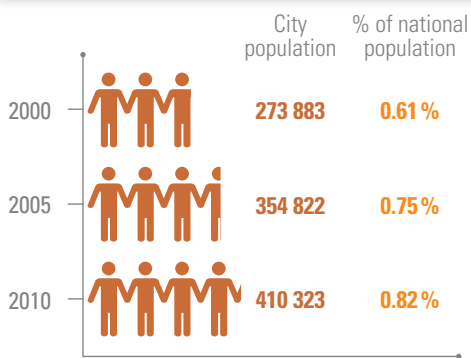


Umhlathuze (Richards Bay)

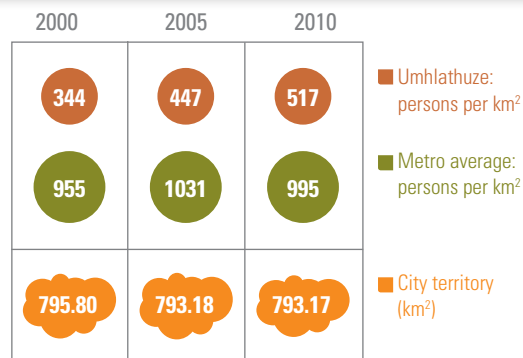
The municipal area of Umhlathuze, in KwaZulu-Natal, centres on the port of Richards Bay, an important gateway for South African exports. Richards Bay is home to the largest deep water port in Africa and the largest export coal terminal in the world. All of South Africa's aluminium is mined in this area.

THE CITY'S EVOLUTION IN TERMS OF ITS ...

Demographics



The city has attracted more than 136 000 new residents in the past 10 years.



Despite a relatively significant increase, population density has remained well below the metro average.

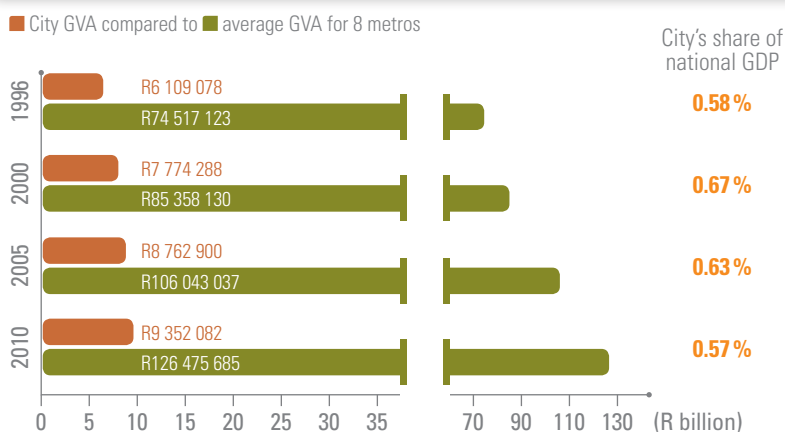
Employment

In 2007:
84 385 Employed people
35.4% Unemployment rate

In 2007, the city had:
 Poverty rate of **35.7%**
 Approx. **26 998** households living below the poverty line

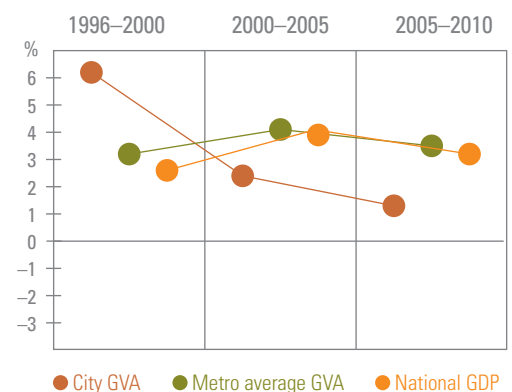
How urban is the area? **40%**
 Urban formal settlements: 38%
 Urban informal settlements: 2%

Economic strength



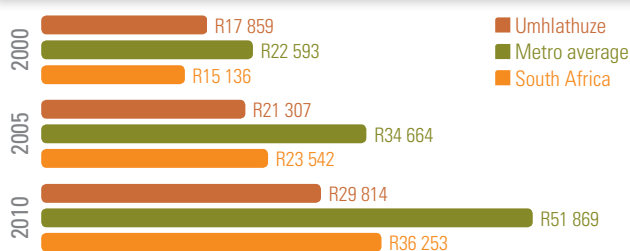
The economy has been growing solidly over the past 14 years, especially just before the new millennium. The city generates 0.57% of the country's GDP today.

Comparison of economic growth rates



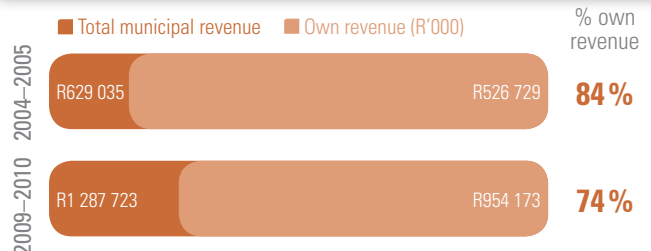
Highest growth rates in the country for 1996-2000 but then slowed to below metro/national averages.

Income levels



Per capita income was above national average in 2000 but started declining thereafter.

Public finances



In 2010, the municipality had **R3 138** to spend on each of its citizens

OTHER FACTS ABOUT THE CITY ...

Access to services (2007)



Health infrastructure & expenditure: uThungulu district (2009)



Lephalale (Ellisras)

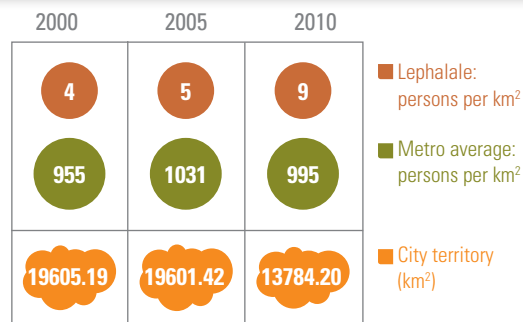
Lephalale in the Waterberg area is home to an estimated 55% of South Africa's coal reserves and to the world's largest opencast coal mine at Grootegeluk. Eskom has invested R98.9 billion to build the Medupi power station, which will be one of the world's largest dry-cooled coal power stations and could possibly double Lephalale's GVA-R.

THE CITY'S EVOLUTION IN TERMS OF ITS ...

Demographics



A relatively small city population that has grown steadily over the past 10 years.



Lephalale is one of the two least dense cities profiled in this report, mainly because it covers a larger geographical territory than most other cities.

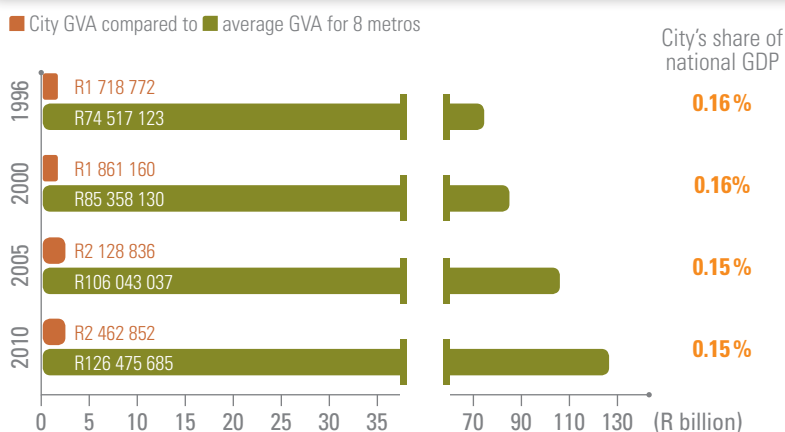
Employment

In 2007:
16 273 Employed people
31.1% Unemployment rate

In 2007, the city had:
 Poverty rate of **32.8%**
 Approx. **7 577** households living below the poverty line

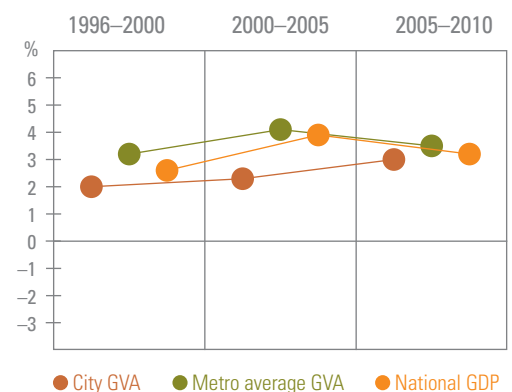
How urban is the area? **22%**
 Urban formal settlements: 22%
 Urban informal settlements: 0%

Economic strength



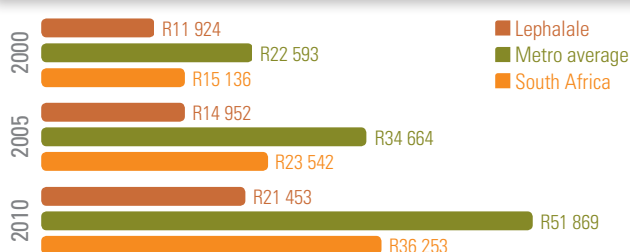
A modest economy that has seen steady growth since 1996. The city generates 0.15% of the country's GDP today.

Comparison of economic growth rates



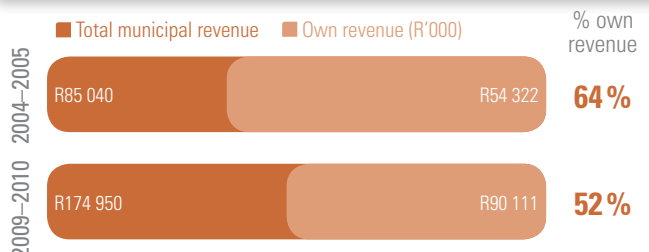
Steadily rising economic growth rates but well below the metro and national averages.

Income levels



Despite increases over the decade, currently the lowest per capita earnings in the country.

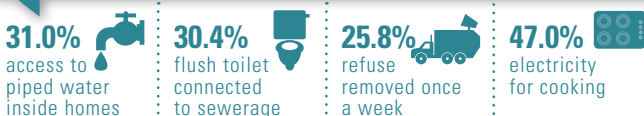
Public finances



In 2010, the municipality had **R1 413** to spend on each of its citizens

OTHER FACTS ABOUT THE CITY ...

Access to services (2007)



Health infrastructure & expenditure: Waterberg district (2009)

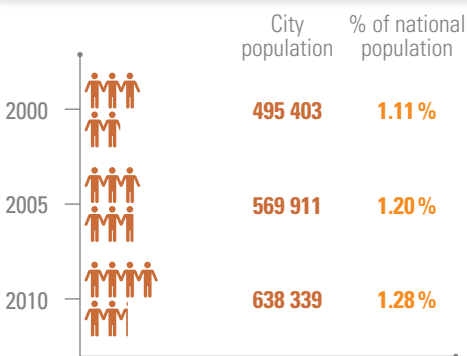


Polokwane (Pietersburg)

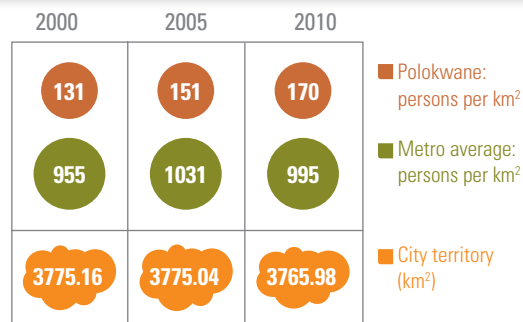
Often referred to as the gateway to the north, Polokwane is strategically located on the Great North Road that leads into our neighbouring countries in Southern Africa. The road was originally formed by Voortrekker ox wagons leaving Pretoria. The Zion Christian Church's headquarters lie on the outskirts of the city in Moria.

THE CITY'S EVOLUTION IN TERMS OF ITS ...

Demographics



Polokwane is the 10th most populous city in the country.



Although Polokwane is becoming more densely populated, growth remains well below the metro average.

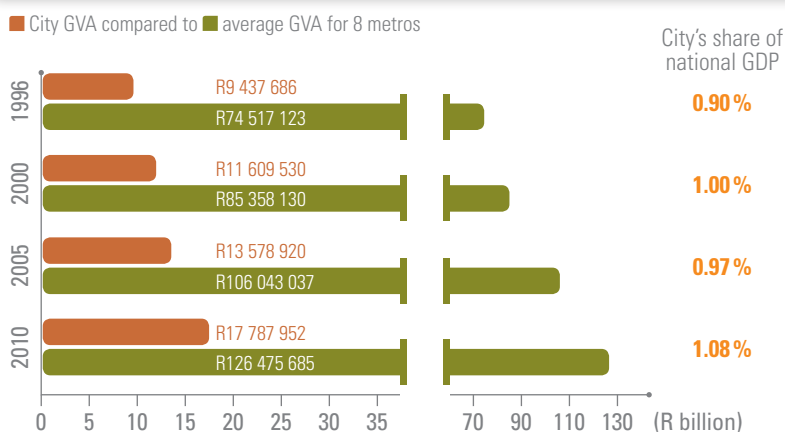
Employment

In 2007:
117 804 Employed people
37.2% Unemployment rate

In 2007, the city had:
 Poverty rate of **43%**
 Approx. **53 942** households living below the poverty line

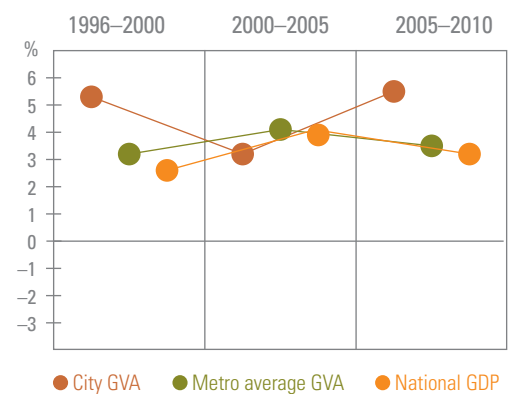
How urban is the area? **37%**
 Urban formal settlements: 32%
 Urban informal settlements: 5%

Economic strength



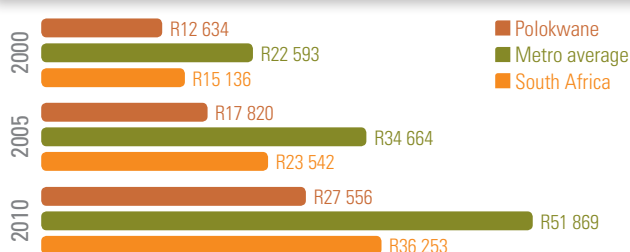
Consistent increases in GVA-R, especially in recent years. The city generates 1.08% of the country's GDP today, more than 14 years ago.

Comparison of economic growth rates



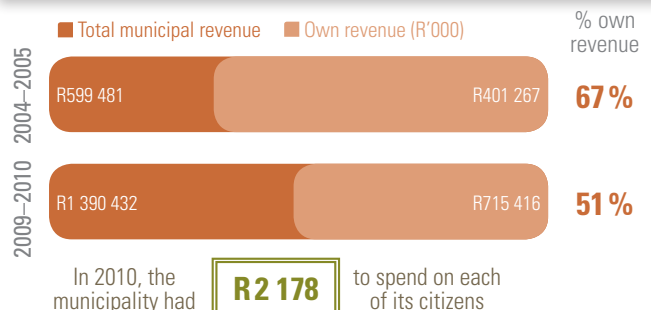
Since 1996, strong economic performance, at times outstripping national and metro averages.

Income levels



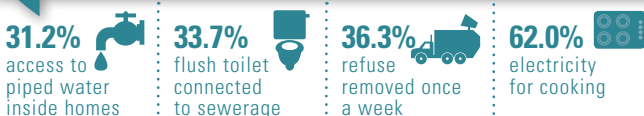
Despite strong economic growth, per capita income is below metro and national averages.

Public finances

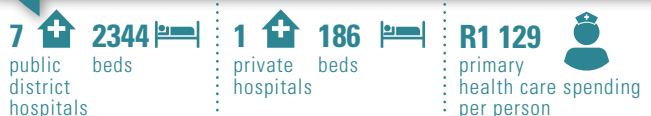


OTHER FACTS ABOUT THE CITY ...

Access to services (2007)



Health infrastructure & expenditure: Capricorn district (2009)



Emalahleni (Witbank)

Emalahleni means the 'place of coal', an appropriate name for the city. Early travellers discovered significant coal deposits, which were only fully exploited when Paul Kruger built a railway line in 1894. Initially dependent on coal, steel and electricity, the city's economy has diversified to become one of the strongest in the country.

THE CITY'S EVOLUTION IN TERMS OF ITS ...

Demographics

Year	City population	% of national population
2000	281 721	0.63%
2005	329 287	0.69%
2010	365 349	0.73%

About 85 000 new people have moved to Emalahleni in the past decade.

Employment

In 2007:
147 089 Employed people
29.9% Unemployment rate

In 2007, the city had:
 Poverty rate of **34.6%**
 Approx. **31 076** households living below the poverty line

How urban is the area? **85%**
 Urban formal settlements: 69%
 Urban informal settlements: 16%

Year	Emalahleni: persons per km ²	Metro average: persons per km ²	City territory (km ²)
2000	105	955	2673.03
2005	123	1031	2673.35
2010	136	995	2677.61

Emalahleni has become more densely populated over the past decade, but its growth isn't even remotely comparable to the metro average.

Economic strength

City GVA compared to average GVA for 8 metros

Year	City GVA (R billion)	Average GVA for 8 metros (R billion)	City's share of national GDP
1996	R13 048 899	R74 517 123	1.25%
2000	R14 594 563	R85 358 130	1.26%
2005	R18 080 752	R106 043 037	1.29%
2010	R19 555 821	R126 475 685	1.19%

Consistent increases in Emalahleni's GVA-R, with some slowing down between 2005 and 2010. The city generates 1.19% of the country's GDP today.

Comparison of economic growth rates

Between 2000 and 2005, economic growth rates higher than national and metro averages, but slowed down.

Income levels

Year	Emalahleni	Metro average	South Africa
2000	R21 397	R22 593	R15 136
2005	R30 952	R34 664	R23 542
2010	R44 856	R51 869	R36 253

Income per capita is higher than the national but lower than the metro average.

Public finances

Period	Total municipal revenue (R'000)	Own revenue (R'000)	% own revenue
2004-2005	R472 829	R400 328	85%
2009-2010	R1 057 138	R742 765	70%

In 2010, the municipality had **R2 893** to spend on each of its citizens

OTHER FACTS ABOUT THE CITY ...

Access to services (2007)

- 45.7%** access to piped water inside homes
- 57.8%** flush toilet connected to sewerage
- 56.9%** refuse removed once a week
- 56.4%** electricity for cooking

Health infrastructure & expenditure: Nkangala district (2009)

- 7** public district hospitals
- 1029** beds
- 3** private hospitals
- 503** beds
- R642** primary health care spending per person

Govan Mbeki (Secunda)

Govan Mbeki is an amalgamation of small towns in Mpumalanga, with Secunda as its main centre. Secunda began as a 'company town' when it was built in the 1980s to accommodate workers from Sasol, a world leader in oil-from-coal extraction. Thanks to the expansion of the oil-to-coal plants, the city has grown substantially.

THE CITY'S EVOLUTION IN TERMS OF ITS ...

Demographics

Year	City population	% of national population
2000	245 025	0.55%
2005	282 248	0.60%
2010	309 628	0.62%

Since 2000, Govan Mbeki has steadily attracted more people.

Employment

In 2007:
99 201 Employed people
27.1% Unemployment rate

In 2007, the city had:
 Poverty rate of **27%**
 Approx. **19 511** households living below the poverty line

How urban is the area? **90%**
 Urban formal settlements: 69%
 Urban informal settlements: 21%

Year	2000	2005	2010
Govan Mbeki: persons per km ²	83	95	105
Metro average: persons per km ²	955	1031	995
City territory (km ²)	2958.96	2958.95	2954.69

Population density has increased over the past decade but falls short of the metro average.

Economic strength

City GVA compared to average GVA for 8 metros

Year	City GVA	Average GVA for 8 metros	City's share of national GDP
1996	R12 970 968	R74 517 123	1.24%
2000	R15 547 995	R85 358 130	1.34%
2005	R17 424 734	R106 043 037	1.24%
2010	R19 949 096	R126 475 685	1.22%

The city's GVA-R has increased steadily since 1996. The city generates 1.22% of the country's GDP today.

Comparison of economic growth rates

● City GVA ● Metro average GVA ● National GDP

Strong economic growth exceeding national and metro averages with some fluctuations after 2000.

Income levels

Year	Govan Mbeki	Metro average	South Africa
2000	R19 465	R22 593	R15 136
2005	26 447	R34 664	R23 542
2010	R37 880	R51 869	R36 253

Per capita income levels are higher than the national average but lower than the metro average.

Public finances

Period	Total municipal revenue	Own revenue (R'000)	% own revenue
2004-2005	R486 410	R347 070	71%
2009-2010	R742 748	R584 297	79%

In 2010, the municipality had **R2 399** to spend on each of its citizens

OTHER FACTS ABOUT THE CITY ...

Access to services (2007)

- 56.4%** access to piped water inside homes
- 84.9%** flush toilet connected to sewerage
- 82.9%** refuse removed once a week
- 71.7%** electricity for cooking

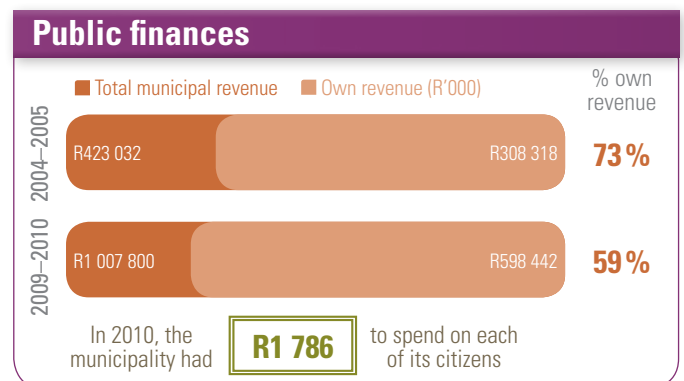
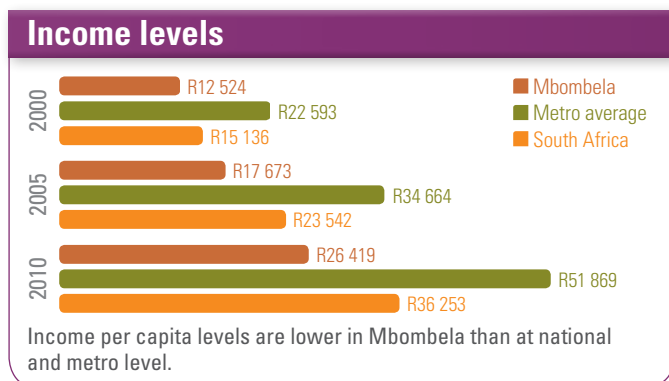
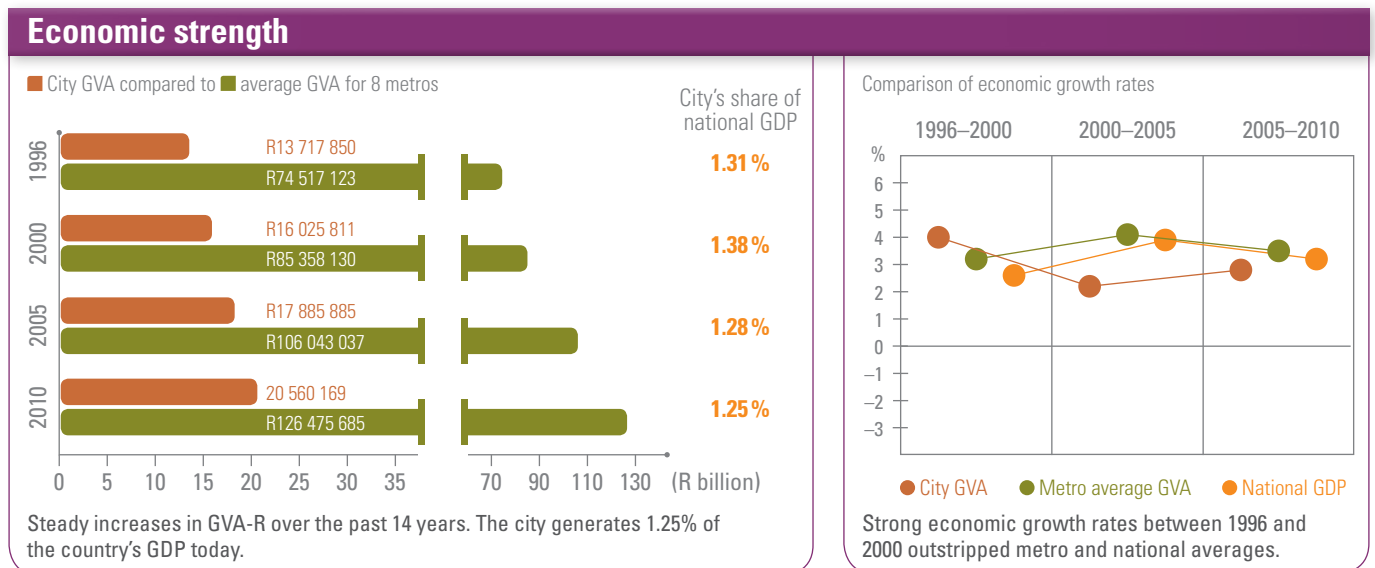
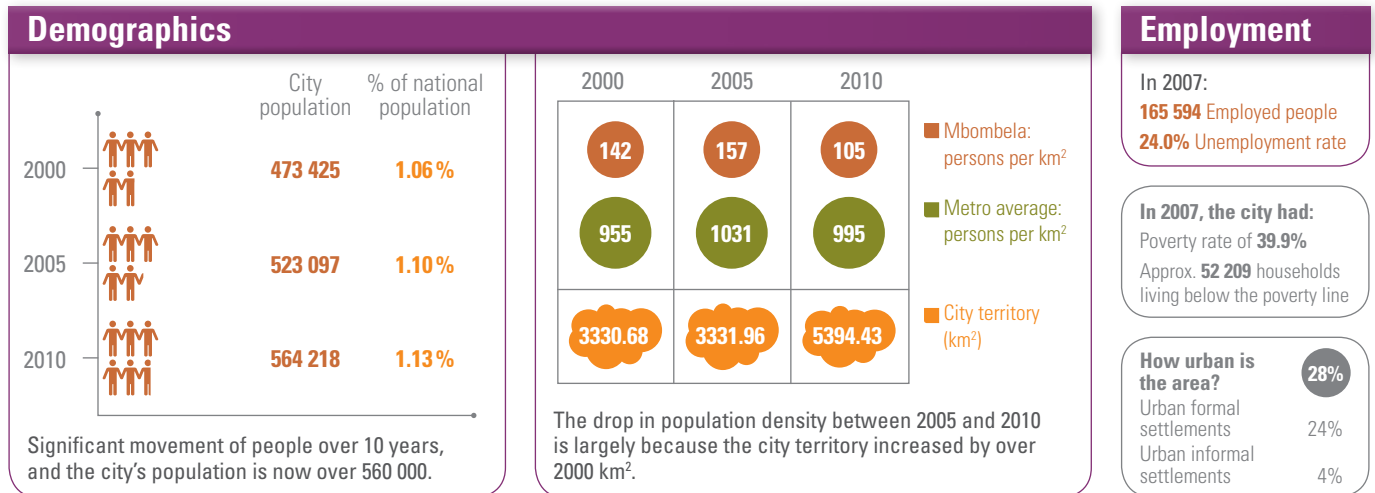
Health infrastructure and expenditure: Gert Sibande district (2009)

- 8** public district hospitals
- 1387** beds
- 3** private hospitals
- 285** beds
- R887** primary health care spending per person

Mbombela (Nelspruit)

Capital of Mpumalanga, Mbombela is made up of a number of smaller towns, but the main urban centre is Nelspruit. The town was founded in 1892, when a railway station was built on a farm owned by the Nel brothers (Nels' spruit or stream). The area's rich soil and water supply soon attracted traders and farmers.

THE CITY'S EVOLUTION IN TERMS OF ITS ...



OTHER FACTS ABOUT THE CITY ...

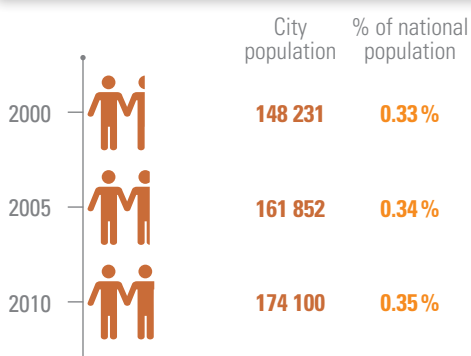


Steve Tshwete (Middelburg)

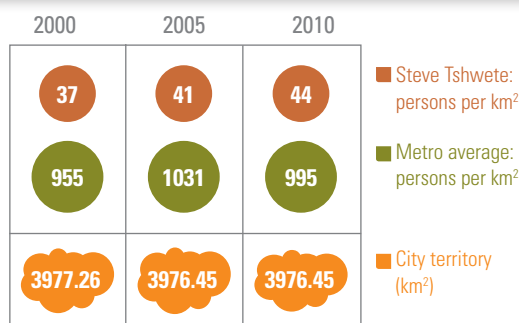
The municipal area of Steve Tshwete covers a number of towns, including Middelburg and Hendrina. Middelburg, the urban core, was established in 1864 by the Voortrekkers, who named the town Nasareth. It later became known as Middelburg (middle town) because of its location halfway between Pretoria, then capital of the Transvaal, and Lydenburg.

THE CITY'S EVOLUTION IN TERMS OF ITS ...

Demographics



Population has grown relatively substantially since 2000.



Population density has increased only marginally and remains much lower than the metro average in the country.

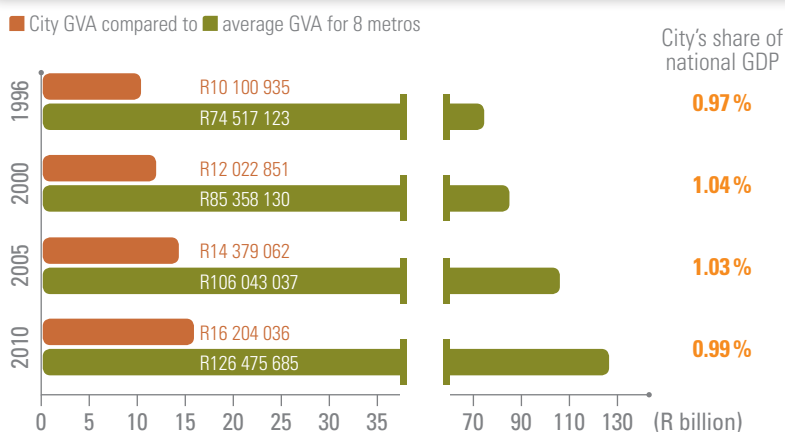
Employment

In 2007:
67 594 Employed people
23.8% Unemployment rate

In 2007, the city had:
 Poverty rate of **26.5%**
 Approx. **11 155** households living below the poverty line

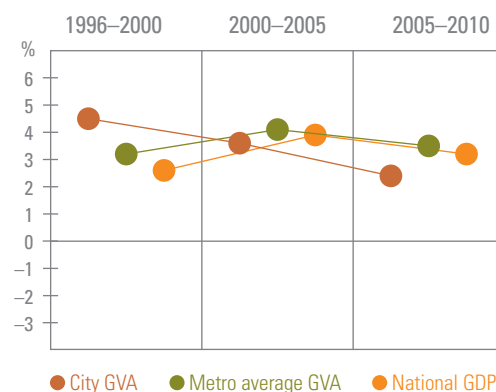
How urban is the area? **78%**
 Urban formal settlements: 68%
 Urban informal settlements: 10%

Economic strength



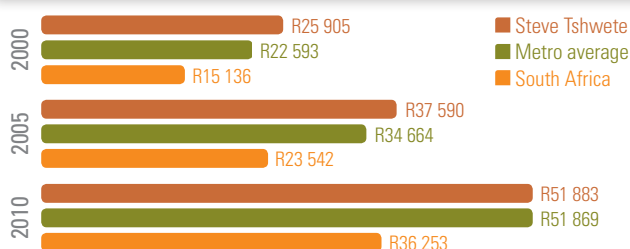
Relatively good performance compared to other cities with consistent increases in GVA-R since 1996. The city generates 0.99% of the country's GDP today.

Comparison of economic growth rates



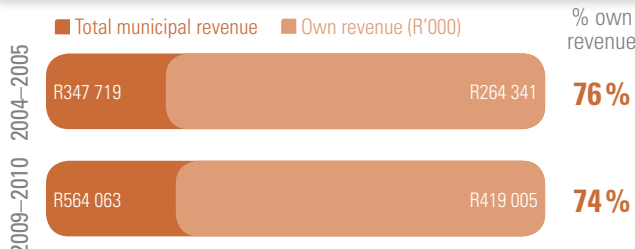
Very strong growth rates, particularly 1996-2000, and highly robust local economy.

Income levels



Per capita income consistently higher than national and metro averages.

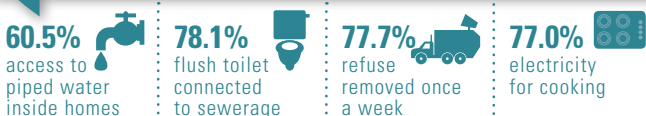
Public finances



In 2010, the municipality had **R3 240** to spend on each of its citizens

OTHER FACTS ABOUT THE CITY ...

Access to services (2007)



Health infrastructure and expenditure: Nkangala district (2009)



City of Matlosana (Klerksdorp)

Klerksdorp, the heart of the City of Matlosana, was established as a town in the 1830s when the Voortrekkers settled there. In 1886 the discovery of gold in the area and in the Witwatersrand 160 km away sparked a gold rush. The area's more ancient history can be seen in the 30 000 year old San rock engravings at Bosworth Farm.

THE CITY'S EVOLUTION IN TERMS OF ITS ...

Demographics

Year	City population	% of national population
2000	365 012	0.81%
2005	376 412	0.79%
2010	385 170	0.77%

The city has attracted roughly 20 000 new inhabitants over the decade.

Employment

In 2007:
112 043 Employed people
31.5% Unemployment rate

In 2007, the city had:
 Poverty rate of **39.1%**
 Approx. **42 694** households living below the poverty line

How urban is the area? **93%**
 Urban formal settlements: 93%
 Urban informal settlements: 0%

	2000	2005	2010
Matlosana: persons per km ²	102	106	108
Metro average: persons per km ²	955	1031	995
City territory (km ²)	3562.66	3561.46	3561.46

Matlosana is more densely populated today than it was a decade ago but still falls short of the metro average.

Economic strength

City GVA compared to average GVA for 8 metros

Year	City GVA (R billion)	Average GVA for 8 metros (R billion)	City's share of national GDP
1996	R15 408 416	R74 517 123	1.47%
2000	R12 607 053	R85 358 130	1.09%
2005	R9 596 590	R106 043 037	0.68%
2010	R10 591 304	R126 475 685	0.65%

A decline in GVA-R since 1996, but Matlosana's economy began picking up in the latter part of the decade. The city generates 0.65% of the country's GDP today.

Comparison of economic growth rates

Negative economic growth, which only began to change after 2005.

Income levels

Year	Matlosana (R)	Metro average (R)	South Africa (R)
2000	R11 536	R22 593	R15 136
2005	R13 761	R34 664	R23 542
2010	R21 765	R51 869	R36 253

The average person in Matlosana has consistently earned less than their national and metro counterparts over the past decade.

Public finances

Period	Total municipal revenue (R'000)	Own revenue (R'000)	% own revenue
2004-2005	R650 116	R429 357	66%
2009-2010	R1 364 370	R614 213	45%

In 2010, the municipality had **R3 542** to spend on each of its citizens

OTHER FACTS ABOUT THE CITY ...

Access to services (2007)

- 52.4%** access to piped water inside homes
- 77.6%** flush toilet connected to sewerage
- 88.3%** refuse removed once a week
- 71.8%** electricity for cooking

Health infrastructure & expenditure: Dr Kenneth Kaunda district (2009)

- 3** public district hospitals
- 2432** beds
- 10** private hospitals
- 1520** beds
- R851** primary health care spending per person

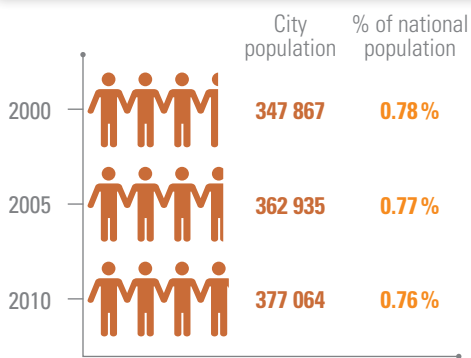


Madibeng (Brits)

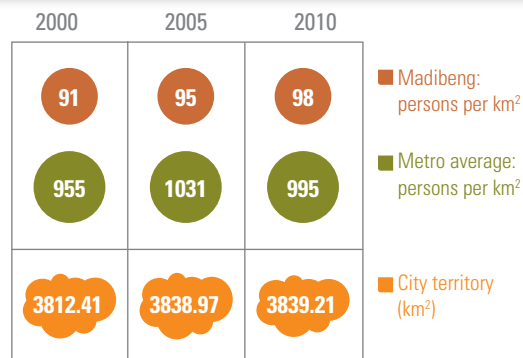
With strong agriculture and mining sectors, Madibeng is situated in the North West province. Brits, its main urban centre, was founded in 1924 and lies in a fertile citrus producing region. The Rustenburg–Brits area is the world's leading platinum producing area, giving the North West province its nomenclature as the platinum province.

THE CITY'S EVOLUTION IN TERMS OF ITS ...

Demographics



Madibeng has seen a significant population increase over the past 10 years.



Madibeng today has more people per km² than it did 10 years ago but far less than the metro average.

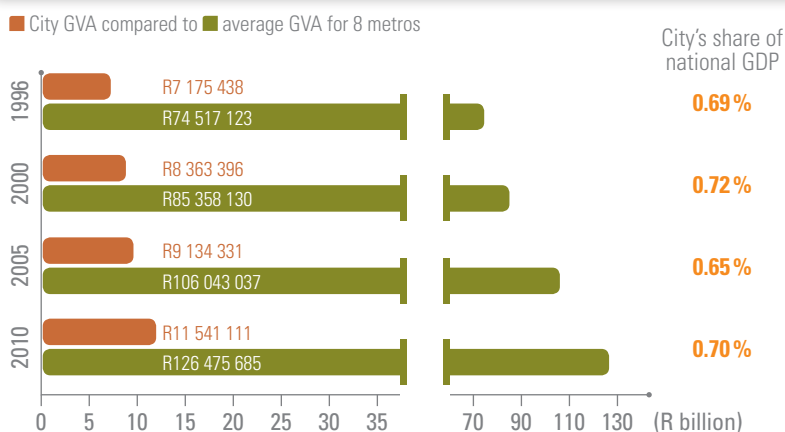
Employment

In 2007:
104 067 Employed people
33.6% Unemployment rate

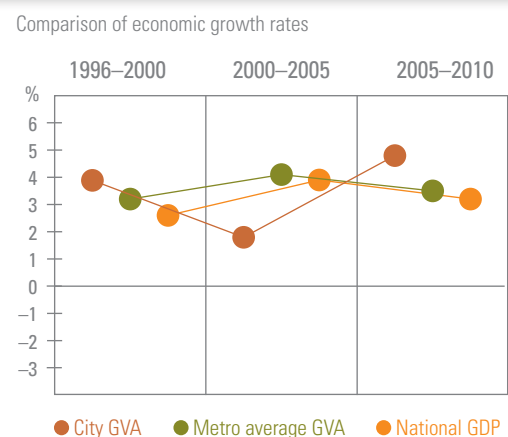
In 2007, the city had:
 Poverty rate of **36.7%**
 Approx. **31 696** households living below the poverty line

How urban is the area? **25%**
 Urban formal settlements: 19%
 Urban informal settlements: 6%

Economic strength

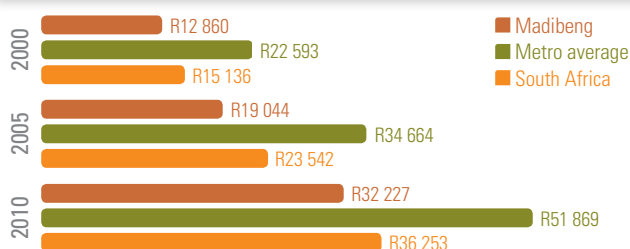


A steady increase in GVA-R over the past 14 years, especially since 2005. The city generates 0.70% of the country's GDP today, slightly more than it did 14 years ago.



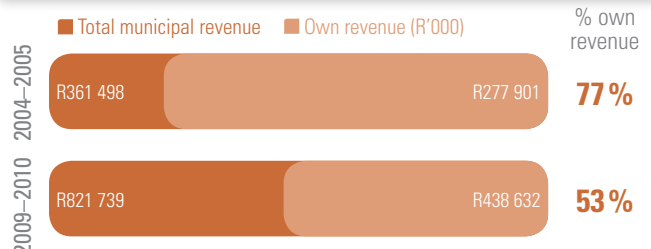
Growth rates exceeded national and metro averages during 2 periods over the past 20 years.

Income levels



Madibeng's per capita earnings have been consistently lower than the national and metro averages since 2000.

Public finances



In 2010, the municipality had **R2 179** to spend on each of its citizens

OTHER FACTS ABOUT THE CITY ...

Access to services (2007)



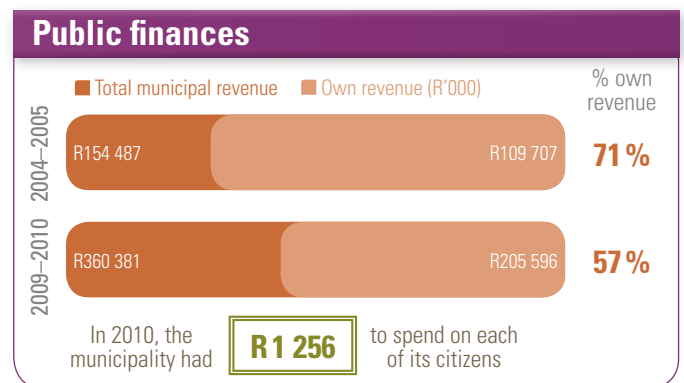
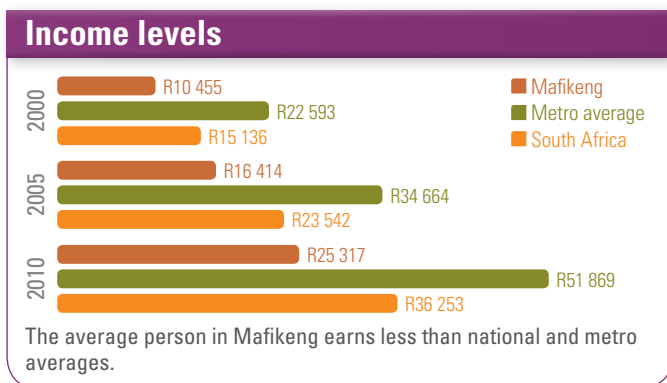
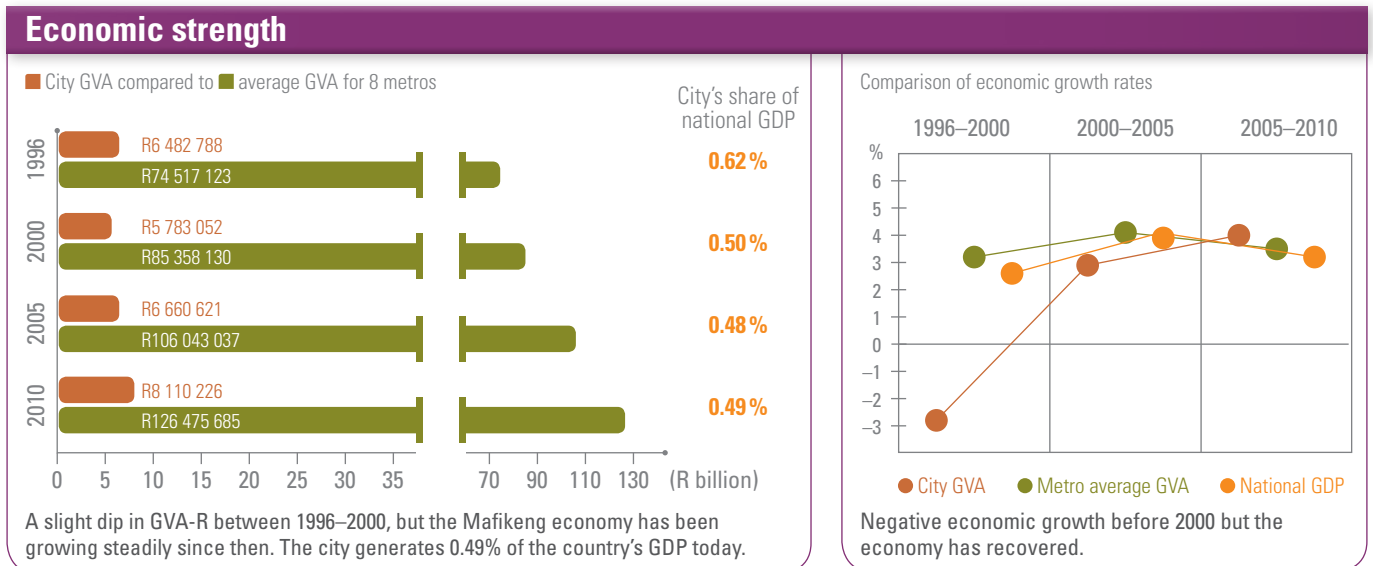
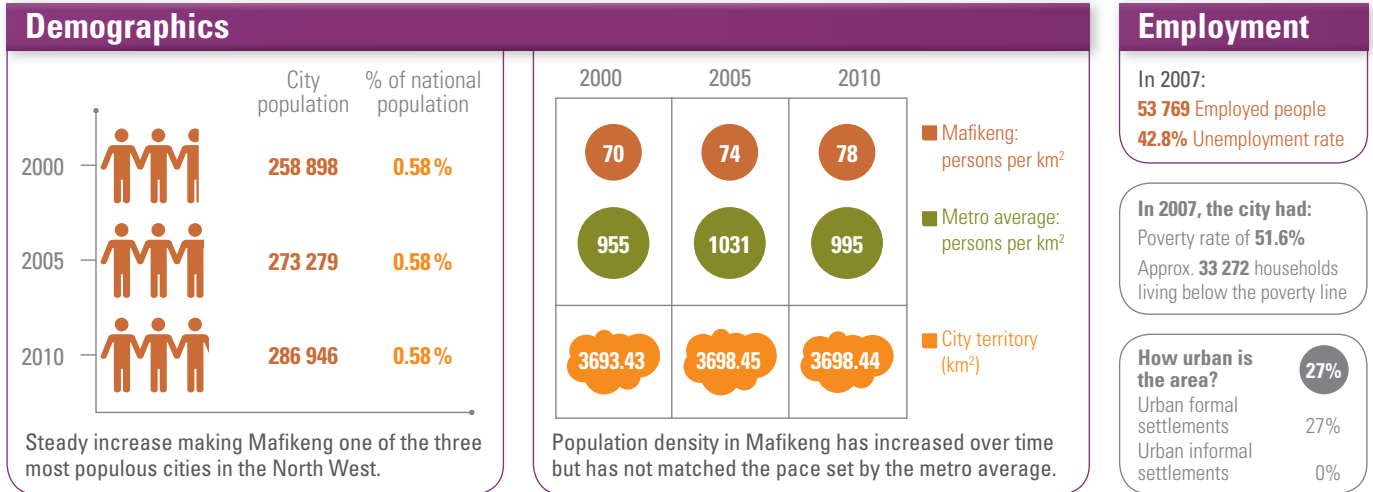
Health infrastructure & expenditure: Bojanala Platinum district (2009)



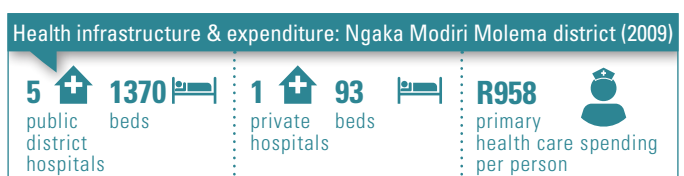
Mafikeng

Mafikeng became the capital of the North West province in 1994 and boasts a rich history. The Khoi and San lived here for thousands of years. The migration of the Tswana societies in the early 19th century saw the settlement of the Barolong Boo Ratshidi section who named the place Mahikeng (later changed to Mafikeng).

THE CITY'S EVOLUTION IN TERMS OF ITS ...



OTHER FACTS ABOUT THE CITY ...



Rustenburg

Founded in 1851, Rustenburg was home to Paul Kruger. However, before the Voortrekkers arrived, the area was inhabited by agrarian Setswana-speaking people for several hundred years. In 1929 platinum was discovered in Rustenburg, and today the area, together with Brits, produces 94% of South Africa's platinum and is the world's leading producer of the mineral.

THE CITY'S EVOLUTION IN TERMS OF ITS ...

Demographics

Year	City population	% of national population
2000	379 947	0.85%
2005	437 791	0.92%
2010	475 232	0.95%

After decade-long growth Rustenburg has the largest city population in the North West province.

Employment

In 2007:
161 753 Employed people
28.2% Unemployment rate

In 2007, the city had:
 Poverty rate of **25.8%**
 Approx. **33 399** households living below the poverty line

How urban is the area? **47%**
 Urban formal settlements: 45%
 Urban informal settlements: 2%

Year	2000	2005	2010
Rustenburg: persons per km ²	109	128	139
Metro average: persons per km ²	955	1031	995
City territory (km ²)	3491.91	3423.25	3423.26

Rustenburg is more densely populated than it was 10 years ago, but its growth has been well below the metro average.

Economic strength

City GVA compared to average GVA for 8 metros

Year	City GVA (R billion)	Average GVA for 8 metros (R billion)	City's share of national GDP
1996	R18 210 499	R74 517 123	1.74%
2000	R21 180 246	R85 358 130	1.83%
2005	R30 703 977	R106 043 037	2.19%
2010	R32 792 742	R126 475 685	2.00%

A very strong city economy, with consistent and substantial increases in GVA-R over the past 14 years. The city generates 2% of the country's GDP today.

Comparison of economic growth rates

Very strong economic growth rates, making this the 7th largest city economy in the country today.

Income levels

Year	Rustenburg	Metro average	South Africa
2000	R18 278	R22 593	R15 136
2005	R29 276	R34 664	R23 542
2010	R45 886	R51 869	R36 253

The average person in Rustenburg earns more than the national per capita average but less than the metro average.

Public finances

Period	Total municipal revenue (R'000)	Own revenue (R'000)	% own revenue
2004-2005	R724 835	R615 248	85%
2009-2010	R1 550 026	R1 172 578	76%

In 2010, the municipality had **R3 262** to spend on each of its citizens

OTHER FACTS ABOUT THE CITY ...

Access to services (2007)

- 37.4%** access to piped water inside homes
- 51.5%** flush toilet connected to sewerage
- 46.4%** refuse removed once a week
- 71.0%** electricity for cooking

Health infrastructure & expenditure: Bojanala Platinum district (2009)

- 4** public district hospitals
- 767** beds
- 5** private hospitals
- 512** beds
- R636** primary health care spending per person



Tlokwe (Potchefstroom)

The first town founded by the Voortekkers north of the Vaal River, Potchefstroom is the oldest Voortrekker town in the former Transvaal and was the first capital of that Republic. Today it is a well-known academic town with strong strategic transport links and an economy dominated by services, manufacturing and agriculture.

THE CITY'S EVOLUTION IN TERMS OF ITS ...

Demographics

Year	City population	% of national population
2000	132 331	0.30%
2005	136 220	0.29%
2010	141 309	0.28%

Solid population growth, with city numbers reaching 140 000 at the close of the decade.

Year	Tlokwe: persons per km ²	Metro average: persons per km ²	City territory (km ²)
2000	49	955	2673.37
2005	51	1031	2673.68
2010	53	995	2673.68

Population density is increasing in Tlokwe but falls far short of the metro average.

Employment

In 2007:
41 825 Employed people
24.5% Unemployment rate

In 2007, the city had:
 Poverty rate of **27.2%**
 Approx. **8 443** households living below the poverty line

How urban is the area? **81%**
 Urban formal settlements: 67%
 Urban informal settlements: 14%

Economic strength

City GVA compared to average GVA for 8 metros

Year	City GVA (R billion)	Average GVA for 8 metros (R billion)	City's share of national GDP
1996	R3 815 512	R74 517 123	0.37%
2000	R3 857 307	R85 358 130	0.33%
2005	R4 503 510	R106 043 037	0.32%
2010	R5 730 392	R126 475 685	0.35%

Steady economic performance since 1996, becoming slightly more impressive in the second half of the decade. The city generates 0.35% of the country's GDP today.

Comparison of economic growth rates

After a very poor showing before 2000, economic growth rates in Tlokwe have increased considerably.

Income levels

Year	Tlokwe	Metro average	South Africa
2000	R18 653	R22 593	R15 136
2005	R29 782	R34 664	R23 542
2010	R45 742	R51 869	R36 253

Per capita income in Tlokwe is higher than the national average but lower than that set by the metros.

Public finances

Period	Total municipal revenue (R'000)	Own revenue (R'000)	% own revenue
2004-2005	R309 517	R262 833	85%
2009-2010	R633 304	R462 415	73%

In 2010, the municipality had **R4 482** to spend on each of its citizens

OTHER FACTS ABOUT THE CITY ...

Access to services (2007)

- 62.6%** access to piped water inside homes
- 83.4%** flush toilet connected to sewerage
- 78.9%** refuse removed once a week
- 83.0%** electricity for cooking

Health infrastructure & expenditure: Dr Kenneth Kaunda district (2009)

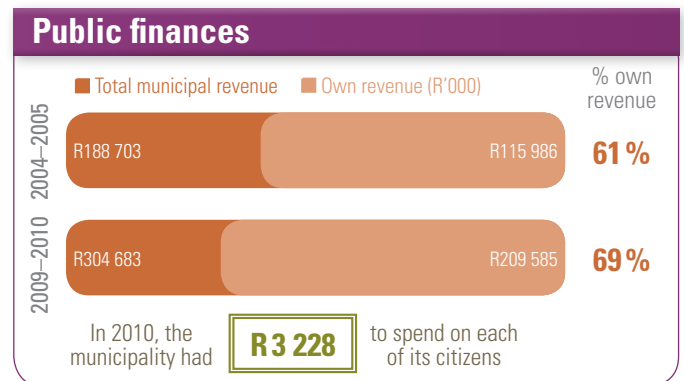
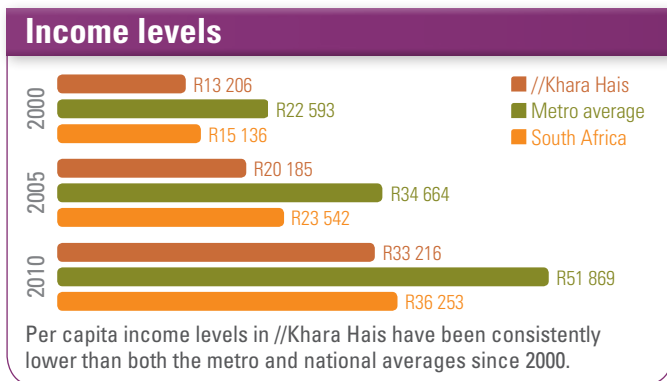
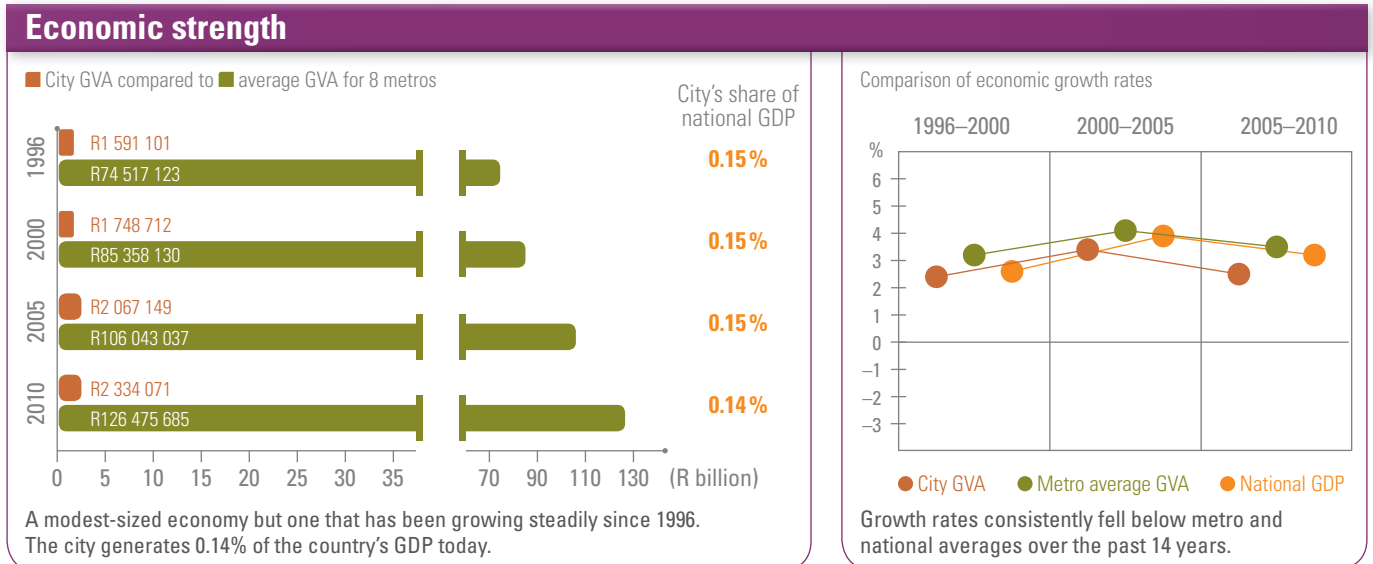
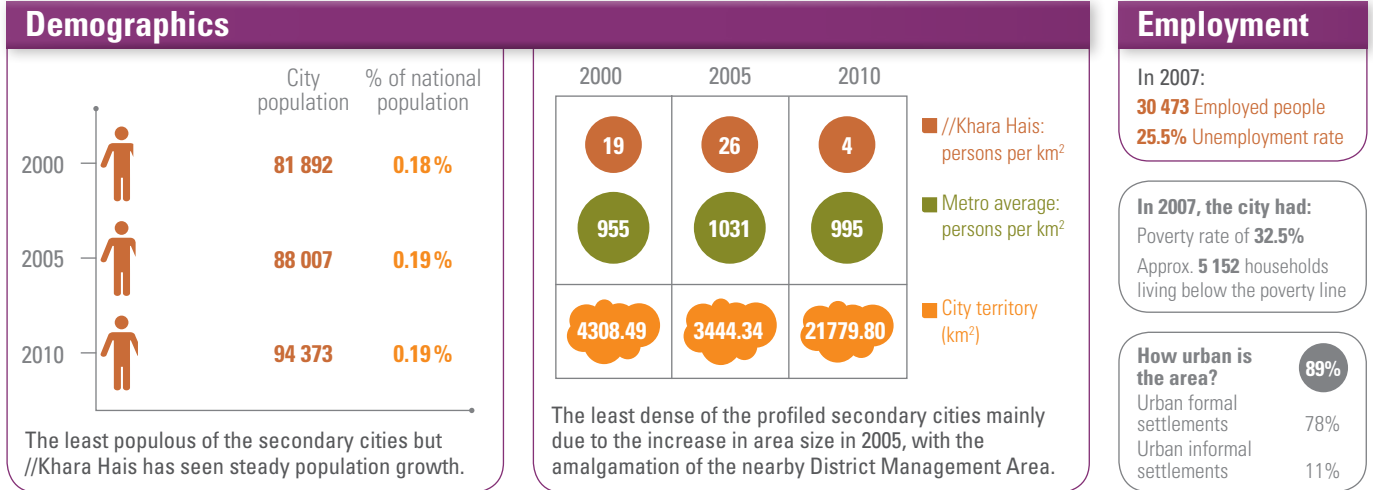
- 3** public district hospitals
- 2432** beds
- 10** private hospitals
- 1520** beds
- R851** primary health care spending per person



//Khara Hais (Upington)

//Khara Hais means 'big tree' and is believed to be the area's original name given by Captain Lukas, the leader of the nomadic Khorana tribes who inhabited the valley during the 1600s. Situated on the Orange River in the Northern Cape, the urban centre of Upington is named after Sir Thomas Upington, Attorney-General of the Cape.

THE CITY'S EVOLUTION IN TERMS OF ITS ...



OTHER FACTS ABOUT THE CITY ...

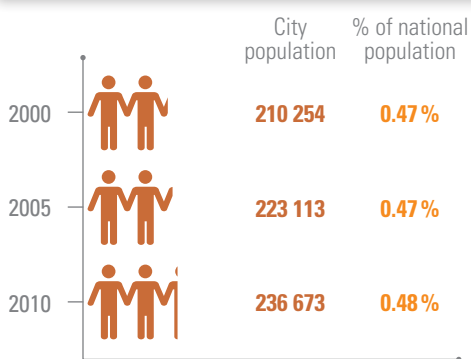


Sol Plaatje (Kimberley)

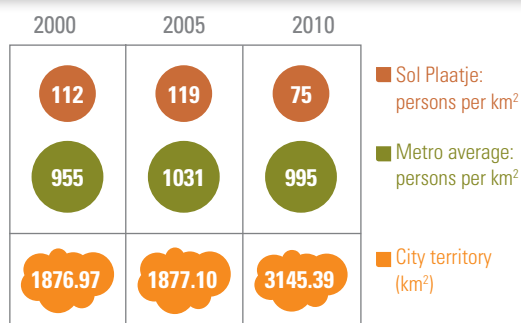
Sol Plaatje is the capital of the Northern Cape province. Its main urban centre is Kimberley, world-renowned for its diamond mines. The discovery of the first diamond in the area in 1867 sparked a major diamond rush three years later. Kimberley today is a strong urban centre, built on the back of its diamond mining.

THE CITY'S EVOLUTION IN TERMS OF ITS ...

Demographics



The Northern Cape's most populous city has seen constant population growth over the past decade.



The city's territory increased by about 1268 km² between 2005–2010, resulting in a significant decline in population density.

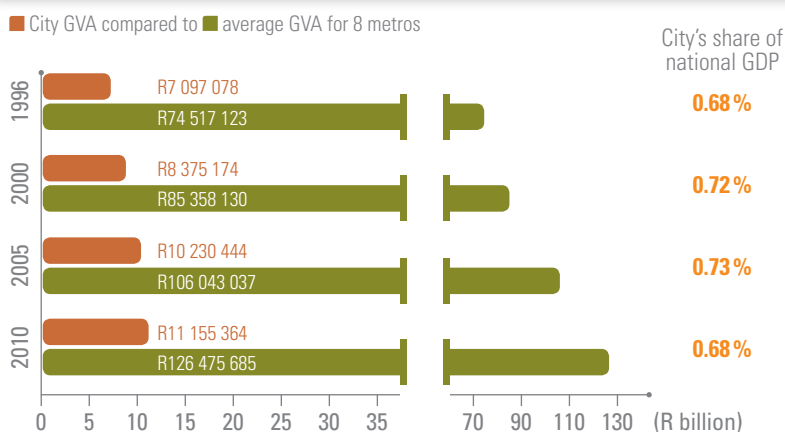
Employment

In 2007:
62 150 Employed people
32.7% Unemployment rate

In 2007, the city had:
 Poverty rate of **34.6%**
 Approx. **16 682** households living below the poverty line

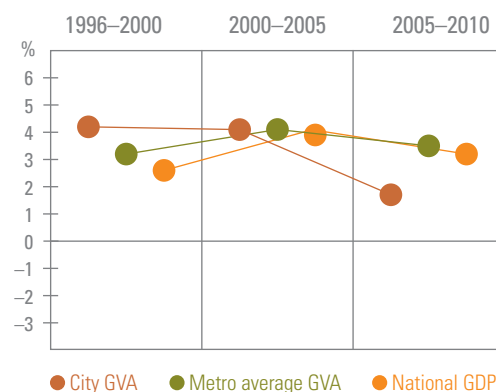
How urban is the area? **96%**
 Urban formal settlements: 88%
 Urban informal settlements: 8%

Economic strength



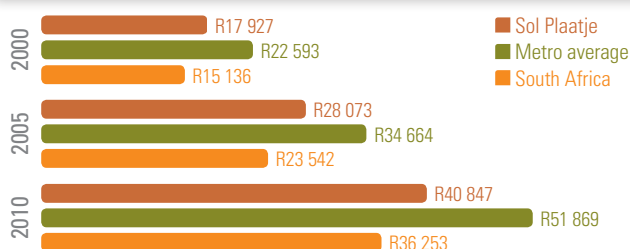
Consistent increases in GVA-R over the past 14 years, with some slowing down between 2005–2010. The city generates 0.68% of the country's GDP.

Comparison of economic growth rates



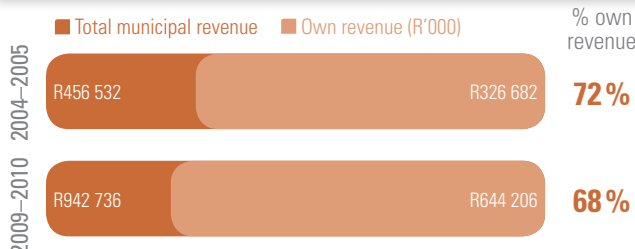
Very strong economic growth rates, often exceeding metro and national averages.

Income levels



The average person in Sol Plaatje earns more than his national counterparts but less than the metro average.

Public finances



In 2010, the municipality had **R3 983** to spend on each of its citizens

OTHER FACTS ABOUT THE CITY ...

Access to services (2007)



Health infrastructure & expenditure: Frances Baard district (2009)



Drakenstein (Paarl)

One of three Western Cape secondary cities profiled, Drakenstein is centred around the town of Paarl in the picturesque Cape Winelands district. As well as being one of the oldest towns in South Africa, it is known worldwide for the quality of its wines and is where the South African Winegrowers Association is located.

THE CITY'S EVOLUTION IN TERMS OF ITS ...

Demographics

Year	City population	% of national population
2000	194 322	0.43%
2005	193 219	0.41%
2010	195 519	0.39%

Drakenstein's population has remained relatively stable over the past decade.

Employment

In 2007:
75 657 Employed people
20.2% Unemployment rate

In 2007, the city had:
 Poverty rate of **22.9%**
 Approx. **9 358** households living below the poverty line

How urban is the area? **82%**

- Urban formal settlements: 77%
- Urban informal settlements: 5%

Year	2000	2005	2010
Drakenstein: persons per km ²	126	126	127
Metro average: persons per km ²	955	1031	995
City territory (km ²)	1537.93	1537.65	1537.66

Stable population density, because of few changes to population and territory over the past decade, but it remains well below the metro average.

Economic strength

City GVA compared to average GVA for 8 metros

Year	City GVA (R billion)	Average GVA for 8 metros (R billion)	City's share of national GDP
1996	R4 969 277	R74 517 123	0.48%
2000	R5 282 013	R85 358 130	0.46%
2005	R6 378 234	R106 043 037	0.46%
2010	R7 367 594	R126 475 685	0.45%

Modest, but consistent increases in GVA-R over the past 14 years. The city generates 0.45% of the country's GDP today.

Comparison of economic growth rates

Relatively strong economic growth rates, especially after 2000.

Income levels

Year	Drakenstein (R)	Metro average (R)	South Africa (R)
2000	R19 227	R22 593	R15 136
2005	R31 117	R34 664	R23 542
2010	R46 843	R51 869	R36 253

The average person in Drakenstein earns more than the national average but less than the metro average.

Public finances

Period	Total municipal revenue (R'000)	Own revenue (R'000)	% own revenue
2004-2005	R484 934	R412 192	85%
2009-2010	R919 945	R702 120	76%

In 2010, the municipality had **R4 705** to spend on each of its citizens

OTHER FACTS ABOUT THE CITY ...

Access to services (2007)

- 74.6%** access to piped water inside homes
- 80.1%** flush toilet connected to sewerage
- 71.5%** refuse removed once a week
- 84.7%** electricity for cooking

Health infrastructure & expenditure: Cape Winelands district (2009)

- 4** public district hospitals
- 1098** beds
- 4** private hospitals
- 448** beds
- R747** primary health care spending per person



George

George is the country's 6th oldest town and was founded under British rule, taking its name from the British monarch George III. This scenic town is located on the picturesque Garden Route. The area around George was first inhabited by the San people, who named it Outeniqua Land meaning 'land of milk and honey'.

THE CITY'S EVOLUTION IN TERMS OF ITS ...

Demographics

Year	City population	% of national population
2000	145 670	0.33%
2005	167 956	0.35%
2010	184 817	0.37%

Like many towns on the Garden Route, George is experiencing an increase in population.

Employment

In 2007:
51 827 Employed people
17.9% Unemployment rate

In 2007, the city had:
 Poverty rate of **21.8%**
 Approx. **8 254** households living below the poverty line

How urban is the area? **93%**
 Urban formal settlements: 85%
 Urban informal settlements: 8%

Year	2000	2005	2010
George: persons per km ²	136	157	36
Metro average: persons per km ²	955	1031	995
City territory (km ²)	1068.73	1071.59	5191.01

A dramatic decrease in population density occurred between 2005–2010, when George gained 4119 km², pushing it even further below the metro average.

Economic strength

City GVA compared to average GVA for 8 metros

Year	City GVA (R billion)	Average GVA for 8 metros (R billion)	City's share of national GDP
1996	R3 018 595	R74 517 123	0.29%
2000	R3 464 378	R85 358 130	0.30%
2005	R4 809 269	R106 043 037	0.34%
2010	R5 813 902	R126 475 685	0.35%

Consistent increases in GVA-R over the past 14 years, with performance improving in the last 10 years. The city generates 0.35% of the country's GDP today.

Comparison of economic growth rates

● City GVA ● Metro average GVA ● National GDP

Somewhat erratic economic growth rates which may require further research.

Income levels

Year	George	Metro average	South Africa
2000	R18 581	R22 593	R15 136
2005	R30 049	R34 664	R23 542
2010	R46 606	R51 869	R36 253

Per capita income levels in George are higher than national averages but lower than the metro average.

Public finances

Period	Total municipal revenue (R'000)	Own revenue (R'000)	% own revenue
2004–2005	R366 581	R293 556	80%
2009–2010	R890 492	R570 619	64%

In 2010, the municipality had **R4 818** to spend on each of its citizens

OTHER FACTS ABOUT THE CITY ...

Access to services (2007)

- 63.9%** access to piped water inside homes
- 84.5%** flush toilet connected to sewerage
- 93.3%** refuse removed once a week
- 81.8%** electricity for cooking

Health infrastructure & expenditure: Eden district (2009)

- 6** public district hospitals
- 774** beds
- 5** private hospitals
- 397** beds
- R935** primary health care spending per person



Stellenbosch

Founded in 1679 by then Governor of the Cape Colony, Simon van der Stel, Stellenbosch initially attracted Europeans eager to explore the interior territory. In response, van der Stel established a magistracy in 1685 controlling movements into the hinterland. Today, Stellenbosch is known for its scenic beauty, its university, its wines and its ancient oaks.

THE CITY'S EVOLUTION IN TERMS OF ITS ...

Demographics

Year	City population	% of national population
2000	118 928	0.27%
2005	127 770	0.27%
2010	135 287	0.27%

Stellenbosch has been attracting more people since 2000, with population figures now over 135 000.

Employment

In 2007:
75 021 Employed people
17.1% Unemployment rate

In 2007, the city had:
 Poverty rate of **27.3%**
 Approx. **7 809** households living below the poverty line

How urban is the area? **76%**

- Urban formal settlements: 70%
- Urban informal settlements: 6%

Year	Stellenbosch: persons per km ²	Metro average: persons per km ²	City territory (km ²)
2000	147	955	811.53
2005	154	1031	831.05
2010	163	995	831.04

Steady population growth and minimal territorial changes have led to an increase in population density, but still far below the metro average.

Economic strength

City GVA compared to average GVA for 8 metros

Year	City GVA (R billion)	Average GVA for 8 metros (R billion)	City's share of national GDP
1996	R4 824 063	R74 517 123	0.46%
2000	R3 761 626	R85 358 130	0.32%
2005	R4 754 753	R106 043 037	0.34%
2010	R5 791 135	R126 475 685	0.35%

A decline in GVA-R between 1996-2000, but the economy has been growing steadily since then. The city generates 0.35% of the country's GDP today.

Comparison of economic growth rates

Negative growth before 2000 but higher than metro and national averages since then.

Income levels

Year	Stellenbosch	Metro average	South Africa
2000	R17 424	R22 593	R15 136
2005	R29 401	R34 664	R23 542
2010	R47 855	R51 869	R36 253

Average income in Stellenbosch is greater than the national per capita average but falls short of metro averages.

Public finances

Period	Total municipal revenue (R'000)	Own revenue (R'000)	% own revenue
2004-2005	R343 967	R265 542	77%
2009-2010	R648 662	R508 022	78%

In 2010, the municipality had **R4 795** to spend on each of its citizens

OTHER FACTS ABOUT THE CITY ...

Access to services (2007)

- 87.0%** access to piped water inside homes
- 94.1%** flush toilet connected to sewerage
- 87.7%** refuse removed once a week
- 97.5%** electricity for cooking

Health infrastructure & expenditure: Cape Winelands district (2009)

- 4** public district hospitals
- 1098** beds
- 4** private hospitals
- 448** beds
- R747** primary health care spending per person



4. How do these cities stack up against each other?

The previous chapters provided individual profiles of each secondary city. We now turn our attention to the big picture: How does an individual city compare *relative to* other secondary cities? We've added another layer to this picture by drawing some comparisons with the country's eight metros as well.

To explore this, we ask several questions following largely from our initial indicators framework: We look at city populations, for example, and try to work out where most South Africans are currently living. We also try to identify those places which house the densest concentrations of people in South Africa today. That tells us something about the urban conglomerations in the country.

We then shift our focus to city economies. Which are the largest city economies in South Africa today? Are any of our secondary city economies actually larger than South Africa's metropolitan economies? Are any of them growing at a faster pace than metro economies? The latter is an interesting question because it may tell us something about future growth. And that, in turn, may tell us something about where South Africa's economic destiny lies. All fascinating questions that may make us re-think our conventional wisdom on the subject.

Also interesting is where per capita incomes are the highest in the country. Major cities attract both the wealthiest segments of our city, as well as the poorest. In general, however, powerful urban centres tend to be those places that also generate the most income for its residents.

Finally, we look at an element of cities' governance capacity. Municipalities are powerful local actors. Their behaviour can fundamentally alter the destiny of the city they govern. We therefore explore their financial strength. Are the municipalities governing our secondary cities financially viable? Do they generate a significant amount of this revenue themselves? How much do they have at their disposal to spend on each citizen? How do they compare to metropolitan municipalities?

A multitude of questions, with some interesting answers, are revealed in the sections that follow.

A note on methodology

Throughout our exploration of these issues, we look at the situation in South Africa *today*. In other words, while our earlier city profiles looked at how each city has evolved over the past decade, this chapter is more concerned with the current situation. All the information presented below is therefore **a snapshot of the city in the year 2010**.

A final disclaimer. The information, and rankings, below is based *solely* on our knowledge of our selected 22 secondary cities and the 8 metros. We have not, in other words, sought to discover the population figures or economic growth rates of other cities outside the list of 30 presented below. It is therefore entirely possible that another South African city, not covered in this report, may for example have a more sizeable population than some in our list of 30. However, that type of comprehensive exercise was beyond the scope of this report. We would strongly recommend that future research explore this more substantively before definitive conclusions are drawn about South Africa's 'secondary cities'.

Despite these methodological limitations, we believe we've come up with some extremely interesting findings. Let's take a look...

4.1 Where are most South Africans living?

The size of a city's population is an important indicator of the area's significance to the national space economy. Demographic strength is a key criterion applied to emerging urban centres across the world. In the developing world context, however, huge concentrations of people are also found in rural settlements that cannot possibly be described as secondary cities. This context should be kept in mind when assessing the demographic profile of South African spaces. Bushbuckridge, for example, had the 17th largest population in the country in 2010 - a situation that displays the complexity of this issue.

Despite these caveats, demographic strength is undoubtedly a key characteristic that a town must initially display if it is to be considered a reasonable contender for secondary city status. The table below looks at population figures for our profiled 22 secondary cities, as well as the metros, in 2010.

	City	No of people (2010)	What % of the SA population does the city house? (2010)
1	Johannesburg	3,669,468	7,37
2	Ethekwini	3,467,302	6,96
3	Cape Town	3,268,975	6,57
4	Ekurhuleni	2,874,051	5,77
5	Tshwane	2,480,227	4,98
6	Nelson Mandela Bay	1,176,079	2,36
7	Buffalo City	797,557	1,60
8	Mangaung	715,288	1,44
9	Emfuleni	675,534	1,36
10	Polokwane	638,339	1,28
11	Msunduzi	590,386	1,19
12	Mbombela	564,218	1,13
13	Rustenburg	475,232	0,95
14	Umhlathuze	410,323	0,82
15	Matlosana	385,170	0,77
16	Matjhabeng	380,146	0,76
17	Madibeng	377,064	0,76
18	Mogale City	371,368	0,75
19	Emalahleni	365,349	0,73
20	Newcastle	342,904	0,69

21	Govan Mbeki	309,628	0,62
22	Mafikeng	286,946	0,58
23	Sol Plaatje	236,673	0,48
24	Drakenstein	195,519	0,39
25	George	184,817	0,37
26	Steve Tshwete	174,100	0,35
27	Tlokwe	141,309	0,28
28	Stellenbosch	135,287	0,27
29	Lephalale	123,836	0,25
30	Khara Hais	94,373	0,19

Source: derived from IHS Global Insight data (2011)

Some interesting things about this list . . .

- With 7,37% of the country's population, Johannesburg is clearly the demographic powerhouse of South Africa
- The 'law of the primate city' argues that the most populous city in a country must be at least twice the size of the next largest city. It's clear from this list that South Africa has no overwhelming obvious singular primate city.
- However, the most obvious 'break' in the table above is between Tshwane and Nelson Mandela Bay (Tshwane's population is more than twice as large as Nelson Mandela Bay).
 - ✎ **There is therefore a distinction to be drawn between South Africa's 5 largest cities, all with populations of over 2,4 million, and the 'rest of the pack'.**
 - ✎ Apart from this distinction, the other cities on this list are relatively close to each other in terms of city size. This bodes well for balanced and dispersed growth across the country.
- The 8 metropolitan areas, perhaps unsurprisingly, occupy top spot.
- Buffalo City and Mangaung, the 2 recently-declared metropolitan areas, have relatively smaller populations (less than 1 million) than the other 6 metro areas. Their recent inclusion as new metros almost creates a different benchmark for aspiring metros in the country - an observation that is borne out by several of the other indicator lists in this chapter.
- Outside of the current metros, Emfuleni and Msunduzi feature very strongly in terms of demographic indicators. They have some of the largest city populations, and some of the highest population densities, in the country.
- Provincial capitals tend to house fairly large concentrations of people. Cape Town, Tshwane, Nelson Mandela Bay, Mangaung, Polokwane, Msunduzi and Mbombela all feature strongly on the list above.
- 12 cities on this list have populations of over 500 000. According to some international definitions, this would qualify them as the 'primate cities' of South Africa. All 12 of these cities each host more than 1% of the national population.
- With a population of under 100 000, Khara Hais would not technically qualify as a 'secondary city' under most international definitions of the term.

4.2 Where are the densest concentrations of people in South Africa today?

Population density is an interesting indicator to apply to secondary cities in South Africa: It's a key legislative criterion that defines whether an area is evolving into a more complex metropolitan area. In general, emerging urban centres have more people per square kilometre than, for example, scattered rural settlements.

In South Africa, however, the population density issue has been somewhat distorted by the effects of municipal demarcation. Changes to boundaries over the past decade have resulted in certain areas becoming much less dense over the years. This has typically been the result of the amalgamation of District Management Areas (which governed sparsely-populated desert-land, game reserves and so forth) into their neighbouring towns when the latter category of municipality was abolished. It is also, however, the result of the de facto rationalisation of municipalities and the incorporation of certain municipal areas into their large neighbours. Metsweding's incorporation into Tshwane is a case in point. The table below looks at population density in 30 South African cities in 2010.

Ranking	City	No of people per km ² (2010)
1	Johannesburg	2,231
2	Ethekwini	1,513
3	Ekurhuleni	1,455
4	Cape Town	1,340
5	Msunduzi	931
6	Emfuleni	699
7	Nelson Mandela Bay	600
8	Umhlathuze	517
9	Tshwane	394
10	Buffalo City	315
11	Mogale City	277
12	Newcastle	185
13	Polokwane	170
14	Stellenbosch	163
15	Rustenburg	139
16	Emalahleni	136
17	Drakenstein	127
18	Mangaung	114
19	Matlosana	108
20	Govan Mbeki	105

21	Mbombela	105
22	Madibeng	98
23	Mafikeng	78
24	Sol Plaatje	75
25	Matjhabeng	74
26	Tlokwe	53
27	Steve Tshwete	44
28	George	36
29	Lephalale	9
30	Khara Hais	4

Source: Calculations by author, based on population data from IHS Global Insight (2011) and area sizes from the Municipal Demarcation Board (2011)

Some interesting things about this list . . .

- With over 2 200 people living within a square kilometre of the city, Johannesburg is far more densely populated than any other place in the country.
- Ethekwini, Ekurhuleni and Cape Town all have well over 1 000 people within a square km of their territory, making them very densely populated urban agglomerations.
- **Msunduzi, Emfuleni and Umhlathuze are all more densely populated than at least some of the metros in South Africa.**
- Despite losing over 5 800 km² during the last boundary changes in 2011, Lephalale still has only 9 people per km². This is mainly because the Lephalale area covers a relatively large territory, as compared to other places profiled in this report.
- Population density has dropped significantly in some places because of changes to their area size over the years: witness the inclusion of Metsweding into Tshwane or the incorporation of former District Management Areas into nearby urban centres such as Khara Hais.
 - ✎ This begs the question about the unintended consequences of municipal demarcation: Are boundary changes making certain cities less 'metro-like' in their features?
- The following cities saw major changes to territory size with the latest boundary changes that came into effect in 2011. This decreased their population density significantly:
 - ✎ Mbombela (gained over 2 000 km²)
 - ✎ Khara Hais (gained over 18 000 km²)
 - ✎ Sol Plaatje (gained over 1 000 km²)
 - ✎ George (gained over 4 000 km²)
 - ✎ Tshwane (gained over 4 000 km²)

4.3 Which are the largest city economies in South Africa today?

The size of a city's economy is an important indicator of how influential it is, and what role it plays in the national space economy. Demographic and economic criteria are, arguably, the two most important criteria to apply to considerations of which places are evolving into secondary cities. However, in the developing world context, this issue needs to be qualified somewhat.

In the developed world, strong city economies tend to be driven by the services sector. Cities with large concentrations of accounting, advertising, media and legal professionals tend to be those that produce the greatest output in monetary terms: they generate the most money. In places like South Africa, however, the strongest city economies *include* those places that have a strong commodity base. Rustenburg, for example, powered by its platinum industry, is the 7th largest local economy in South Africa. The nature of a city's economic base - and the future that this portends for the area - is an interesting question that must be explored further in South African debates on this subject. The table below sets out GVA-R figures, as well as contributions to national GDP, for the year 2010.

	City	City GVA-R 2010 (ZAR) (R1 000)	What % of SA's GDP does the city generate? 2010 (%)
1	Johannesburg	274,006,100	16,71
2	Cape Town	183,326,463	11,18
3	Ethekewini	175,638,243	10,71
4	Tshwane	164,362,713	10,03
5	Ekurhuleni	101,767,802	6,21
6	Nelson Mandela Bay	54,943,413	3,35
7	Rustenburg	32,792,742	2,00
8	Buffalo City	29,642,968	1,81
9	Mangaung	28,117,776	1,72
10	Mbombela	20,560,169	1,25
11	Govan Mbeki	19,949,096	1,22
12	Emalahleni	19,555,821	1,19
13	Polokwane	17,787,952	1,08
14	Msunduzi	17,025,979	1,04
15	Steve Tshwete	16,204,036	0,99
16	Emfuleni	14,740,081	0,90
17	Matjhabeng	12,481,829	0,76
18	Madibeng	11,541,111	0,70
19	Sol Plaatje	11,155,364	0,68
20	Matlosana	10,591,304	0,65
21	Mogale City	9,914,604	0,60
22	Umhlathuze	9,352,082	0,57
23	Mafikeng	8,110,226	0,49
24	Newcastle	7,393,419	0,45
25	Drakenstein	7,367,594	0,45
26	George	5,813,902	0,35
27	Stellenbosch	5,791,135	0,35
28	Tlokwe	5,730,392	0,35

29	Lephalale	2,462,852	0,15
30	Khara Hais	2,334,071	0,14

Source: Derived from IHS Global Insight data (2011)

Some interesting things about this list . . .

- Johannesburg's economy is more than R90,6 billion larger than its nearest closest rival, confirming its position as the veritable economic powerhouse of South Africa.
- There are only 4 cities in the country that currently generate more than 10% of national GDP.
- The top 5 generate more than 50% of the economy.
- **As was the case with population figures, there is a clear break between the top 5 and the rest of the pack in this list:** Ekurhuleni's economy is almost twice the size of Nelson Mandela Bay's.
- Rustenburg's economic performance has been solid since 1996. At that time, it was the 9th largest city economy in the country.
 - ↳ Four years later, it had crept up to 8th position, ahead of Mangaung.
 - ↳ By 2005, Rustenburg had become the 7th largest economy in the country - larger than Buffalo City and Mangaung, the 2 new metros.
 - ↳ It remains in this position today.
- Mpumalanga towns - Mbombela, Govan Mbeki, Emalahleni and Steve Tshwete - feature very strongly just beneath the top ten:
 - ↳ Mbombela, the capital of Mpumalanga province, records a strong showing, generating 1,25% of the country's output.
 - ↳ Govan Mbeki and Steve Tshwete, not currently on the national policy radar, also feature quite strongly in the upper part of this list. More research is needed on what has driven these two local economies over the past decade.
- The Western Cape towns (Drakenstein, George, Stellenbosch) have modest-sized economies, in comparison to their metropolitan neighbour (Cape Town) which has the 2nd largest economy in South Africa.
- Lephalale and Khara Hais each generate less than 0,2% of the country's GDP at present.

4.4 Which city economies have grown the most over the past 5 years?

The size of a city's economy (GVA) is an important indicator of the pre-eminence of an area, but economic growth rates tell an equally interesting story. They could, for example, tell us which cities are on a pathway to sustained economic success because they have consistently recorded strong economic growth.

Of all our indicators, however, it has been economic growth rates have thrown up the most inconsistent data. We would strongly suggest that future research explore this indicator more thoroughly. We'd also recommend that qualitative economic research be undertaken to explain the recent strong performance of places like Tlokwe, or the *inconsistent* performance of areas like Rustenburg or Umhlathuze. Are these just anomalies in the data, or is there something else going on in these economies that policymakers don't yet sufficiently understand? The table below looks at

economic growth rates between 2005 - 2010.

	City	Economic growth rates: 2005 - 2010 (%)
1	Polokwane	5,5%
2	Tlokwe	4,9%
3	Madibeng	4,8%
4	Tshwane	4,6%
5	Stellenbosch	4,0%
6	Mafikeng	4,0%
7	Buffalo City	4,0%
8	George	3,9%
9	Cape Town	3,6%
10	Ethekwini	3,5%
11	Johannesburg	3,4%
12	Msunduzi	3,3%
13	Ekurhuleni	3,0%
14	Lephalale	3,0%
15	Nelson Mandela Bay	2,9%
16	Drakenstein	2,9%
17	Mangaung	2,9%
18	Mbombela	2,8%
19	Govan Mbeki	2,7%
20	Khara Hais	2,5%
21	Steve Tshwete	2,4%
22	Newcastle	2,3%
23	Mogale City	2,3%
24	Matlosana	2,0%
25	Emfuleni	2,0%
26	Sol Plaatje	1,7%
27	Emalahleni	1,6%
28	Rustenburg	1,3%
29	Umlathuze	1,3%
30	Matjhabeng	0,5%

Source: IHS Global Insight (2011)

Some interesting things about this list . . .

- Despite the size of their economies, Johannesburg, Cape Town and Ethekwini are not the fastest-growing economies in the country at present.
- Notwithstanding the strength of its economy, Rustenburg is currently only growing at 1,3% per

annum.

- Matjhabeng, the only city profiled in this report that's seen population *decline* over the past decade, still has a reasonably-sized economy. However, its economic growth has slowed down drastically since 2000, making it clear that the future of South Africa's mining towns needs far more robust policy responses.
- Future research should also explore why Umhlathuze economic performance has slowed down so significantly, after it recorded the highest economic growth rates in the country between 1996 - 2000.
- One way of interpreting the inconsistency of growth rates is to explore the role played by public (or parastatal) investment in a relatively under-developed area?
 - ↳ To what extent does government money drive the towns that feature strongly in our list above?
 - ↳ **Does significant public investment create huge (and somewhat erratic) spikes in economic growth?** What would the Medupi investment do for Lephalale's economy, for example?
 - ↳ Can these 'spikes' place a city firmly on the path to creating a complex and diverse metropolitan economy?

4.5 Where are the highest per capita earnings in the country?

Income levels are an indication of the wealth possessed by a city's residents. Cities are contradictory places: they attract both the wealthier and the poorer segments of a country. It is therefore very difficult to generalise about the significance of local income levels.

Despite these limitations, personal income levels - and *per capita income* levels, in particular - are a telling indicator that a place is evolving into a strong urban centre. It could *possibly* also say something indirect about the nature of the economic base in that area, as service-oriented economic sectors tend to be the ones that generate the most wealth for its workers. The table below looks at per capita earnings in 2010. We've also provided an indication of the percentage share of national personal income that was earned within the city in 2010. Because the latter looks at *total* personal income, and does not consider population size (per capita income), the two columns below reveal different aspects of the picture.

		How much did the average person in the city earn in 2010? (ZAR)	% share of national personal income in 2010 (%)
1	Tshwane	72,491.94	9,96%
2	Johannesburg	65,382.88	13,29%
3	Cape Town	59,894.00	10,85%
4	Steve Tshwete	51,883.45	0,50%
5	Ekurhuleni	50,442.13	8,03%
6	Stellenbosch	47,855.03	0,36%
7	Matjhabeng	47,165.55	0,99%

8	Drakenstein	46,842.74	0,51%
9	George	46,606.30	0,48%
10	Ethekwini	45,967.16	8,83%
11	Rustenburg	45,885.94	1,21%
12	Tlokwe	45,741.67	0,36%
13	Emalahleni	44,856.48	0,91%
14	Mogale City	44,035.90	0,91%
15	Nelson Mandela Bay	43,579.97	2,84%
16	Mangaung	40,881.21	1,62%
17	Sol Plaatje	40,846.67	0,54%
18	Msunduzi	38,242.07	1,25%
19	Govan Mbeki	37,880.12	0,65%
20	Buffalo City	36,310.58	1,60%
21	Emfuleni	35,166.57	1,32%
22	Khara Hais	33,215.66	0,17%
23	Madibeng	32,227.30	0,67%
24	Umhlatuze	29,814.01	0,68%
25	Polokwane	27,556.24	0,97%
26	Mbombela	26,419.27	0,83%
27	Mafikeng	25,317.06	0,40%
28	Newcastle	25,143.90	0,48%
29	Matlosana	21,764.50	0,46%
30	Lephalale	21,453.20	0,15%

Source: Calculations by author, based on IHS Global Insight data (2011)

Some interesting things about this list . . .

- Tshwane has higher per capita earnings than Johannesburg. It would be interesting to investigate whether that was a consequence of Tshwane's smaller population, or the result of the government and R&D money that powers its economy.
- Steve Tshwete, Matjhabeng and the Western Cape towns all feature strongly in our list - and it would be interesting to understand why. In the case of Matjhabeng, the strong per capita levels may be the result of its population levels declining over the past decade.
- **Steve Tshwete, however, has featured strongly in terms of other economic indicators and there is clearly something interesting going on in this local economy.** This may have something to do with international markets for stainless steel, as the city houses a major plant, Columbus Stainless. Again, further research is required, especially since Steve Tshwete appears to be producing nearly 1% of national GDP at the moment.
- Buffalo City, Mangaung and Nelson Mandela Bay have surprisingly low per capita incomes. And whilst it is true that metropolitan areas attract significant numbers of poor people into their areas, it's also generally the case that metros tend to exhibit strong per capita levels.
- The 3 cities capturing the greatest proportion of national personal income are Johannesburg

(13,29%), Cape Town (10,85%) and Tshwane (9,96%).

- By contrast, only 0,15% of the country's total income is generated in Lephalale. It would be useful to track income trends in this area over the next 5-10 years to determine whether massive public investment and the more systematic exploitation of its natural resources changes the picture in any way.

4.6 Which municipalities generate most of their own annual revenue?

Municipalities are important actors in a locality. Their behaviour can significantly influence how that local area develops. A key factor that *could* influence municipal behaviour is the size of its municipal budget. Naturally, this is not the only influential factor, as the state of governance is often driven by less tangible issues like organisational ethos, the prevailing political culture and human capacity within the institution. However, an adequately-sized budget offers a municipality the *latitude* to effect significant developmental change within its area.

In many cities in the world, an important aspect of this story is whether the municipality concerned generates a reasonable proportion of its own revenue. If it does not have the capacity (or tax base) to do so, it becomes overly-reliant on transfers from other spheres of government. The table below looks at the proportion of own revenue that each municipality generates relative to its total revenue for the financial year 2009/10. We would remind our readers, however, that public finance data in this report was derived from National Treasury's *local government database*, and not from the published *Intergovernmental Fiscal Review*. There may therefore be some discrepancy in the reporting which could affect the picture depicted below.

	City	Total revenue (R1 000)	Own revenue ¹⁶ (R1 000)	Own revenue as % of total revenue (2009/10)
1	eThekweni	15,952,533	12,558,633	79%
2	Govan Mbeki	742,748	584,297	79%
3	Stellenbosch	648,662	508,022	78%
4	Mogale City	1,160,275	907,618	78%
5	Drakenstein	919,945	702,120	76%
6	Rustenburg	1,550,026	1,172,578	76%
7	Ekurhuleni	14,403,773	10,844,603	75%
8	Tshwane	14,681,145	10,957,967	75%
9	Steve Tshwete	564,063	419,005	74%
10	Umhlathuze	1,287,723	954,173	74%
11	Tlokwe	633,304	462,415	73%
12	Matjhabeng	1,167,017	838,835	72%
13	Emfuleni	2,845,280	2,030,199	71%

¹⁶ Calculated as the sum of service charges and property rates only

14	Newcastle	887,779	630,297	71%
15	Johannesburg	22,767,735	16,026,518	70%
16	Emalahleni	1,057,138	742,765	70%
17	Msunduzi	2,278,477	1,572,146	69%
18	Khara Hais	304,683	209,585	69%
19	Sol Plaatje	942,736	644,206	68%
20	Mangaung	2,718,737	1,808,415	67%
21	George	890,492	570,619	64%
22	Cape Town	18,818,266	12,040,479	64%
23	Nelson Mandela Bay	5,279,578	3,340,761	63%
24	Buffalo City	2,804,845	1,731,329	62%
25	Mbombela	1,007,800	598,442	59%
26	Mafikeng	360,381	205,596	57%
27	Madibeng	821,739	438,632	53%
28	Lephalale	174,950	90,111	52%
29	Polokwane	1,390,432	715,416	51%
30	Matlosana	1,364,370	614,213	45%

Source: Calculations by author, based on National Treasury data (2011b)

Some interesting things about this list . . .

- Ethekwini and Govan Mbeki generate 79% of their own revenue - more than any other municipality in the country.
- They are followed closely by Stellenbosch and Mogale City (78%), as well as Drakenstein and Rustenburg (76%).
- Metros exhibit a surprisingly mixed performance, with Johannesburg ranking only 15th on the list above.
- However, more research needs to go into this picture. The size of the equitable share and other transfers may be distorting the picture somewhat, as these subsidies are made on the basis of several factors (population, deprivation) that may be more characteristic of large metros.
- **Provincial capitals, too, display a mixed performance, with Mbombela, Mafikeng and Polokwane finding themselves in the bottom 5 of this list.**
- Matlosana generates less than half its own revenue, a situation that makes the municipality excessively dependent on inter-governmental grants.

4.7 Which municipalities have the highest per capita revenue?

The previous table looked at the municipal budget in relatively generalised terms. This section focuses on per capita revenue: how much of money the municipality has to spend on each citizen. This is an important segment of the story because it tells us how much a municipality has *at its disposal* to improve the lives of its citizens.

What would be interesting, however, would be to compare the municipal capita revenue figures to the actual expenditure per capita. We've, unfortunately, not been able to do that as part of this

exercise, but would strongly encourage further analysis in this regard. The table below looks at per capita revenue for the 2009/10 financial year.

	City	Per capita revenue (2009/10) (ZAR)
1	Johannesburg	6,205
2	Tshwane	5,919
3	Cape Town	5,757
4	Ekurhuleni	5,012
5	George	4,818
6	Stellenbosch	4,795
7	Drakenstein	4,705
8	eThekweni	4,601
9	Nelson Mandela Bay	4,489
10	Tlokwe	4,482
11	Emfuleni	4,212
12	Sol Plaatje	3,983
13	Msunduzi	3,859
14	Mangaung	3,801
15	Matlosana	3,542
16	Buffalo City	3,517
17	Rustenburg	3,262
18	Steve Tshwete	3,240
19	Khara Hais	3,228
20	Umhlathuze	3,138
21	Mogale City	3,124
22	Matjhabeng	3,070
23	Emalahleni	2,893
24	Newcastle	2,589
25	Govan Mbeki	2,399
26	Madibeng	2,179
27	Polokwane	2,178
28	Mbombela	1,786
29	Lephalale	1,413
30	Mafikeng	1,256

Source: Calculations by author, based on revenue figures from National Treasury (2011b) and population data from IHS Global Insight (2011)

Some interesting things about this list . . .

- The top 4 positions are occupied, perhaps unsurprisingly, by metros.

- What *is* surprising, however, is the solid performance of the 3 Western Cape towns, each of which has over R4 500 to spend on every person within its municipal boundaries.
- Mbombela, by contrast, only has R1 786 per person at its disposal - a somewhat unusual finding, given the municipality's relatively strong economy.
- Similarly, Polokwane - a city that has exhibited strong economic growth recently - has a per capita revenue figure of only R2 178.
- Municipalities like Mbombela, Lephhalale and Mafikeng have less than R2 000 to spend on each of their citizens.
- **Per capita revenue in metros like Mangaung and Buffalo City is considerably lower than in many non-metros such as Tlokwe, Emfuleni, Sol Plaatje, Msunduzi and the three Western Cape towns.**
- In general, provincial capitals exhibit a mixed performance: Sol Plaatje, Msunduzi and many of the metropolitan capitals fare very well, whereas Mafikeng, Mbombela and Polokwane are to be found in the bottom 4 of this list.

5. What does applying the criteria reveal?

Thus far, we've presented a picture of each of our potential secondary cities, and we've attempted to draw comparisons amongst them and with the country's metros. There have been a few surprises in our findings, as well as some tentative patterns emerging. We'd like to now draw together a few of those generalised findings.

At the outset of this report, we stated that we have taken a quasi-official list of 'secondary cities' as the starting point for this report. We also stated that we had not collated data on other cities outside this list of 22 - and that far more research is required to empirically identify the secondary cities in South Africa.

Bearing these limitations in mind, we have applied a set of generalised criteria, drawn from the literature, to our list of 22 to ascertain whether they meet the standard for secondary city status. These are some of our conclusions:

5.1 Demographic changes in secondary cities

- With the exception of Khara Hais, all 21 other cities currently meet the demographic standard of having a population of more than 100 000 people¹⁷
- Of the 21 cities that currently meet this demographic criterion, only Matjhabeng has experienced overall population decline in the past decade. Drakenstein and Emfuleni have had a mixed demographic performance, experiencing population decline in the first part of the decade with subsequent increases in the latter.
 - ✎ Demographic trends will need to be observed in all three of these places before we can confidently assert that they are irrevocably on the path to becoming strong secondary cities
 - ✎ Beyond trends and fluctuations, however, Emfuleni currently has the 9th largest population in the country, and its demographic strength should therefore be acknowledged
- There are many places in South Africa that host a large population, but are clearly still very rural in nature. Bushbuckridge, currently the 17th most populous place in South Africa, is a classic example of that phenomenon.
 - ✎ We'd therefore argue that a **test of 'urban-ness'** be derived and applied to all potential secondary cities that meet the demographic threshold criterion. Such a test could measure the presence of a significant built environment, for example.
- There are differing perspectives in the literature as to whether **population density** is a reasonable criterion for secondary city status or not.
 - ✎ One perspective believes that a large surface area is an indication of a strong and growing urban centre¹⁸. This view implies a continuum, from very geographically large areas (primate cities) to relatively smaller spaces that could be termed secondary cities
 - ✎ The other point of view is that an urban conurbation is, by its nature, a very 'built-up' space, both in terms of buildings and people

¹⁷ This standard is drawn from Dennis Rondinelli's influential work on secondary cities (1983)

¹⁸ See Best et al (1974). *The density-size rule*, for example, as well as early hypotheses that 'area surface' could be a defining criterion for secondary city status (de Fourcroy (1782), cited in Verdier (2006))

- ✎ As a result, we do not draw any strong conclusions on this issue, except to note that density is a legislative criterion for metro status in South Africa. If, therefore, one was to take this as a key indicator that a city was evolving into a metropolitan area, places like Msunduzi, Emfuleni and Umhlathuze would all be considered to have strong metro potential (these cities are more densely populated than many of the current metropolitan areas)
- ✎ The final point we would flag for attention is about the unintended consequences of municipal demarcation, which may be creating less 'metro-like' spaces that actually go against other demographic and economic trends occurring in those areas

Population size and South African secondary cities

Dennis Rondinelli states that a country has just one primate city (the one with the largest population) and that 'secondary cities' are *all* the other towns that have a population of more than 100 000 people. In our analysis above, we've used Rondinelli's benchmark, and deduced that all 22 of our cities, except Khara Hais, qualify. Under this definition, Lephalale would have only become a secondary city between 2000 - 2005, which is when its population crept over the 100,000 mark.

Kingsley Davis' definition, by contrast, implies that a country can have more than one primate city. If one was to apply Davis' more restrictive definition of a secondary city possessing 100 000 to 500 000 people, then South Africa would have 14 primate cities. **Fourteen South African cities currently have populations of more than 500 000 people** - the 8 metros, Emfuleni, Polokwane, Thulamela, Msunduzi, Mbombela and Makhado.

Davis' definition would also grant 'secondary city' status to all other South African towns currently hosting a population of more than 100 000. This, incidentally, would include towns like Mogalakwena (Limpopo), Moses Kotane (North West) and so forth.

In summary, a set of demographic criteria is clearly the minimum threshold required for us to consider a town as a secondary city. However, many other measures of urbanity would subsequently need to be applied to those towns that meet the threshold.

Source: Data from IHS Global Insight (2011)

5.2 Economic changes in secondary cities

- Most of our list of 22 cities have experienced steadily increasing GVA since 1996.
- A few South African towns - Matjhabeng, Emfuleni, Mafikeng and Stellenbosch - appear to have taken a slight dip between 1996-2000, but have been steadily recovering since then.
- Only Matlosana experienced a constant decline in economic growth between 1996 - 2005. Its economy has been improving since then, however.
- According to Rondinelli, secondary cities should play a distinct role in the national space economic - something often referred to as central place functions. We do not have the data to make a sound assessment of whether that is, in fact, happening with our secondary cities. However, we can point out that:

- ✎ All 22 cities are administrative centres in the country, by virtue of housing local government

structures within them.

- ↗ All the country's provincial capitals not governed by metropolitan municipalities are also within this list of 22
- ↗ The brief histories we've described at the beginning of each profile reveal that many started as mining towns or agricultural markets. All the international evidence indicates that this is often the catalyst for a space becoming a 'secondary city' (Rondinelli, 1983), but these cities need to diversify their economies if they are to become strong urban centres (ESPN, 2010, 2011). The validity of these conclusions are, perhaps, quite evident when we look at the population drain of the mining town of Matjhabeng over the past decade.
- We would also encourage further research into the services sector within these city economies. Again, all the international evidence reveals that the beginnings of a service-oriented economy is a crucial step to becoming something more akin to a 'secondary city'

5.3 Changes in cities' personal income levels

This is an interesting, if somewhat complex, indicator because it speaks to the levels of personal wealth in a city. We do not have sufficient information to draw very definitive conclusions on this matter, but have made the following observations:

- Personal income levels, and per capita income, have been rising in all 22 secondary cities since 2000
- However, we'd like to draw your attention to the fact that we've not corrected for inflation in this report - and this could distort the picture somewhat
- Many secondary cities profiled here performed better than the national average over the past decade.
- Only one secondary city, however, has consistently performed better than the metro average since 2000: Steve Tshwete
- Per capita incomes are interesting and revealing, but they generally mask huge disparities within a city. We were not able to access local Gini coefficient figures for this study, but that would add a more nuanced perspective to this indicator

5.4 Changes in cities' public finances

We were unable to access financial data for the year 2000, and therefore cannot draw a neat picture of performance over a decade. However, based on what we've observed since 2004:

- Total revenue has increased in all 22 of the secondary cities profiled in this report
- Revenue from property rates and service charges - the two principal sources of 'own revenue' - has increased in all but one case: Lephale's revenue from property rates has decreased since 2004 (this may, however, be a discrepancy in financial reporting)
- We'd again like to draw your attention to the fact that we've not corrected for inflation in this report, and this may somewhat affect the picture we've painted
- The percentage of a municipality's total revenue that can be ascribed to own sources of revenue has actually decreased in 17 of the 22 secondary cities since 2004:
 - ↗ The 5 *exceptions* are Matjhabeng, Emfuleni, Govan Mbeki, Khara Hais and Stellenbosch
 - ↗ Some municipalities experienced fairly dramatic decreases in their own revenue proportions since 2004: Mbombela dropped from 73% to 59% by 2010, and Madibeng from 77% to 53%

- ✎ However, these figures need to be treated with caution. They may be the result of differences in financial reporting formats over the year. It's also likely that the equitable share has increased in some of these places, with the concomitant effect of decreasing the own revenue proportion of certain municipal budgets
- The per capita revenue figures tell an extremely interesting story, however, and more work is required on why the Western Cape towns of Drakenstein, Stellenbosch and George have fared so well in this regard

The state of urban governance in South Africa

We've reflected on but one aspect of urban governance here: the municipal budget. However, municipal performance in general is an important factor for the success of any potential secondary city. Incidents like Msunduzi municipality being placed under administration because of mismanagement, service delivery breakdowns in many of the municipalities governing our secondary cities and poor governance are continual reminders that poor urban *governance* can undermine the potential of any city, no matter how much economic potential it holds.

We would be amiss if we did not point out that many municipalities governing the cities profiled in this report have faced serious governance challenges over the past decade. Corruption, mismanagement, political infighting, lack of service delivery and unresponsiveness to citizens are just a few of the issues that have broken down the trust between local government and its communities. Municipalities' inability to build decent infrastructure, deliver adequate services, fast-track zoning and other regulations or even bill its customers correctly may also lead to private sector disinvestment from certain areas.

Hence, the potentially positive economic destinies that we allude to in this report must be placed against this backdrop. The South African developmental state will not be able to fully exploit the potential of its urban spaces if municipal governance does not improve drastically in the coming years.

5.5 Changes in cities' capacity to generate employment

We do not have sufficient information to draw any real conclusions about the labour absorptive capabilities of our 22 secondary cities. This is, however, an extremely important criterion and we'd therefore like to make a few generalised remarks on the subject:

- Urban centres tend to attract new migrants precisely because of the job opportunities they offer.
 - ✎ A city's capacity to absorb labour is therefore almost a certain sign that the place will expand demographically
 - ✎ It is not, however, a guarantee that the city's economy will grow. That would depend on whether each new citizen costs the city less than s/he gives in return. Cost-benefit analyses like these depend on the nature of the city's dominant employment sectors (menial work vs higher-paid jobs), its infrastructure capacity and the state of municipal finance
 - ✎ The debate about the employment potential of cities must therefore be framed very carefully

- International debates on the subject look at the number of workers employed in the services sector in a potential secondary city¹⁹. More specifically, they assess how many people are employed in advertising, banking, media services, law, finance, auditing and so forth.
 - ↳ That's because these professions tend to generate the most wealth in a city
 - ↳ Despite South Africa's poverty profile, and policymakers' consequent desire to look *only* at total employment figures in the development discourse, we must begin breaking down employment profiles into more specialised sub-sectors - and to explore what this means for the urban agenda

A quick test of the presence of a services economy in South African cities

City	AUDITING SERVICES: No of Deloitte offices	BANKING: No of HSBC bank offices	ADVERTISING: No of Saatchi and Saatchi offices
Johannesburg	1	1	1
Cape Town	1	1	1
eThekweni	1	1	0
Tshwane	2	0	0
Nelson Mandela Bay	1	0	0
Buffalo City	1	0	0
Umhlathuze	1	0	0
Msunduzi	1	0	0
London	5	139	5
New York	3	10	2

Source: www.deloitte.com; www.saatchi.com; www.hsbc.com; www.forbes.com (accessed December 2011)

In summary, most of the 22 cities we've chosen to put through an initial litmus test in this report could, indeed, qualify as South Africa's secondary cities. However, a far more rigorous process of data collation and qualitative research needs to be embarked on before we can draw definitive conclusions. This research should be directed at all areas currently governed by local municipalities in the country, in order to ensure that we are not missing a strong contender outside of our original list of 22. The next chapter, in fact, aims to begin precisely that debate.

¹⁹ See GAWC methodology, for example

6. Are there any other contenders?

Before we conclude our exploratory report on South Africa's secondary cities, we'd like to draw your attention to other possible places that possess some of the key traits. We explained early on in this report that the list of 22 cities profiled here was drawn from a quasi-official government list of 'secondary cities'. However, it has become clear that much more thought needs to go into which places qualify as secondary cities - and *why* they should qualify (the defining characteristics).

We attempt to stimulate the beginnings of that conversation here by pointing out some interesting facts about other cities which were not part of our starting line-up.

City	Province	Why it is a contender
Ba-Phalaborwa	Limpopo	This Limpopo town generated more than R22 678 million in 2010 the 18 th largest local economy in the country in that year. Its exports totalled over R5 350 million in the same year.
Bitou (Plettenberg Bay)	Western Cape	This coastal town was the 3 rd fastest growing economy in South Africa between 1996 - 2009 recording an average of 7% growth. It also has very high per capita incomes.
Knysna	Western Cape	This is another coastal town with very high economic growth rates between 1996 - 2009 (6,6%) as well as possessing one of the highest per capita incomes in the country, exceeding those of Johannesburg and Tshwane.
Makhado (Louis Trichardt)	Limpopo	With a city population of over 500 000 in 2010, Makhado ranked 14 th in national population size making it eligible to qualify as a 'primate city' under demographer Kingsley Davis' influential definition.
Metsimaholo (Sasolburg)	Free State	In 2010, Metsimaholo's GVA-R was over R25 885 million larger than places like Polokwane and Msunduzi. Its exports that year were close to R2 249 million, one of the highest in the country.

Mossel Bay	Western Cape	Between 1996 - 2009, its economic growth rate averaged an impressive 7,4% (the 2 nd fastest grower in the country) it also had the highest per capita income in South Africa in 2010
Thabazimbi	Limpopo	With a GVA-R of close to R31 626 million, it was the 11 th largest city economy in South Africa in 2010 surpassing places like Govan Mbeki and Mbombela.
Thulamela (Thohoyandou)	Limpopo	With close to 635 000 people living within its city borders, this Limpopo town had the 11 th largest city population in 2010 it also had one of the highest personal income levels in the country in the same year
Notable mentions:		Mogalakwena (Potgietersrus), Breede Valley and Saldanha Bay also feature strongly in terms of population sizes, economic growth, size of exports and personal income levels

Source: All data cited above is from IHS Global Insight (2011)

Whilst we would argue that much more detailed research needs to go into these areas, it is clear that this is:

- A list dominated by Limpopo and Western Cape towns
- Cities propelled by strong mining and tourism sectors

In summary, there are other cities that are not in our list of 22 which may be strong contenders for inclusion in further analysis. We hope that some of the issues we've highlighted in this section will pave the way for a more substantive conversation, and far more rigorous research, on secondary cities in South Africa.

7. Taking the conversation forward

The purpose of this report was to begin a conversation on secondary cities in South Africa. There are a few things that have become apparent along the way. The first is that it is difficult to have a debate about secondary cities without some overarching perspective of the country's hierarchy of spaces. Despite early attempts to begin defining such as hierarchy (du Plessis, 2003), the debate in South Africa has become reduced to whether a particular local municipality could become a metro or not. This is a flawed way of looking at the issue, and we believe that there are rich insights that could be gained by reflecting more carefully on the notion of an urban hierarchy. More specifically, we would recommend that the policy and research community think about the role that different urban spaces can play in the national space economy.

Delineating these different roles is a useful thing to do. It's useful because it will enable us to fully exploit the development potential of each space. It will also assist government to target its development interventions and development finance more strategically. That could lead, inter alia, to a more targeted and differentiated approach for development interventions. Finally, **it may help us think more carefully about the types of municipal government we need in these different areas.** In brief, developing a national hierarchy of cities is a critical first step.

Once an urban hierarchy is defined, we would encourage the development community to investigate each of the different rungs of the pyramid thoroughly. This would entail addressing several prior questions, such as

- How will we define our primate cities?
 - ↳ What criteria will we adopt in their selection?
 - ↳ Will their selection be influenced purely by their role in the world system, or are there regional and national roles that will be taken into account?
 - ↳ Once selected, what role will our primate cities fulfil in the national space economy?
 - ↳ What forms of local government should govern them?
- Once we've defined our primate cities, attention should turn to the next rung: secondary cities. Here too, we would ask similar types of questions:
 - ↳ What criteria will we adopt in their selection? Is it purely about demographic or economic strength, or are there slightly different considerations in a context like the South African one?
 - ↳ What role do we envisage our secondary cities playing? Are they, as the literature says, mainly springboards for developing their hinterlands or ways to relieve demographic pressure off the primate cities? Is there anything else distinct that they should do?
 - ↳ What forms of local government should govern them? Is the current categorisation a sufficient response to the diversity of urban contexts we have in the country?
 - ↳ Should there be some form of differentiation within the 'secondary city' category? Is there a continuum implied?
- What types of relationships should we encourage between primate and secondary cities? What would this mean for public investment? Would we need to build more national or provincial roads linking these smaller centres to the large cities, for example?
- What types of relationships should we encourage between secondary cities and their surrounding regions?
- What are the success factors that would ensure a secondary city's longevity? Does it require a

diversified economy? What of the critical role played by urban governance - how do we ensure that South African municipalities place their cities on the path to sustainable development and success?

In an exploration of these issues, we would also encourage a deeper reflection on the 22 potential secondary cities that we have profiled in this report. It is clear that most of them are quite appropriately located in this category. However, it's equally clear that there are other contenders outside our list which could be considered as well.

We'd like to conclude this report by recommending that more substantive discussion on this subject occur within the policy community. Given the renewed interest in secondary cities internationally²⁰, we believe that a South African conversation on the subject is both opportune and necessary.

²⁰ World Bank (2008, 2009, 2010); McKinsey Global Institute (2011), EU (2010), ESPON (2010, 2011)

Postscript

Most discussions about space in post-apartheid South Africa focus on the question of local government and of municipal performance. We agree that the quality of urban governance is a critical part of the success story of a city. However, it is but one part of the story. The municipalities that were established in the post-apartheid era were tasked with governing spaces that generally had a long and rich history. We attempt to bring you some of that history in this section. We also believe that a city's history wields an important influence on how it evolves - a view that is echoed by several writers who emphasise the significance of path dependency in the secondary city discourse²¹.

Hence, we conclude this report by providing you with a few snippets about our profiled secondary cities. Did you know . . .

Matjhabeng

The name 'Matjhabeng' is a Sesotho word which means 'where nations meet'. It refers to the fact that the area attracts migrant miners from several different countries like Lesotho and Mozambique.

Mogale City

Mogale City is named after Mogale wa Mogale, chief of the Batswana ba Po tribe. The Po were an ancient tribe of miners and gold traders, who engaged in trade throughout the African continent centuries ago.

Newcastle

Rider Haggard, author of King Solomon's Mines, lived in Newcastle during the 1880s. His home, Hilldrop House, was the inspiration for his first novel Jess. The house is a national monument today.

Emfuleni

The Emfuleni area is an ancient one. Rock paintings near the Vaal River provide increasing evidence that the San people inhabited the area many centuries ago.

Msunduzi

Mahatma Gandhi's political consciousness began in Msunduzi when he was asked to leave a train at Pietermaritzburg railway station in 1893. Gandhi himself later declared that his active non-violence began from that date. Today, the city touts itself as 'the birthplace of non-violent resistance' and has a statue of Gandhi in its central square

Umhlatuze

The city takes its name from the Umhlatuze River. Legend has it that the river had a very strong current, but was also infested with crocodiles. Its name derived from two Zulu words: Mhlati (jaw) and

²¹ See Rondinelli (1983) for a detailed overview of how history has mattered in the evolution of secondary cities in the Third World. More contemporary research programmes, like the EU-funded ESPON initiative (2010, 2011), also emphasise the importance of path dependency in Europe's secondary cities.

Mthuzu (does not chew): the river was likened to a jaw that could not chew

Lephalale

The original town of Ellisras grew out of a farm in the Waterberg area. It was named after the farm's owners at the time: Patrick Ellis and Piet Erasmus

Emalahleni

Winston Churchill, then a young soldier-journalist, was imprisoned in Pretoria during the 2nd Anglo-Boer War. He escaped and stowed away on a coal train on its way to Mozambique. When the train stopped near Witbank, Churchill went off in search of food. His hosts hid him in a Witbank coal colliery until he was able to escape from South Africa.

Mbombela

The town hall has a sundial in the shape of a wagon wheel, a memorial to Louis Trichardt and his 1837 trek to then Lourenço Marques (Maputo) in Mozambique

Matlosana

Archbishop Desmond Tutu was born in Klerksdorp in 1931. He moved to Johannesburg when he was 12 years old, and met Trevor Huddleston soon afterwards - a meeting that proved to be formative for the future Nobel laureate.

Mafikeng

Mafikeng is the only town known to have erected war monuments to commemorate Black residents who had died in the Anglo-Boer War

Polokwane

Polokwane is located in the district of Capricorn, which takes its name from the Tropic of Capricorn that runs through it

Govan Mbeki

Secunda is the Latin word for 'second', signifying that the town was the site for Sasol's second oil-from-coal plant

Steve Tshwete

Middelburg is known as the 'stainless steel capital of Africa' because it houses Columbus Stainless, a major stainless steel plant

Madibeng

Brits' economic linkages are so close to the neighbouring metro of Tshwane (Pretoria) that it shares a telephone dialling code with the nation's capital

Rustenburg

Rustenburg has the two largest platinum mines in the world. It also has the world's largest refinery which processes 70% of the world's platinum.

Tlokwe

South Africa's oldest Dutch Reformed churches are found in Potchefstroom. The city also houses the oldest stone-built Hervormde Church.

Sol Plaatje

Cecil John Rhodes made his fortune in Kimberley. Apart from his well-documented political career, Rhodes was also the founder of the de Beers Diamond Company. De Beers, at one point, marketed 90% of the world's rough diamonds and continues to be a leading diamond company in the world today.

George

Drostdy was the term used for a local government district of the old Cape Colony. George was just the second drostdy to be established in South Africa in 1811. It acquired full municipal status in 1837, making it one of the oldest municipalities in the country.

Khara Hais

One of Upington's best-known monuments is a life-sized bronze sculpture of a donkey. It's housed in the Kalahari Oranje Museum, a testimony to the animal's contribution to developing the lower Orange River valley during the town's early days.

Drakenstein

Charles Darwin, the founder of the theory of evolution, visited Paarl in 1836. He was reportedly captivated by the area's fauna and flora, and spent considerable time studying its granite rock formation.

Stellenbosch

Stellenbosch has the oldest wine route in the country, established in 1971. The area has also received more wine awards than any other region in South Africa.

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