

CONNECTING SOUTH AFRICA'S RURAL/URBAN SPACE ECONOMY: LIMPOPOGAUTENG CASE STUDY

HSRC PRESENTATION TO STEPSA/SAPI SEMINAR
TSHWANE 5 JUNE 2015











Friends should please one another, giving [gifts] and clothing Experience makes that clear In giving and taking friendship endures
If it succeeds in turning out well

The fir-tree standing alone on the heath withers Neither bark nor leaf can sustain it So it is with the man no one loves Why should he go on living?

Know this: if you have a friend you trust freely And want some benefit from him Open your heart to him, exchange gifts Go to see him often.

 From Havamal, anonymous Icelandic poetic collection from the Viking age, circa 800-1100 AD

What I can tell you is this: the only way out in times of need is to get help from brothers and sisters. And from reliable friends.

- Sello P, supporting household at Kwaggafontein, Limpopo, 2014

To obtain any job these days, we mostly have to rely on referrals from our contacts.

- Vusi T, Diepsloot job seeker, 2012







THE RURAL/URBAN BALANCE?

I U D F policy framework states that **urban and rural are not separate** –

 The whole space economy is one field of development interaction

Respondents told us **if you face an emergency or need work**, what is needed is to have reliable network members

- → How does connectivity come together in the urban/rural context?
- → What are key rural/urban questions relative to spatial planning?

SACN has launched an important inquiry into **how the urban/rural relation works** –

- The inquiry considers value chains present study is social value chains DST's StepSA project is looking at spatial planning aspects to assist policy and decision-making toward more effective government spending
- ✓ We are indebted to SACN for permission use unpublished sponsored research







OUTLINE

- 1. INTRODUCTION
- 2. STUDY
- 3. SPATIAL FUNCTIONALITY
- 4. HOW IT WORKS: SOCIAL VALUE CHAINS
- 5. WHERE IT'S GOING WHAT IS THE RURAL/URBAN RELATION NOW & IN FUTURE?
- 6. INTERVENE? RECOMMENDATIONS







RURAL/URBAN SOCIAL VALUE CHAINS?

Social value chains seem to represent the vital mechanism for how the rural/urban space economy forms at household level –

- Made up of webs of relationships among individuals and households
- Help each other on a reciprocal basis
- And define access to work, land, housing and information within the space economy

These network webs transfer information as well as social, financial and other forms of value

 Determine where and how households at local level are able tap the resources of the space economy for the income streams as their means of survival

These chains of ground-upward interconnectivity represent the **key to accessing the economy – not to have them is a danger zone for the household**







CONNECTIVITY AND EXCLUSION

Dolores H is a single mother aged 27, living with her child and her sister in a house she inherited from her mother at Jane Furse, Limpopo. She has no outside contacts, worries about food, and struggles with household finances:

'I have never worked in my life, and I'm still looking for a job. I walk around our area and submit my CV at supermarkets, but I have never found anything. No, I can't afford to go to Johannesburg and search in the city centre. Transport is easy to get here, but very expensive. I've only gone as far as Marble Hall to look for work — I have never stayed in the big city in my whole life.

She adds,

'We are alone, we have no relatives here. I have four friends that I am close to, that would help me a little if I needed help, but that's all. No one is sending us money from outside this household, the only contribution we receive is a bag of vegetables every now and then, and I am not saving any money from our grant.

'We are not planning to move, we have no way to do that. But what I wish is that I could move to Pretoria – I know if I can get there, it can be easy to get a job referral and employment, or at least to start my own business.'







S A C N SOCIAL/ SPATIAL VALUE CHAINS STUDY 2014







THE S A C N STUDY

For the field study –

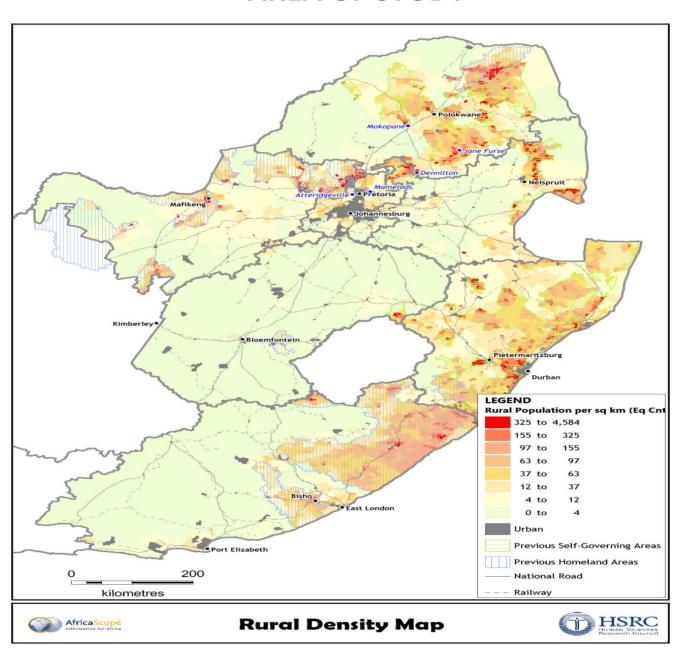
- Seven areas along the northeastern migration corridor into Tshwane metro were selected at spatial points of active rural densification
 - Selected nodal points were located at differing distances from the metro spatial pole
 - Along the corridor from Jane Furse in the outer northern sector into Tshwane
- 30 case interviews were collected from old-style traditional settlements, shack areas and urban backyards units at the population nodes selected along the migration corridor
 - ✓ Jane Furse, Dennilton, Kwagga A, Mamelodi backyards, Mamelodi shack area
 - The data is qualitative with very small sub-samples, but interpreted against the extensive StepSA base data







AREA OF STUDY



THE S A C N STUDY, 2

This small qualitative sample has been chosen to present the **spatial areas of highest activity** on the northeastern migration corridor

- Seen in dense settlement extending from the Gauteng City Region north to former Venda and the South African border area
- Points of densification tend also to be points of economic activity – nodes of population attraction
- 4 migration corridors into Gauteng, NE, E, W, SW, + long coastal corridor ends in Cape Town
 - Case areas include two rural areas, in the deep rural sector and in the mobilized rural periphery
 - And two urban settlements in close interaction with the rural population source areas







STARTING POINTS?

The social dimension which is the focus of this study intermediates in how households assemble their livelihoods

- Demographic and spatial processes show how people move to maximize their chances in economy and society
- And reflect the force of the urban developed economy interacting with the rural household economy

Migration outcomes therefore to a large extent actualize social value chains, which provide the *information that* enables migration to take place

- The search for jobs and earning is what moves population
- Search for income streams creates settlements and settlement densification
- And commonly determines household outcomes







GOALS & RESULTS

In this context of a differentiating rural space economy developing closer integration with the metro urban sector —

Study goal is to grasp *economic, social and strategic factors* that poor rural households use their social value chains to address *- plus spatial/ economic outcomes*

- The approach taken emphasises the active agency of poor households, whose collective decisions structure the rural space economy – feet vote factor
- Based on lived experience around migration, population movement, the labour market and livelihoods

Mamelodi emerges as the urban gate point which filters and connects demographic flows into and out of the Pretoria metro

✓ This northeastern space economy pivots on *Mamelodi as the urban/rural interchange zone*







FRAMING QUESTIONS?

These trends suggest some base questions, including

- Do people have to move to the urban sector in order to build a reliable support configuration and spread risk? That is, is migration the only effective form of rural/urban integration?
- What distinguishes successful and unsuccessful rural households, in terms of their relation to the urban sector?

And under that:

- How do rural & urban connect and interact now, at household level?
- How does migration work to integrate rural and urban?
- What can be done to promote more effective rural/urban integration?
- What kind of integration intervention will most assist the rural sector to develop and to connect?







SPATIAL FUNCTIONALITY?







NEW RURAL ECONOMY?

The overall picture is one in which the northern parts of South Africa appear as **generating a new demographic/ economic dynamism**

 Complex human flows not limited to north/south movement that historically dominated the area from Gauteng to the northern border

Migration flows are also moving across to east and west Going to Lephalale and other centres of new economic activity

 Creating new linkages and changing the economic imperatives for poor households in the north

The dynamic of densification is creating a new rural economy that **provides employment outside the agricultural sector** —

- Seeing small trading, hospitality, transport, haulage, other activities Leads to tension in the migration decision:
 - (1) try the metro urban sector/national economy, or
 - (2) try for commutation jobs in the local economy







MIGRATION FLOWLINES & URBAN CENTRES

It can be seen that the human flows into the metro city arrive most densely from the north

- Migration into Tshwane comes particularly from the former homelands territories of southern Limpopo
- Jane Furse is an outlying district that's building up population rapidly, with density building up opportunities for new small business, with high value housing
- Dennilton is a high-density area of displaced urbanization, a remote suburb of Tshwane with few jobs and local youth out-migration
- Kwaggafontein is a new concentration aggregating around a major urban gate point, becoming a transport hub, with urban pathologies
- Mokopane is a former farming town, now developing as a strong urban centre with a new economic base in tourism, as a business gateway

Migration flowlines are the routes between, that integrate the rural zone

✓ Articulation into the urban sector looks like it increases with densification







LINKING RURAL AND URBAN IN TSHWANE?

Mamelodi in Tshwane represents the urban terminal point of the northeastern migration corridor

- It serves as the main entry point for new migrants arriving
 from northern former homelands —
- Mamelodi is a crucial staging area
 - Spatial interchange nexus for rural job migration into the metro sector
 - Articulates the African city and the white city

The rural sector opens to the city through gate points that connect rural and urban—

✓ The metro backyards and shack areas are the mechanism for the rural-born migrant population to come inside the national economy









HOW IT WORKS: SOCIAL VALUE CHAINS







SUPPORTING RURAL HOUSEHOLDS?

The intermediate conclusion is that **rural and urban still connect through migration** –

- Both population migration and labour migration
 - The other option for household support is local, rural business activity and self-employment —
 - Local employment and small business are rising in importance in the northeast corridor
- But informal business is often still a stopgap activity, with lower earnings and not enough customers
 So access to wage work remains the single most critical factor in the overall rural/ urban field of interaction







THE LINKAGE FOR WORK?

Rankin 2014 and Posel et al 2013 have recently shown that cold search, door to door, doesn't work for job seekers –

- NIDS data shows very low success rates
- Only personal job referrals succeed in the great majority of cases

To find work, there have to be contacts – ie, networks Social value chains provide the information that determines how people choose:

- urban migration, vs
- rural usually local job search

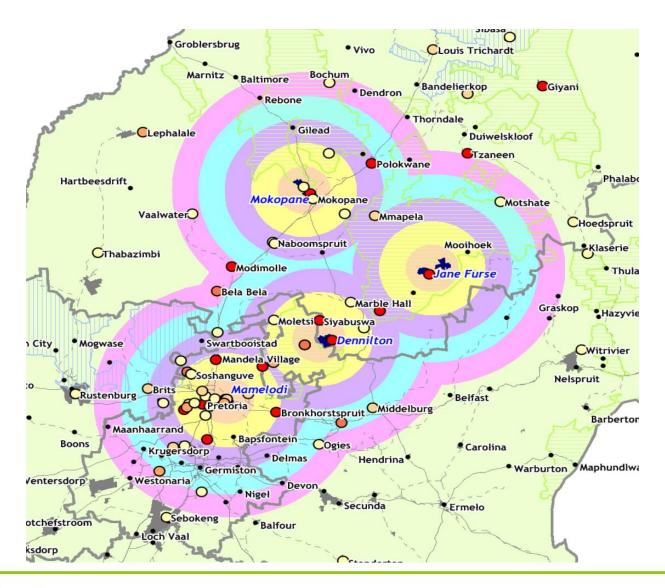
How do we understand how households move in relation to finding work?







NETWORKS IN THE NORTHEAST CORRIDOR









HOW VALUE CHAINS LINK TO URBAN?

Different kinds of settlement operate different kinds of network value chain, with different spatial coverage

- In the deep rural sector, Jane Furse concentrated networks within Limpopo at 77%
 - 27% were in Tshwane metro
- In the outer mobilized periphery, 40% of Dennilton contacts were in Limpopo – with 19% in Mpumalanga
 - 30% were in Tshwane, but 7% appeared in northern Johannesburg
 - Dennilton respondents are well connected but still located most of their contacts in the rural areas nearest home

Kwagga's pattern spread more in rural, with 42% in Limpopo and 27% in Mpumalanga, 23% in Pretoria and 4% in Johannesburg

- ✓ Kwagga is reported to be the rural sample ward most integrated with the metro
- ✓ And Kwagga draws in people from whole corridor







VALUE CHAINS AS URBAN CONNECTIVITY

PROVIN	ICIAL DIS	TRIBUTI	ON OF N	IETWOR	K REPRE	SENTATI	ON BY 1	YPE OF	NODE
PROVINCE CITY	= /		Rural T A DNNL	Rural T A J F	Rural T A KW	Town bkyd MKPN1	Town shacks MKPN2	Metro bkyd MMLD	Metro shacks PHU
LIMPOPO			28	14	11	12	24	10	10
	% of total for	area	40%	77%	42%	44%	73%	29%	32%
MPUMALANGA		13	0	7	0	1	2	7	
	% of total for	area	19%	0%	27%	0%	3%	6%	23%
NORTH WEST		2	0	1	2	1	4	0	
	% of total for	area	3%	0%	4%	7%	3%	12%	0%
FREE STATE			0	0	0	0	0	1	0
	% of total for	area	0%	0%	0%	0%	0%	3%	0%
PRETORIA METRO		21	4	6	10	5	15	12	
	% of total for	area	30%	22%	23%	37%	15%	44%	38%
JOHANNESB	URG METRO		5	0	1	0	0	1	1
	% of total for	area	7%	0%	4%	0%	0%	3%	3%
EKURHULENI METRO		1	0	0	3	2	1	1	
	% of total for	area	1%	0%	0%	11%	6%	3%	3%
TOTAL N CONTACTS		70	18	26	27	33	34	31	
TOTAL N CASES		8	4	3	3	4	4	4	
AVERAGE N CONTACTS		9.7	3.8	9	9.3	7.8	9.3	8	
,			Rural T A DNNL	Rural T A J F	Rural T A KW	Town bkyd MKPN1	Town shacks MKPN2	Metro bkyd MMLD	Metro shacks PHU

SEEING THE RURAL/ URBAN CHOICE?

Nearly all the rural respondents **wanted to stay rural** — Most of the rural-born urban respondents **wanted a house in the city**

- Wage jobs were almost all unregistered if not civil service
 - 82% of rural wage jobs were temporary and unregistered
 - Against 64% of the urban jobs –
 - The urban backyards sample included more civil service
- → Lack of local solid jobs points to need for more rural economic activity
- Lines up with government policy direction not that simple?
- Also, agriculture is now the hard way promoting
 broader-based rural economy is probably better route –
 Can use spatially-driven planning options on scale ?
 - Maybe requires working with densification instead of focus on land ownership and farms?







WHERE IS THE RURAL/URBAN RELATION GOING?







TOWARD CONCLUDING?

Most of all jobs for rural-born poor are through network contacts

- ✓ Rankin 2013 and Posel at al 2013 are very right
 Below a threshold level related to social class, most of these jobs
 seem to represent temporary work unstable and insecure, lowpaid
- Facing a negative labour market, the rural sector opens out from the access gate points –

Migration moves along flowlines toward gate points and densifies at those points, creating a new set of economic opportunities

- The more existing networks concentrate around gate points, the more densification results → the more economic change
- ✓ In practice development follows flowlines plan so as to get behind it and use spatial principle to maximize results?







THE URBAN CONNECTION?

Against this background, rural and urban are in effect competing for migration and economic activity –
But rural economic activity depends on connectivity to the urban sector

- > Which contains the final demand for rural labour and production
 - The northeast corridor flows out of as well as into metro Tshwane
 - Key centres have movement into and out of the metro sector like the spokes of a wheel –
 - With simultaneous horizontal tracks across the rural sector, with people moving to new nodes of economic activity

At the household level, the rural/urban articulation question leads back to how much metro urban content personal networks have at different points in the space economy

On the Gauteng side, participation in the end-zone labour market looks like it is filtered through networks of spatial points where job contacts are clustered







SUMMARISING: THE MIGRATION PROCESS?

People in total are moving inward, to **metro core** and to **economic gatepoints that give access to core economy**, not outward –

- Economic activity attracts social connectivity
- Social connections determine destinations and enable migration to happen

Networks = means by which population is **nucleated + integrated with the developed economy**

- Networks concentrate around metro end, Mamelodi –
- Other end in rural spreads out thinner

Aggregate networks capacity in source population then determines migration volume and demographic/ economic structure of migration flows – who goes

Also, flow structure depends a lot on where flow is going







SUMMARISING: THE ENTRY PROCESS?

Successful urban entry depends on networks capacity + quality, to enable entry and hookup to local urban economic activity –

- People migrate to where networks give best personal chance to get inside the national economy
- And then secure an income stream
 But the terms of individual migrant entry depend on how good the migrant's network is –
- Number and quality of potential job connections
 This is co-determined by social class and by spatial location + residual else –
- Case data seems to suggest chances may be better from well-connected gatepoints?







TO ASSESS INTERVENTION: *PLANNING*? or planning side – Critical element is to establis

For planning side – Critical element is to establish/promote trans-spatial circuit connections –

- ✓ Circuit flows connecting rural economy with city/ national economy —
- ✓ Current (money + people) has to flow across space or nothing happens:
 - Rural households can only try to stay self-reliant on whatever national grant income they have, + anything they can get locally

This represents stagnation & entrenched poverty, the absence of dynamism in the economy

✓ Weak connectivity needs to be seen as a critical challenge to the rural/ urban balance in S A







TO ASSESS INTERVENTION: HOUSEHOLD?

For household side – No migration without networks – and migration is how people roll their dice to *improve* chances by shifting all constraints

- Urban migration is risky it's an impersonal situation, low network insurance capability
- Low network capacity lasts for years if a new migrant is coming in alone –
- Urban networks are same size as rural but less kin-driven
 in city, need friends, plus contacts
- Entire sample's networks were short of job referral contacts
 - ✓ And it looks like not enough jobs, total –
 - ✓ Need to increase rural/urban economic activity and exchanges to enlarge the pie







TO INTERVENE? RECOMMENDATIONS

Look for spatial/economic points where intervention will make difference to real situation

Not address just what is assumed to be reality – NDP makes some rocky assumptions about rural reality

- ✓ Go through increasing rural connectivity
 - ✓ Promote development for rural transport hub gatepoints
 - And develop the nodal points on the flowlines for population movement
 - ✓ Look at hinge zones where people enter the metro cities
- ✓ Increase rural spatial connectivity with transport linkups
 There may also be negative consequences (yes, likely)

But, is it possible today to generate rural economic activity without connections to the metro urban sector and the









& CONNECTING TO THE CITY

Urban planning needs to site facilities where they increase rural/urban de facto integration —

- Not just at the uncontested least-cost points?
- This factor bears on **BRT planning** as South Africa's flagship urban integration model

Cities have two hot development zones — in the core and on the periphery

For urban planning interventions look at de facto centre/periphery balance from the standpoint of rural integration

- Relative role of central city zone still important ascertain what share of jobs for rural-born poor as critical population fraction –
- StepSA results suggest it may not be that high, but clarity is needed

Then check out **periphery options & how to facilitate access**







TO ASSESS INTERVENTION: IMPACTS?

For intervention, will what is done help Dolores?

Development breaks eggs, and poorest are most fragile – but she has not much further to fall, the house is all she has

- This household configuration is ideal for labour market participation: two young adults with one child
- But they don't have labour market access –
- No contacts = no way inside the developed economy
 - No money to travel she says if she could borrow, she couldn't pay it back

Social safety net has got to cope? Possible?

- South Africa has very extensive and maybe unaffordable safety net already – covers the child, not the adults
 If not to push desperate women toward sex work, need to
 - ✓ increase connectivity
 - ✓ increase total rural economic activity and N jobs









THANK YOU!

stepSA joint science councils initiative
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