

The role of Local Government in the national Human Settlements agenda

Address to SALGA Lekgotla

Tokyo Sexwale MP, Minister of Human Settlements

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Our input at this conference is based upon the broader theme of reviewing and repositioning local government in line with the mandate for 2009-2014.

Lekgotlas such as this one provide space to understand and discuss global developmental issues emanating from policy rooms.

At the same time, we must be mindful that these gatherings quite often unintentionally get lost in conceptual discussions. Whilst it is a necessity to sharpen our theoretical understanding of developmental concepts, it is equally important that we remain focused on questions of detail and deliverables -- in particular at local government level. **This is where we can make a real difference.**

Quite clearly, as evidenced by today's programme, the organizers of this Lekgotla have struck the right balance between theoretical and practical local government challenges. **This is commendable.**

The question posed to us as Human Settlements by this Lekgotla is **the role that local government can and should play within our mandate.**

To contextualize this discussion, we too pose the following question: **in what kind of future world is local government going to be located?**

The 2008 UN World Habitat report declares that by the end of this century, the majority of humankind in many countries will be living in urban areas. Hence the definition and characterization of this, the 21st century, as: **The Urban Century.**

If this is indeed the Urban Century, three fundamental issues arise:

- 1.What will South Africa look like by the end of this century, 91 years from today?
- 2.How will local government in particular shape up?
- 3.How and where will the majority of South Africans be settled?

Answers to these questions are in our hands – not as mere theoreticians, but as practitioners – more importantly, as implementers of development policy.

This conference may well want to apply its mind on these and other matters. For our Ministry, with our mandate, the most important question is the one pertaining to how and where people will be located – it is about Human Settlements.

This points us towards the role that local government should play in the strategy to locate people appropriately – that is, in the context of the Human Settlements agenda.

The concept of human settlements may well be a new one for many South Africans, yet it has been a central pillar of global development policy thinking for many years. It was adopted at the United Nations' global Habitat summit in Vancouver, Canada, in 1976.

It gained ground at another UN conference, the World Summit on Sustainable Development, held in Johannesburg in 2002.

The concept was taken further at the 52nd National Conference of the ANC in Polokwane in 2007, where several resolutions committed the new administration to the promotion of human settlements and the building of cohesive, sustainable and caring communities.

Ultimately, at the National Assembly -- in both his State of the Nation address and his Budget Vote -- President Zuma formalised and concretised this concept with the establishment of the Human Settlements Ministry -- beyond mere housing.

In doing so, the President stated: "Housing is not just about building houses. It is also about transforming our residential areas and building communities with closer access to work and social amenities, including sports and recreation facilities."

That is the point; we have a major job to do here.

Our task in Human Settlements is therefore clear: to restore humanity and dignity, to address spatial inequalities and to provide comfort and security for all our citizens.

As we stated in our own Budget Vote speech in June, we shall achieve this by planning and building human settlements in an integrated, coordinated and holistic manner. **These human settlements must be places where people can play, stay and pray.** They should be green, landscaped communities -- pleasant places, where people live, learn and have leisure.

As leaders in local government, you will be aware that we will require a specific paradigm shift if we are to go beyond housing. It is not just about a change of name from **housing** to **human settlements**; it is about a change of mindset, taking us from a new concept to concrete reality.

This shift in understanding is not only applicable to how we conceptualise and plan at national or provincial level; it is also required in the way we roll-out our policies and plans -- **in how we prepare, provide and maintain new integrated human settlements.**

Which now brings us to the specific question of our input to this conference, on the role of local government in human settlement development.

In dealing with this, it is important to emphasise what may seem obvious, which is that Human Settlements is the heart of local government. After all, local government is where we live! That's where things happen. **It is about people.**

Let us now address the question of the required specifics of local government's role in Human Settlements.

Although there are numerous important elements involved, we shall deal with seven key points.

Firstly, to achieve a holistic and integrated Human Settlements development approach, it is unavoidable that local government and the Department of Human Settlements **coordinate their strategies**. This is also about synergies in respect of the national Department of Cooperative Governance and Traditional Leaders.

Secondly, in line with the enhancement of our mandate from Housing to Human Settlements, there is also a need for a common approach in respect of **local government plans** together with those of Human Settlements. This will help to avoid the mismatch and multiplicity of plans. That is why the new national Ministry of Planning is going to be vital in this approach.

Thirdly, regarding spatial development objectives, **increased efficiencies** are required from municipalities concerning the application of regulatory functions. This also applies to appropriate proclamations around development. The combined effect of this will be to eradicate or **diminish bureaucratic service delivery log-jams**. **This is crucial**.

Fourthly, there is a necessity for a **greater alignment of local government housing budgets** with Human Settlements budgetary allocations. This is aimed at avoiding budgetary duplication.

Fifthly, local government land use policies and practices should be **more Human Settlements user-friendly**. This is more applicable to both rural and urban development policy implementation.

Sixthly, it is crucial to the interests of human settlements that decision-making delays must be eliminated regarding **environmental impact assessment** studies, in order to enable bulk infrastructure development – such as electricity, water and sanitation -- to be in tune with Human Settlements projects.

Last but not least, the essence of the principles of **good governance** at all levels can never be over-emphasised. All else could fail where the values of Batho-Pele are not adhered to.

If we achieve all this, it enhances the development of human settlements – which, ultimately, is also about the direct enhancement of **local economic development**, premised upon our national economic development strategy.

Municipalities stand to benefit directly from this approach. New human settlements, after all, mean **new tax bases**. They mean **new revenue streams** in the form of utilities. They lead to the **creation of local jobs** in the construction of homes or in the development of infrastructure in the form of roads, streetlights, electrical connections and so on.

We also note that **the construction of new homes and related settlements is part of the much broader national economic dynamo**. It kickstarts the mining sector for copper, iron ore and other raw materials used in construction. It stimulates the manufacturing sector for steel, bricks, tiles, doors, window frames and so on.

It jacks up the wholesale sector to trade these manufactured products to builders, construction companies, households and so on. It invigorates the retail sector to sell housing materials and household goods. It enhances banking and financial services, which oils the wheels of trade and industry.

Therefore, the multiplier effect should never be understated, and its impact on the local economy must never be underestimated.

It stands to reason that we should also not overlook the **challenging economic conditions** under which we are embarking on this new mission of developing human settlements. Globally, economists may be starting to see what is termed “green shoots”, as the current phase of the global economic downturn is beginning to lift in some developing countries.

But as one rich nation after another limps out of the hospital of the global economic crisis, the sad reality is that several emerging markets and developing countries such as our own are **more likely to be left behind** in intensive care.

It is hoped that South Africa will begin to emerge out of the current recession in due course, yet that will not imply that the challenging questions of low economic growth rates shall have been overcome. Even after the current recession, the road to real economic recovery is going to be a long one.

In a rare joint statement in April, both the World Bank and the International Monetary Fund warned that “developing countries face especially serious consequences as the financial economic crisis turns into a human and development calamity”.

This warning is instructive and does not paint a rosy picture. In revenue collection terms, this kind of situation has already had a critical negative impact on our country’s national fiscus. This is resulting in a decrease in budget allocations with potentially negative consequences for all spheres of government – particularly local government -- more especially those municipalities which are already experiencing revenue collection deficits and debts, without much left in hand for capital expenditure.

As the recession continues to affect many more South Africans, and impacts on government’s ability to spend its way out of the recession, **the pinch will be felt more and more in the very human settlements we strive to develop.**

Initially, it was hoped that by the year 2000 South Africa’s Gross Domestic Product would have risen to an annual rate of 6%. Not only has that not been achieved, but the recession has been a real damper on our national economic development effort.

The depressed rural economic situation in particular is causing many people to migrate to urban areas to escape poverty in search of job opportunities, housing and so on. It is an inevitable reality that the current economic recession has compounded the situation further by compelling more and more people to move to urban areas. This is imposing pressure on urban infrastructure due to the ever-increasing number of informal settlements at a time when local government resources are stretched to the limit.

This growth of informal settlements, which is not so easy to control, cannot continue unabated. Each time these informal settlements are established by people coming from poverty-stricken parts of South Africa, they create a potential crisis for local government – from whom people demand the delivery of services, where such demands are not budgeted for in the first place.

Consequently, the increase in informal settlements, which affects many municipalities and many ward councilors, is fast turning into a potential human calamity within our country, let alone the constant flow of refugees and other people from across our borders.

In respect of this situation, one can well understand the extreme logistical, financial, land and other challenges facing many municipalities and/or councilors, who cannot be expected to address these concerns without resources.

Yet it is under such conditions that all of us need to put our shoulders to the wheel. Whilst there may be a few of us who fall short of this challenge – and we should not avoid leveling constructive criticism upon such behaviour – we nonetheless must **commend the overwhelming majority of local government leadership in municipalities and wards. They deserve and need our demonstrable support and understanding**, particularly during these tough economic times.

These observations arise out of the visits by the Ministry of Human Settlements over recent weeks to several provinces, and to many municipalities, to better understand the challenges of urbanization today.

These visits afforded us the opportunity to hear and see for ourselves the true living conditions of our people, rather than relying on rumours, half-baked information or second-hand media reports.

They also help us, as leadership, to look closely at how funds allocated to provinces are being spent on housing, social and bulk services, and other community facilities.

It would be irresponsible on the part of any leadership to sit behind a desk in the comfort of our offices whilst we are spending billions of rands of hard-earned taxpayers' funds -- without knowing where such money ends up on the ground. **Literally, we are following the money.**

During this study we have found that conditions in many of these settlements are inhumane. There is a prevalence of diseases affecting particularly children – kwashiorkor, hypothermia and diarrhea – and other diseases affecting whole communities such as tuberculosis, HIV/AIDS, cholera and, of late, H1N1.

Social issues are equally challenging: extremely high levels of unemployment, housing shortages, and a lack of facilities such as clinics and sports grounds in some areas.

Crime levels are inordinately unacceptable in these areas, including rape, robbery and murder, as well as crimes against women and children, which lead to high levels of family instability.

Consequently, the nature of our development cannot be the urbanization of poverty and the continued densification of informal settlements. It has to be industrialization coupled with other forms of economic development which enhance the quality of life of all South Africans. This must be underpinned by wealth and job creation for all our people.

We conclude by returning to the point made earlier about the Urban Century.

South Africa cannot end this century still being a developing nation with an emerging economy. **Our country must, by the end of this Century, have emerged and grown into a developed nation, as an equal among other developed nations in the world.**

This situation poses a particular set of challenges to local government, which has such an important role to play in the strategy around local economic development which, after all, will drive and in turn is driven by our overall national economic development agenda.

The success of this strategy is in our hands. Failure is no option.

For us as Human Settlements, we understand our mission of the optimal settlement of people within the local government sphere.

Noting that SALGA is already a key part of our MinMEC, we believe that by working together we can only do better. Let us continue to do so.

I thank you.