



The role of cities in poverty alleviation

A study by PDG and Isandla Institute, on behalf of the Department of Provincial and Local Government and the South African Cities Network, 2002.

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THE ROLE OF CITIES IN POVERTY ALLEVIATION

City government is at the forefront of the fight against poverty. The Department of Provincial and Local Government and the South African Cities Network have commissioned a study to examine the issue of poverty in the urban context, to describe poverty in South African cities and to explore appropriate responses.

The project covers a number of related areas. On the one hand, the project aims to provide a broad overview of the current issues and debates around the urbanisation of poverty. The project also involves the development of an initial profile of poverty in the 9 South African cities to provide an evolving framework for the ongoing monitoring of poverty in these cities. The project reviews five South African urban poverty reduction strategies and interventions.

This report includes the following:

- Overview: The role of cities in poverty alleviation
- Recognising urban poverty
- The approach to urban poverty
- The dynamics of urban poverty
- Recording urban poverty: The City Development Index and the South African Poverty Index for Cities
- Recording and monitoring poverty

Other outputs of the project include:

- Census 1996 profiles (spreadsheets) on: dwelling type; education; employment; fuel for lighting; household income; literacy; sanitation; telephones; vulnerable groups; water supply
- Population age pyramids (tables and graphs)
- Definition of terms used in the policy literature on urban poverty
- Urban management - some useful web sites
- Poverty indicators calculator
- Calculator manual
- South African CDI's poster
- City data tables
- Theme papers on interventions to respond to poverty:
 - HIV/Aids and urban poverty in South Africa
 - Pro poor Local Economic Development - a sectoral approach
 - Pro-poor service delivery - affordability and willingness-to pay
 - Urban environmental management - a pro-poor environmental agenda
 - Urban transportation and land use planning in poverty reduction

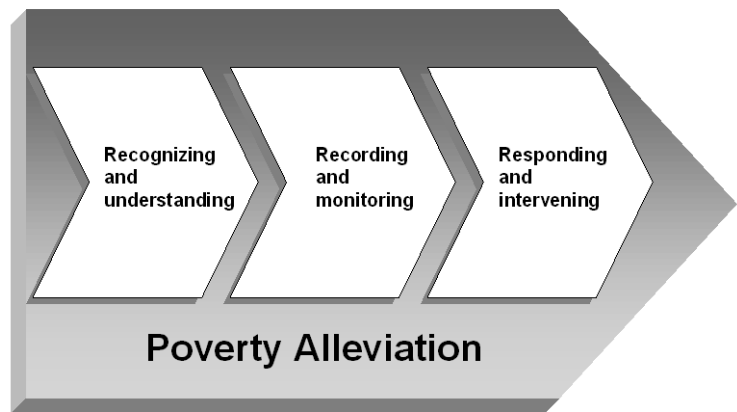
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The project is comprised of three interrelated parts, all contributing to the overall objective of alleviating urban poverty. These components include:

- ▶ Recognising and understanding urban poverty,
- ▶ Recording and monitoring poverty,
- ▶ Responding to poverty and intervening where appropriate



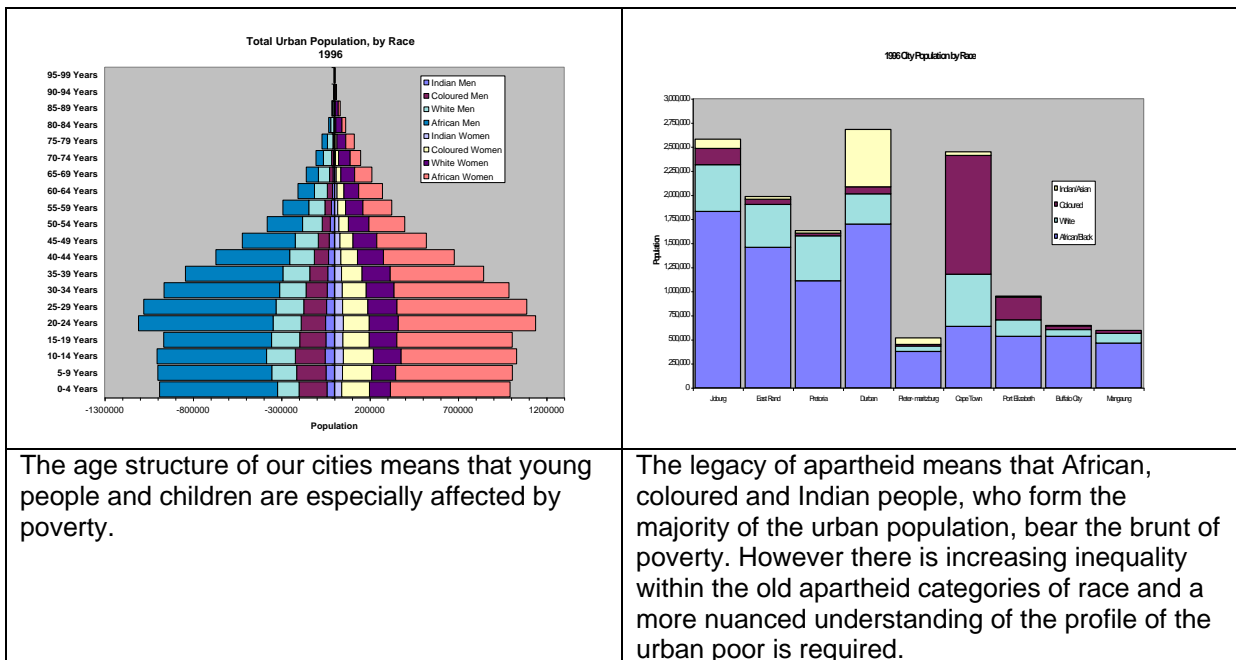
Further information from the project is available on www.sacities.net		
Recognising and understanding poverty	Recording and monitoring poverty	Responding to poverty and intervening
<ul style="list-style-type: none"> ▶ South African commitments to sustainable urban development, ▶ Different approaches to addressing urban poverty, ▶ The dynamics of urban growth in global, regional and national patterns of poverty, ▶ The urbanisation of poverty, ▶ Key definitions, ▶ Web Sources on urban poverty 	<ul style="list-style-type: none"> ▶ Census-based Profiles of SACN members – data by city and sector, ▶ Composite indicators including: <ul style="list-style-type: none"> - City Development Index, - Gini coefficients, - Slum index, - Housing need index. - Demographic trends - Population pyramids - Urbanisation rates 	<ul style="list-style-type: none"> ▶ Urban development and HIV/Aids ▶ Pro-poor local economic development – a sectoral approach ▶ Environment and poverty relief ▶ Transportation, spatial planning and poverty alleviation ▶ Pro-poor service delivery – affordability and willingness-to-pay

Poverty is more than a lack of income. Poverty exists when an individual or a household's access to income, jobs and/or infrastructure is inadequate or sufficiently unequal to prohibit full access to opportunities in society. The condition of poverty is caused by a combination of social, economic, spatial, environmental and political factors.

Recognising and understanding urban poverty

There is no South African City that is free of poverty. Poverty and inequality are barriers to individuals and groups achieving their full potential and contributing meaningfully to a sustainable, vibrant and democratic society.

While it is true that cities are centres of comparative wealth, they are also the focus of intense poverty. We also know that there are high concentrations of poverty within particular cities, making poor urban areas (normally former townships and informal areas) the highest concentrations of poverty in the country.



The age structure of our cities means that young people and children are especially affected by poverty.

The legacy of apartheid means that African, coloured and Indian people, who form the majority of the urban population, bear the brunt of poverty. However there is increasing inequality within the old apartheid categories of race and a more nuanced understanding of the profile of the urban poor is required.

Urban poverty

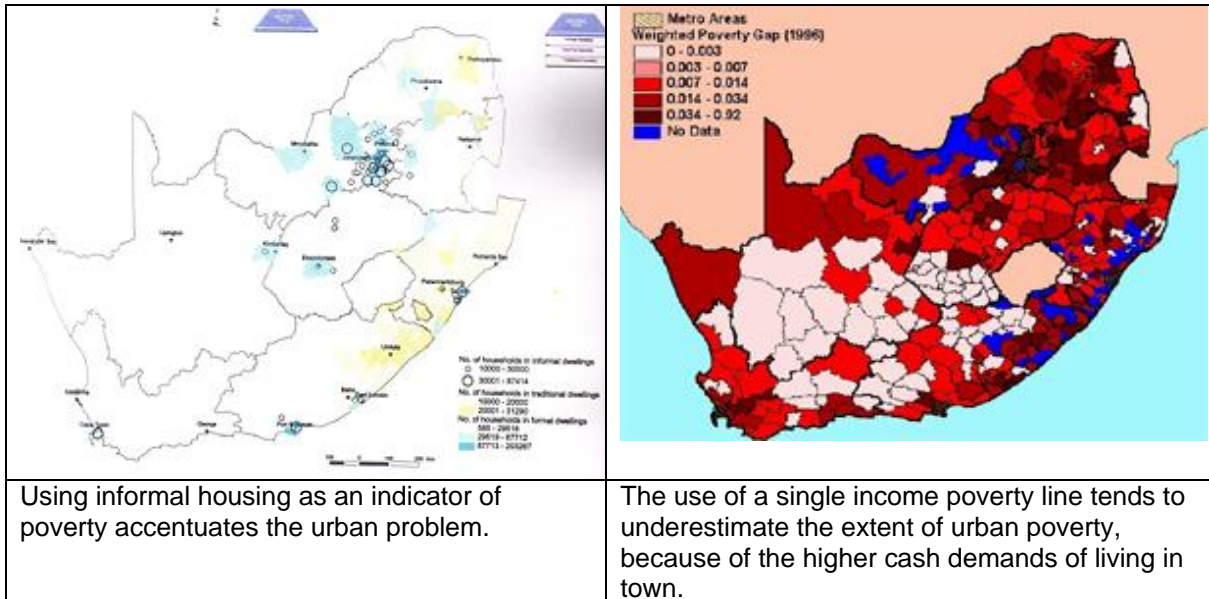
There are different ways of measuring poverty. Because of the different measures, not all distributions of poverty reveal the same patterns. Some of the most standard measures include income poverty in the form of poverty gaps¹ or infrastructure poverty, for example using informal housing as an indicator of poverty and need².

¹ Presidents Office – National Spatial Development Perspective

² South Africa 2002: *Housing Atlas*, Department of Housing

If there is a typical 'face of poverty' in South Africa then this picture is no longer only a rural women engaged in subsistence agricultural production. It is an HIV child living in an environmentally degraded informal settlement in a rapidly growing city - without services who is subjected to organised and household violence and is vulnerable to global economic and political trends.

FS Mufamadi, Minister For Provincial and Local Government, SACN Launch 7 October 2002



Using informal housing as an indicator of poverty accentuates the urban problem.

The use of a single income poverty line tends to underestimate the extent of urban poverty, because of the higher cash demands of living in town.

The urbanisation of poverty

Urban poverty is a much more important issue today than ever before because of the overall growth in the size of the poor urban population and because the proportion of poor people who live in cities is increasing.

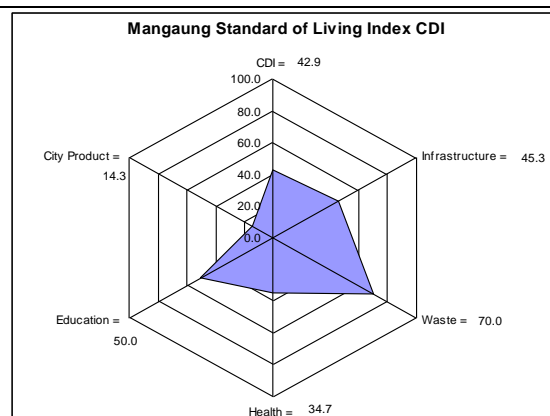
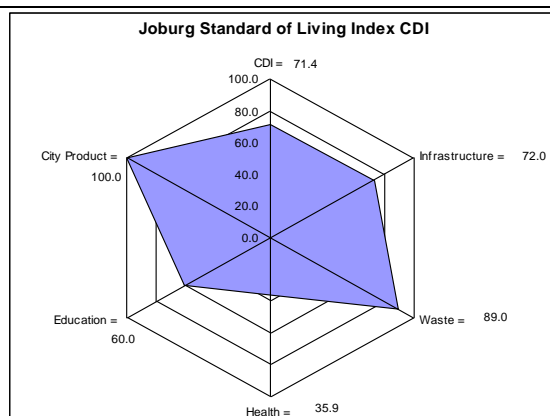
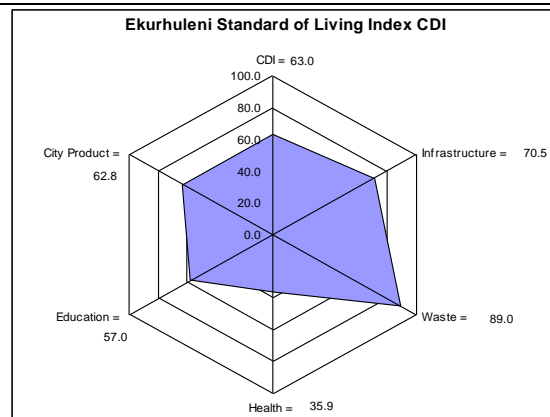
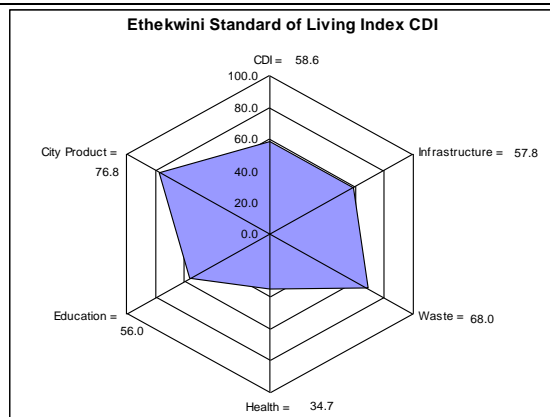
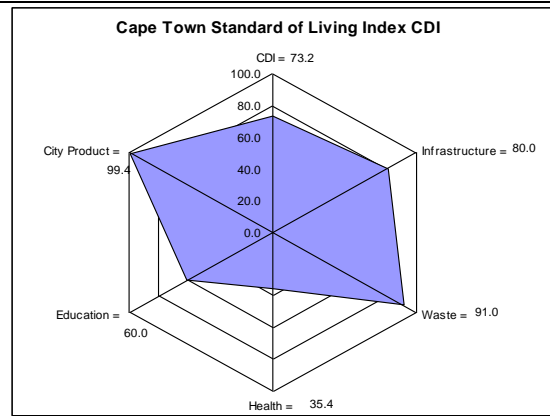
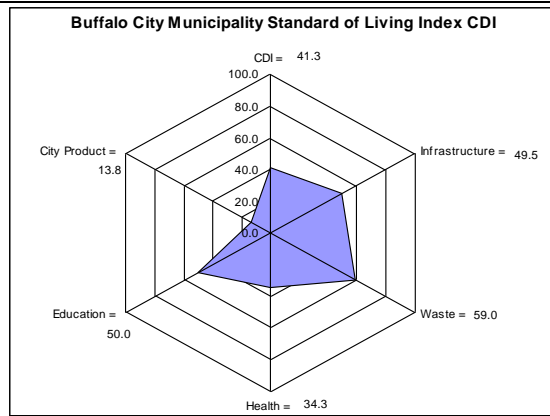
The urbanisation of poverty is the result of:

- ▶ the natural growth of the poor population within cities
- ▶ growing urban inequality
- ▶ poor people moving to cities

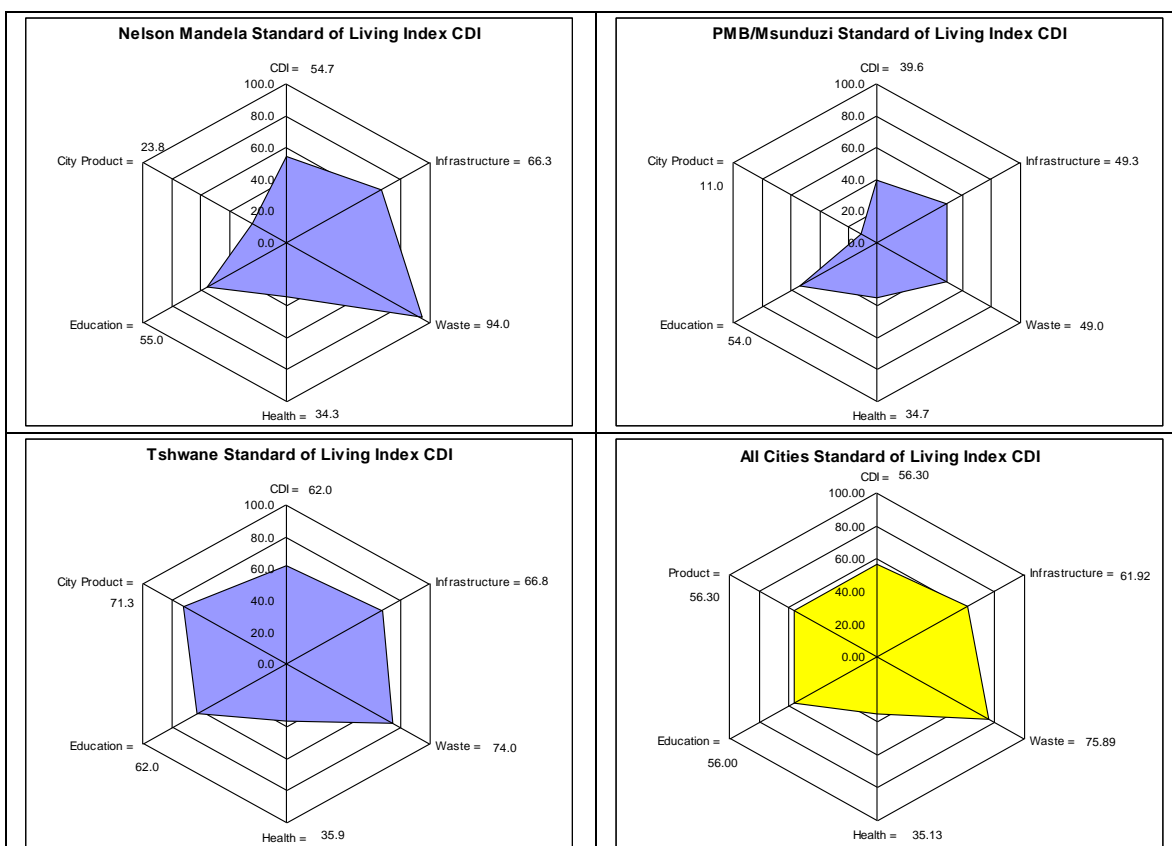
Recording and monitoring

Poverty profiles of each of the SACN members have been developed following the multi-criteria definition of poverty. Broad categories of information including environmental and health, social and governance, housing and infrastructure and economic indicators inform the poverty profile framework. It is envisaged that these profiles will provide useful diagnostic information in order to identify areas where interventions are required. City and sector based data has been collected and composite indicators such as the City Development Index (CDI) have been calculated using available data.

The CDI was developed in 1997 and measures the level of development in cities. The Urban Indicators Programme of the United Nations Human Settlements Programme (UN-Habitat) developed the indicator so that they could rank cities of the world according to their level of development and as a display of indicators depicting development.³ The CDI cuts across the different clusters identified in the Urban Indicator Framework as it is based on five sub indices namely, infrastructure, waste, health, education and city product. It is useful as it provides a snapshot view of how cities are doing with respect to the different indices.



³ See global urban observatory – www.unch.org/programmes.guo.



Methodology for calculating CDI		
Index	Formula as stipulated by the Guo	As calculated for the Cities
Infrastructure	$25 * \text{water connections} + 25 * \text{sewerage} + 25 * \text{electricity} + 25 * \text{telephone}$	
Waste	$\text{Wastewater treated} * 50 + \text{formal solid waste disposal} * 50$	$\text{Formal solid waste disposal} * 100$
Health	$(\text{Life expectancy} - 25) * 50 / 60 + (32 - \text{child mortality}) * 50 / 31.92$	$(\text{Life expectancy} - 25) * 50 / 60 + \text{normalized infant mortality rate.}$
Education	$\text{Literacy} * 25 + \text{combined enrolment} * 25$	$\text{Literacy} * 50$
Product	$(\text{Log city product} - 4.61) * 100 / 5.99$ or where city product is not provided it can be calculated as $0.45 * \text{mean household income}$	The mean household income for all income groups in the different cities were obtained from the 1996 Census. This was compared, with the highest mean household income normalised to a value of 100
City Development Index	$(\text{Infrastructure index} + \text{waste index} + \text{education index} + \text{health index} + \text{city product}) / 5$	

In calculating the CDI we have as far as possible used the methodology employed above. In general Census information was used. Where Census information was not available, proxy data sets were used. Care was taken to use 1996 figures. Where indicators were not available at a city level, provincial estimates were used. For example, it proved difficult to obtain health indicators for all cities and so provincial estimates and proxies were used instead. The use of Census data also means that the CDIs for the various cities are dated. Many cities have made substantial developmental progress since 1996.

Responding and Intervening

The profile of poverty varies from city to city. Similarly, opportunities for poverty reduction are diverse and numerous. The project recognises the spectrum of municipal led poverty reduction interventions and provides more detailed discussion of five South African city initiatives.

Abstracts of Intervention Papers available on www.sacities.net

The urban question and HIV/AIDS

There are two components to this intervention document. The first seeks to highlight that HIV/AIDS is an urban development issue and advocates a shift from focusing on the epidemiology of HIV/AIDS to the social, political and economic context in which the epidemic occurs. This component of the paper argues that there still exists a window of opportunity to curb the epidemic, provide care for those infected, and to deal with the socio-economic impacts of the epidemic. The second component of the intervention document is a case study focusing on HIV/AIDS in the Nelson Mandela Metropolitan Area. This component focuses on profiling the epidemic in the area, exploring responses to the epidemic and extracting key lessons and recommendations.

Pro poor Local Economic Development (LED)– a sectoral approach

This intervention document begins by setting out the wider backdrop of LED debates and argues that in the developing world, LED planning is more weighted towards incorporating pro-poor interventions than in the developed world. The paper then moves to the South African context exploring LED interventions in this country. The focus narrows further to the Johannesburg context and examines specific targeted sectoral interventions including a discussion of three sectors identified to have the highest potential of contributing to the city's goals of growth and competitiveness. These sectors include urban agriculture, the clothing industry, and tourism.

Pro-Poor Service Delivery – Affordability and Willingness-to-Pay

This intervention document explores an aspect of pro-poor service delivery, namely the issue of affordability and willingness-to-pay for municipal services. The paper explores the impact that the implementation of a pro-poor rates and tariff policy has had on low-income households in Cape Town. Typical household bills were modelled based on certain consumption parameters using tariffs applicable in 2000 and compared to typical bills generated using the same consumption assumptions but using post-tariff reform 2002 tariffs. It is quite evident that these reforms have had a positive impact on the ability of low-income households to afford their monthly service bills. The document concludes by outlining other elements of an integrated pro-poor service delivery policy.

Urban Environmental Management – A Pro-Poor Environmental Agenda

The set of so-called 'brown' environmental issues can have important impacts on the urban poor. The intervention paper explores these issues, such as air and land quality, and considers how they can have a disproportionate affect on poor households. Possible interventions are considered which can form the components of a pro-poor environmental agenda. The paper looks at some of the environmental quality differences between cities in South Africa, through the lens of air pollution and other indicators of environmental quality, and shows how this can lead to differential impacts on the poor across cities. This demonstrates that pro-poor urban-environmental management approaches need to be tailored to the conditions pertaining in the particular city under consideration.

Urban Transportation and Land Use Planning in Poverty Reduction

Premised on the idea that the South African city was spatially distorted at the expense of the poor, the paper argues that transportation and land use planning lie at the heart of urban poverty relief. Against the background of transportation as one of the major budget items for municipalities, the paper provides an indication of the different ways that transport spending can be used for poverty relief. Case studies on the planning for different modes of transportation are presented with Cape Town as a reference point. Major work by the city of Durban on the cost savings and other benefits of integrating land use planning and transportation is included to demonstrate pro-poor opportunities in the sector.

RECOGNISING URBAN POVERTY

If there is a typical 'face of poverty' in South Africa then this picture is no longer only a rural women engaged in subsistence agricultural production. It is an HIV positive child living in an environmentally degraded informal settlement in a rapidly growing city - without services and subjected to organised and household violence and vulnerable to global economic and political regime changes.

We can no longer ignore the problem of urban poverty.

Sustainable urban development in South Africa

There is no South African City that is free of poverty. Poverty and inequality are barriers to individuals and groups achieving their full potential and contributing meaningfully to a sustainable, vibrant and democratic society. Since 1994 poverty reduction has been a key national objective. Urban poverty is also an increasingly important global concern (Box 1).

Box 1: Key national and international urban poverty reduction policies and objectives

National policy imperatives and targets for reducing urban poverty	International policy imperatives and development targets on urban poverty
<ul style="list-style-type: none"> • <i>Reconstruction and Development Programme</i>¹ • <i>The Urban Development Strategy</i>² • <i>The Urban Development Framework</i>³ • <i>Developmental Local Government</i>⁴ • <i>Urban Renewal Programme</i>⁵ 	<ul style="list-style-type: none"> • <i>Millennium targets for 2015</i>⁶ • <i>Habitat Agenda</i>⁷ • <i>New Partnership of Africa's Development (NEPAD)</i>⁸ • <i>Cities Alliance without slums</i>⁹ • <i>World Summit on Sustainable Development, Johannesburg Plan of Action</i>¹⁰

Among members of the Cities Network there is a growing recognition that meeting national and international targets for poverty reduction requires an urban as well as a rural focus. Because of the South African history of migrant labour poor peoples' lives often straddle rural and urban boundaries. It is thus a case of needing **both** an urban **and** a rural poverty reduction strategy, rather than seeing the problems of poverty in rural **versus** urban poverty terms, as is too often the case.

¹ ANC, 1994: *The Reconstruction and Development Programme*, Praxis Press, Durban

² <http://www.polity.org.za/govdocs/rdp/urbanrdp.html#CONTENTS>

³ SA Government, 1997: *National Urban Development Strategy*. Pretoria.

⁴ South Africa, 1998: *Local Government White Paper*, Department of Constitutional Development, Pretoria

⁵ Details available from Department of Housing and Department of Provincial and Local Government

⁶ <http://www.developmentgoals.org/>

⁷ <http://www.unchcs.org/mdg/>

⁸ <http://www.dfa.gov.za/events/nepad.htm>

⁹ [http://www.citiesalliance.org/citiesalliancehomepage.nsf/Attachments/auualreport02/\\$File/2002_AR_FINAL.pdf](http://www.citiesalliance.org/citiesalliancehomepage.nsf/Attachments/auualreport02/$File/2002_AR_FINAL.pdf)

¹⁰ <http://www.earthsummit2002.org/>

Poverty and inequality are not inherently urban or rural problems.

In South Africa the categories ‘African’ or ‘rural’ are often assumed to be a proxy indicators of poverty because these groups show higher average levels of poverty than the categories ‘white’ or ‘urban’ (Table 1 and Figure 1).

- While these patterns are generally true, and can be explained with reference to the apartheid legacy, they mask important variations within and between the categories.

Table 1: Urban/non urban unemployment by race¹¹

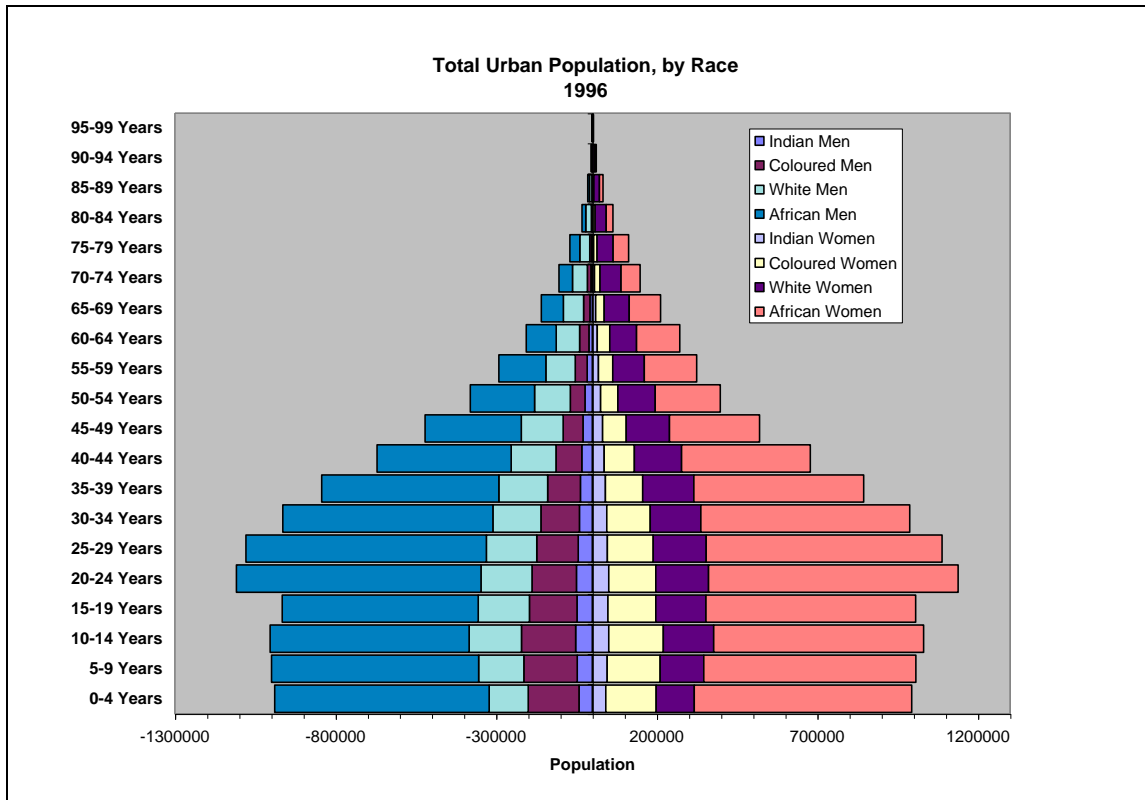
	African	Coloured	Indian	White	Total
<i>Strict definition</i>					
Urban rate	28.9%	17.3%	15.3%	4.8%	21.7%
Non-urban rate	29.6%	7.3%	22.7%	3.7%	27.0%
<i>Expanded definition</i>					
Urban rate	40.9%	26%	19.9%	6.9%	31.7%
Non-urban rate	48.1%	13.7%	29.6%	5.8%	44.8%

Figure 1: Urban/rural distribution of households without electricity (please graph)

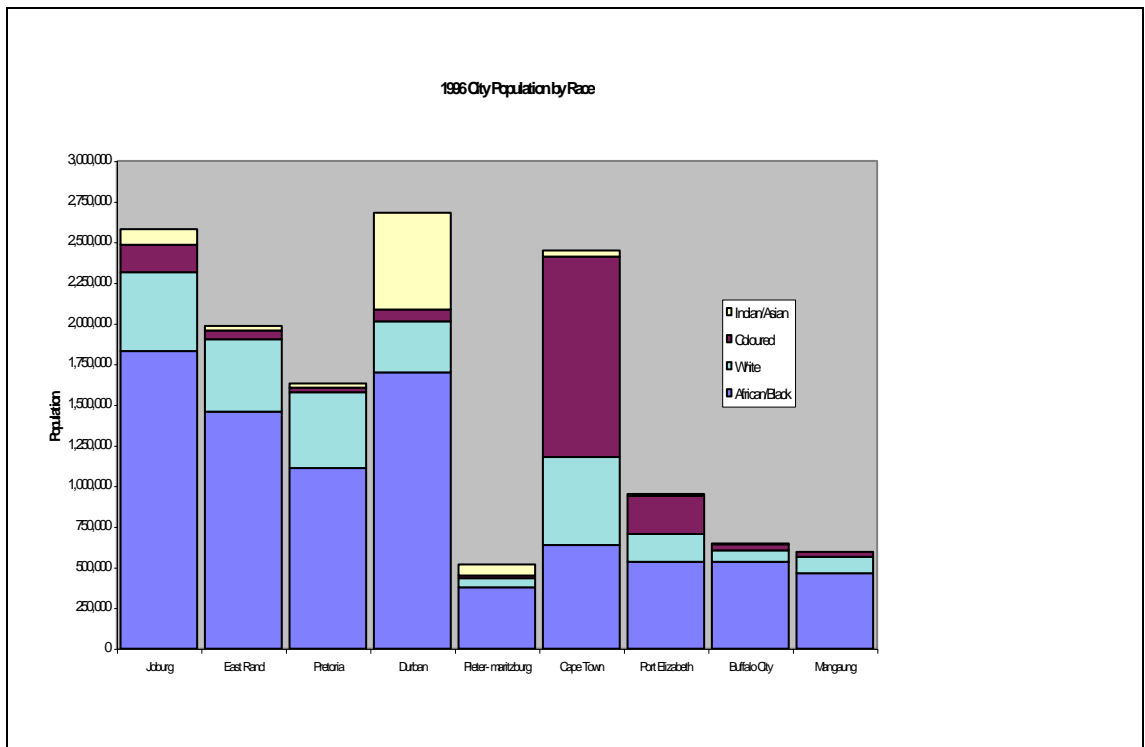
Number of urban houses without electricity	Number of rural houses without electricity	Province
69 742	548435	Eastern Cape
21415	14475	Northern Cape
67490	70029	Free State
174137	563112	KwaZulu-Natal
5699	193788	North West
472154	34091	Gauteng
56957	92518	Mpumalanga

The problem with the comparison between rural and urban places is that, especially in urban areas, we fail to acknowledge the extent of poverty. While it is true that cities are centres of wealth, they are also the focus of intense poverty. We also know that there are high concentrations of poverty within particular cities, making poor urban areas (normally ex townships or informal areas) the highest concentrations of poverty in the country.

¹¹ South African Institute of Race Relations 2001: *South African Survey 2000/2001*, Johannesburg, p.380.



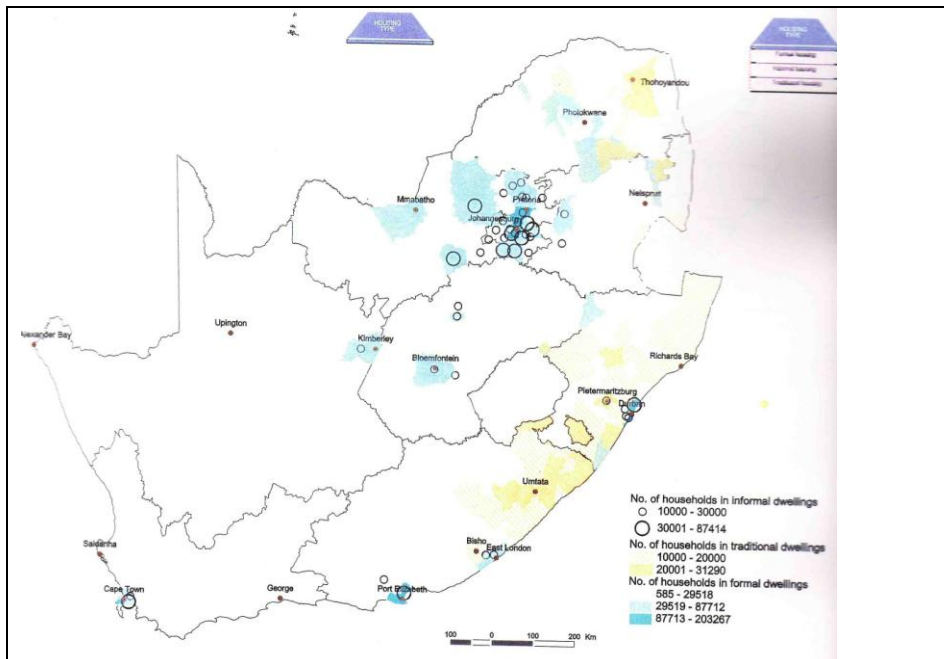
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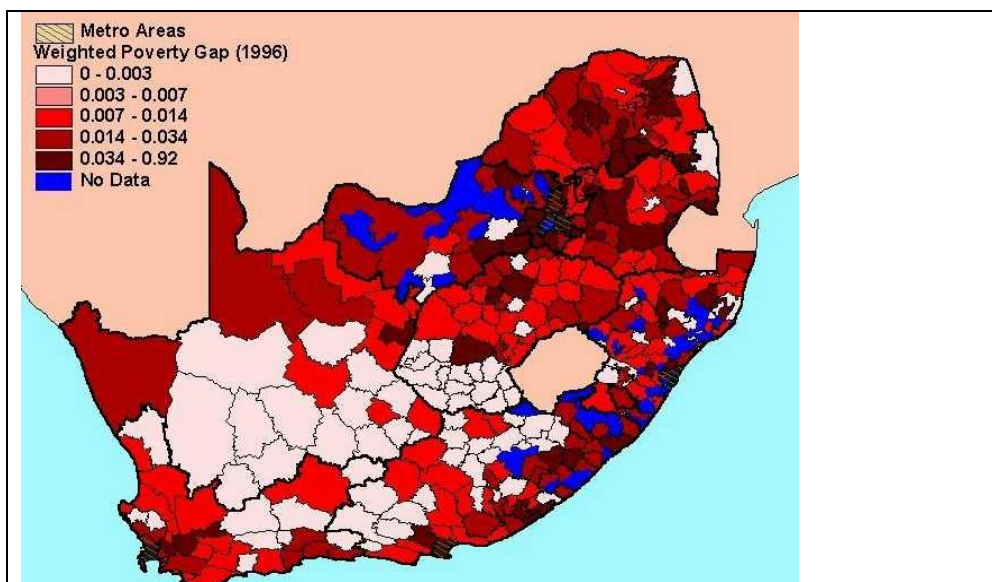
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Urban poverty

There are different ways of measuring poverty. Because of the different measures, not all distributions of poverty reveal the same patterns. Some of the most standard measures include income poverty in the form of poverty gaps¹² or infrastructure poverty, for example using informal housing as an indicator of poverty and need¹³.



Using informal housing as an indicator of poverty accentuates the urban problem.



The use of a single income poverty line tends to underestimate the extent of urban poverty, because of the higher cash demands of living in town

¹² Presidents Office – National Spatial Development Plan

¹³ South Africa 2002: *Housing Atlas*, Department of Housing

THE APPROACH TO URBAN POVERTY

There is no uniform experience of urban poverty. Typically, unemployment, poor housing quality, polluted environments, exposure to social pathology, inadequate health care, vulnerability to natural hazards and political marginalisation are part of the day to day realities of the urban poor.

In line with the latest development practice, the definition of urban poverty adopted in this report rejects narrow income based measures and adopts a wider definition of poverty that is located within a sustainable development approach.

Poverty is more than a lack of income. Poverty exists when an individual or a household's access to income, jobs and/or infrastructure is inadequate or sufficiently unequal to prohibit full access to opportunities in society. The condition of poverty is caused by a combination of social, economic, spatial, environmental and political factors.

Following this definition, social, economic, environmental and infrastructural dimensions of poverty are the four pillars of the poverty profiles used for each of the member cities of the South African Cities Network ([hyperlink to city profiles](#)).

This wide definition of poverty seeks to embrace the diverse causes, experiences and manifestations of poverty that are outlined in the growing international literature on urban poverty (Box 2) while being relevant to South African specificities, including the legacy of apartheid (Box 3). Recognising the multiple dimensions of poverty also directs attention to the range of actors who need to be involved in poverty relief and poverty reduction.

Box 2: International debates on the definition and measurement of urban poverty

APPROACH TO POVERTY	TYPE OF INDICATOR
<p>INCOME PERSPECTIVE: This is the argument that categorises people as poor if their income falls below a defined income measure.</p>	<p>GGP, welfare payments, wage levels and poverty datum lines are income indicators.</p>
<p>BASIC NEEDS: This is one of the most influential international perspectives on poverty, especially in the context of the South or 'third world' where millions of people live without adequate food, shelter or sanitation. Basic needs can include 'hard' infrastructure such as storm water or 'social' infrastructure such as schools or clinics.</p>	<p>There are a number of well known poverty indicators that come out of a basic needs perspective, for example: access to potable water, literacy, life expectancy and nutrition levels.</p>
<p>SOCIAL EXCLUSION: Social exclusion refers to the fact that despite welfare and general wealth, there remains a group who are excluded from the mainstream benefits of the society and who are prevented in some way from gaining from the general prosperity.</p>	<p>Indicators of social exclusion emphasise political, social and economic components of poverty and inequality and are thus either multi-part or composite indicators. These indicators are often qualitative measuring, for example, racism or sexism.</p>
<p>SUSTAINABLE LIVELIHOODS: This approach stresses the involvement of individuals and communities in defining and solving their own poverty. The assumption is that everyone is not poor or vulnerable in the same way and that identifying local variations in poverty or deprivation are crucial to effective development strategies.</p>	<p>Community generated indicators focus on vulnerability or the inability to cope with hardship rather than poverty, so crucial issues that emerge may not be the lack of an income or even jobs but rather factors such as disability, the breakdown of the family or social problems like alcoholism.</p>
<p>LOCALITY: Space or geography is seen by some to be an independent variable in the poverty equation.</p>	<p>Indicators used by poverty analysis interested in locality include segregation indices, transport indicators and other mapping tools. The use of GIS facilitates a locational analysis of most other indicators.</p>
<p>ENVIRONMENTAL JUSTICE Equitable access to a healthy, pollution free environment and to the environmental resources required to support a healthy life without compromising the opportunities of future generations.</p>	<p>Indicators typically found in the State of Environment reports including air pollution, water quality and environmental health indicators.</p>
<p>HUMAN DEVELOPMENT: The emphasis here is on a holistic understanding of poverty where anti-poverty action enlarges peoples' life choices. Specifically this refers to enabling individuals to lead a long and healthy life, in which they are educated and have access to a decent standard of living. Included in this notion of poverty alleviation is ensuring that human rights are upheld and that political and social freedoms are secure.</p>	<p>Indicators are varied and complex indicators that reflect the diversity of the poverty condition. The Human Development Index and the Gender Development Index are well known examples. A more recent measure designed specifically for cities is the City Development Index.</p>

Box 3: Apartheid and urban poverty¹Racist forced removals

- ◇ Removals robbed black people of their property or tenancies.
- ◇ Victims of removal did not get proper compensation.
- ◇ Removals destroyed urban economic niches.
- ◇ Removals increased costs because new housing was far from town.
- ◇ Removals disrupted established community structures.

Segregationist and apartheid housing provision

- ◇ The poor quality of the stock available to black, men women and children negatively affected their urban productivity and performance.
- ◇ The value of houses transferred from rental to ownership was less for blacks than for whites.
- ◇ There were missed opportunities for black investment in urban property.
- ◇ Women were especially badly affected by policies of state controlled housing.

Restrictions on free trading rights for all, and racist employment codes

- ◇ Black urban residents earned very low wages in unskilled jobs and therefore did not have enough money to meet basic needs.
- ◇ Even once job reservation was lifted, Africans struggled to compete because of poor educational levels associated with inferior segregated education.
- ◇ Black people struggled to create independent economic opportunities for themselves under apartheid because of restrictions on trading and retail activity in the townships.

The high cost of black household expenditure on basic goods and services

- ◇ The irrationality of the segregation driven location of the residential areas of the poor has increased costs such as transportation.
- ◇ Because of the system of financing locations, there is a legacy of the unfair cross subsidisation of rates to rich white neighbourhoods instead of poor African residential areas.
- ◇ Residents of informal settlements pay the highest per item costs on basic commodities such as water and fuel.

Distorting patterns of urbanisation and urban growth

- ◇ Because of influx control settlements have grown in places where there are no jobs or infrastructure.
- ◇ Opportunities for wealth creation are much better in metropolitan areas than they are in old homeland areas where many Africans were forced to live.
- ◇ Traditional land tenure makes it difficult to transfer property assets from settlements within the old homelands.
- ◇ The position of migrants who move between town and countryside is much less sustainable than those with an established urban or rural base.

Payment for the anti-apartheid struggle

- ◇ Many students who stayed away from school now have no formal education.
- ◇ Workers who participated in strikes and boycotts and had their wages cut .
- ◇ Residents who, if only for the sake of fear, shifted from the violence torn trains and onto the more expensive taxis.
- ◇ Families had to pay fees or dues to the shacklords, warlords, civic, and other political structures that effectively governed the townships in the 1980s.

¹ SANGOCO 1998: Background Paper for the Urban Poverty Hearings.

THE DYNAMICS OF URBAN POVERTY

Urban poverty is a much more important issue today than ever before because of the overall growth in the size of the poor urban population and because the proportion of poor people who live in cities is increasing. These twin dynamics, of urban growth and the urbanisation of poverty in South Africa, mirror the patterns seen at the global and the regional scales.

URBAN GROWTH

Cities grow because of the natural increase of their populations and because of the inward movement of people from rural areas, other towns and even other countries.

Key trends include:

- The dramatic expansion in the size of cities is seen across the world.
- The rate of urban growth is most dramatic in developing countries, and especially in sub-Saharan Africa.
- Despite apartheid policies of influx control, South African patterns of urban growth follow a similar trajectory to those of the rest of the world. The trends are:
 - a steady increase in the size of cities
 - an increase in the overall proportion of the population living in cities.

Global patterns of urban growth

The most important trends in global urban growth that are shown in Table 2 include:

- the dramatic rise in the number of people living in cities – over the past 10 years cities in developing countries have had to accommodate 150,000 new residents each day. By 2020 when an estimated 60 percent of the world's population will live in cities there will be an urban population of about 4.3 billion people.
- the highest rates of growth are occurring in southern nations who are not always well placed to respond to the demands of new urban dwellers.
- African urban growth rates are amongst the highest in the world.

Table 2: Urban Population¹

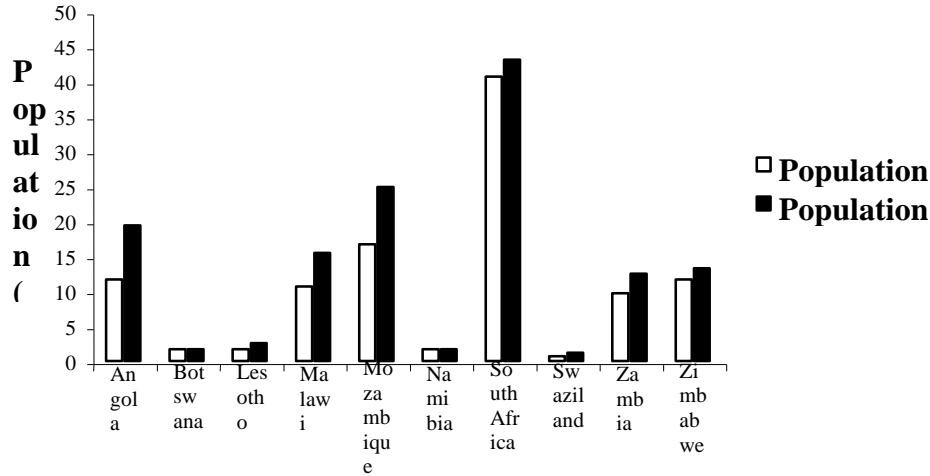
	1955	1965	1975	1985	1995		2005	2015	2030
	<i>Actual (100 000's)</i>						<i>Forecast (100 000's)</i>		
World	872	1,185	1,543	1,997	2,574		3,227	3,962	5,117
More developed regions	501	625	733	808	877		927	972	1,015
Less developed regions	371	560	809	1,189	1,697		2,301	2,991	4,102
Africa	41	66	104	162	251		379	548	864
Asia	293	426	593	847	1,192		1,595	2,043	2,736
Latin America and Caribbean	86	133	196	271	350		426	499	599

¹Figures drawn from UNDP, 1998 cited in Beall, J. Crankshaw, O and Parnell, S 2002: *Uniting a Divided City: Governance and Social Exclusion in Johannesburg*, Earthscan, London.

Regional patterns of urban growth

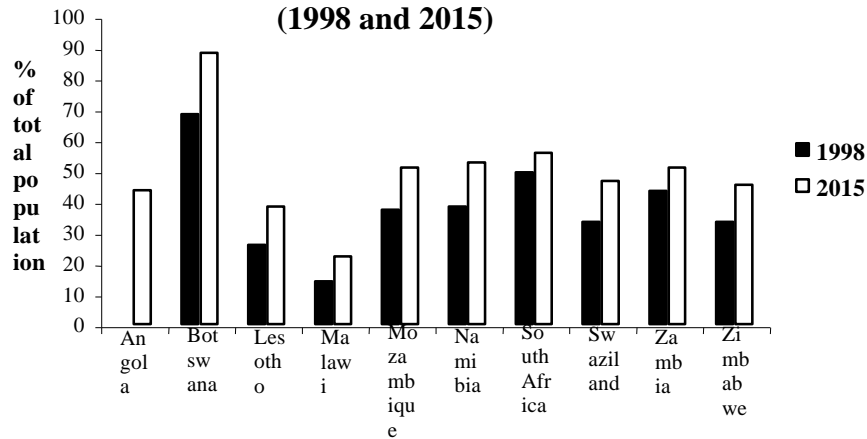
Rates of urban growth in sub Saharan Africa are high because until recently levels of urbanisation have been generally low. South Africa has the largest urban population in the region because of its overall size, but Botswana has the highest level of urbanisation.

Population figures for 1998 and projected figures for 2015



Southern African

Percentage of population in urban areas (1998 and 2015)

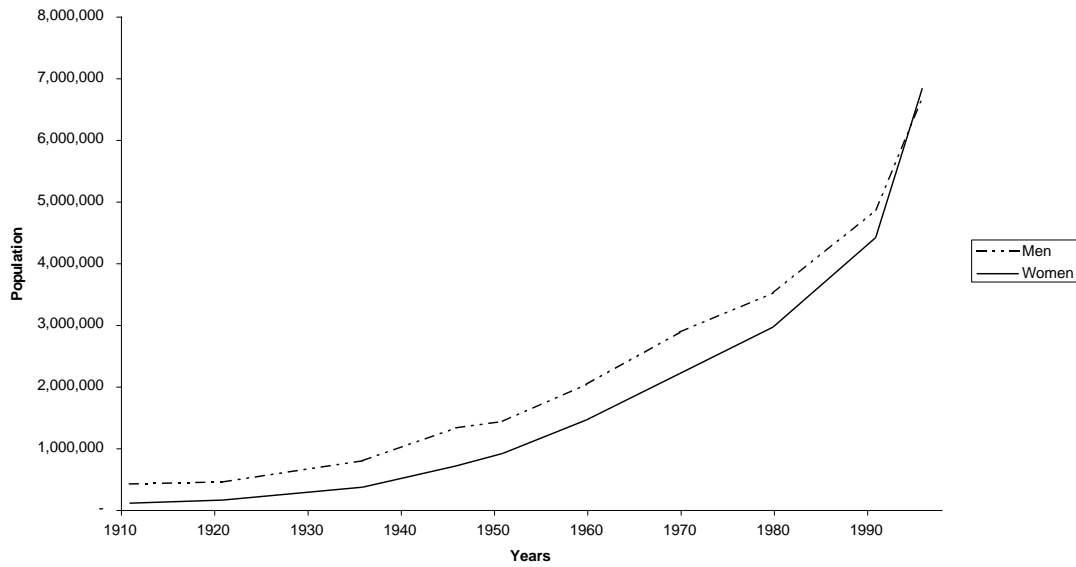


Southern African countries

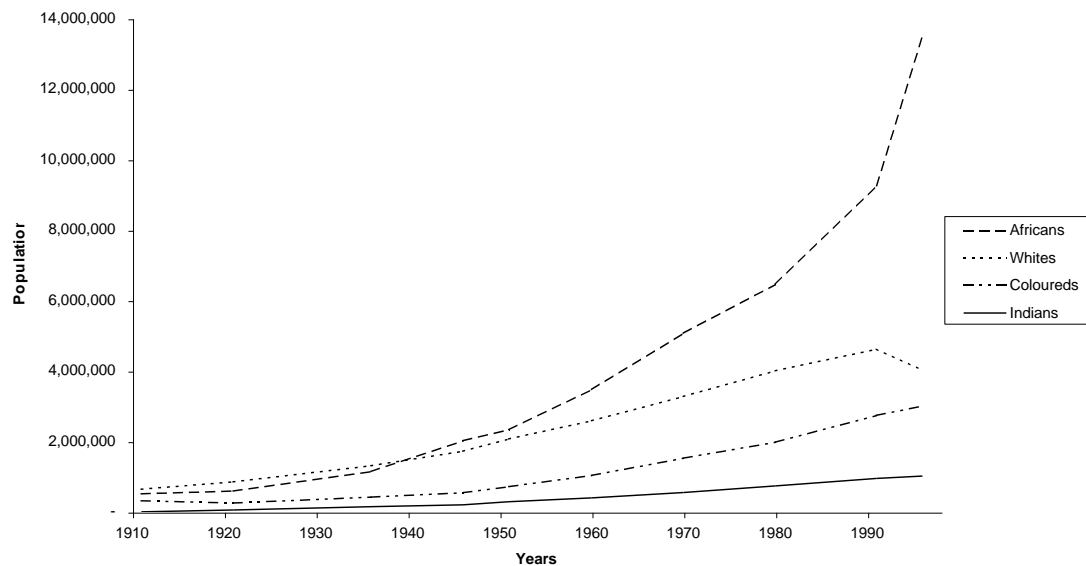
South African patterns of urban growth

The steady increase in the urban population can be seen in Table 3 and Figures 8 to 10. Note that while there has been a steady increase in the number of people living in cities in South Africa over the past century, the rate of increase has not been uniform across race, gender or location.

African Urban Population by Gender, 1911-1996



Urban Population by Race, 1911-1996



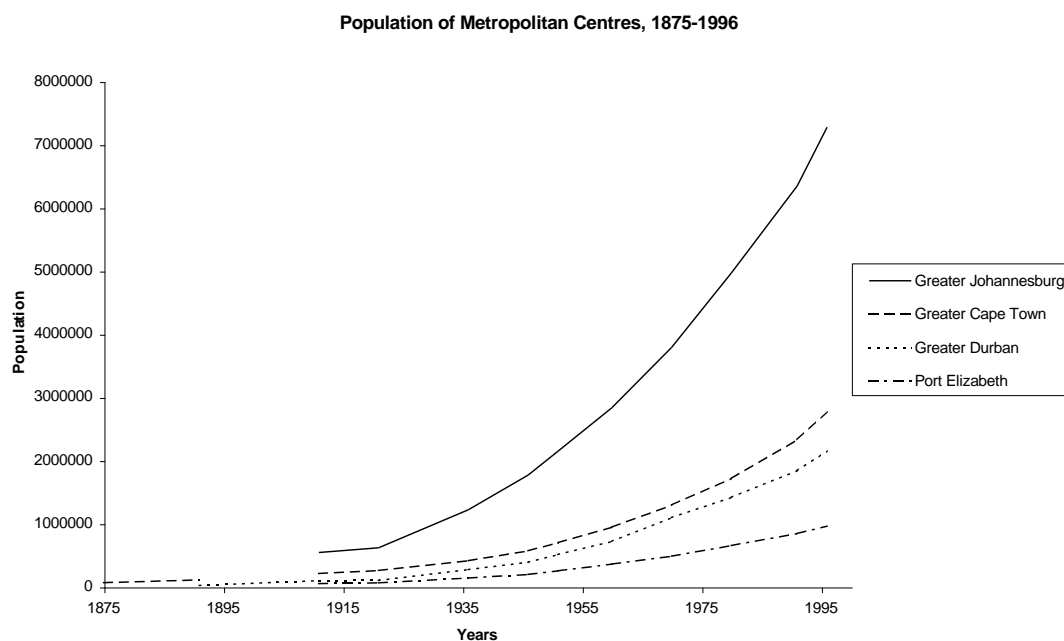


Table 3 Annual Population Growth Rate, 1890-1996 (Percentage)

Metropolitan Areas and Larger Cities²

	Greater Joburg	Greater Cape Town	Greater Durban	Port Elizabeth	East London & Mdantsane	Bloemfontein, Botshabelo & Thaba Nchu	Total Metro Areas & Cities
1891-1911	17.6	3.4	8.7	2.5	5.2	3.0	8.0
1911-1921	1.3	2.2	0.1	2.2	1.7	1.6	1.4
1921-1936	4.7	3.1	7.1	5.6	2.5	3.2	4.5
1936-1946	3.8	3.3	3.7	3.5	2.5	1.3	3.6
1946-1951	4.0	4.2	5.6	5.3	3.1	10.1	4.4
1951-1960	3.1	3.4	3.8	4.1	2.8	3.4	3.3
1960-1970	3.0	3.2	4.3	3.1	5.8	2.3	3.3
1970-1980	2.7	2.9	2.6	3.0	3.0	1.6	2.7
1980-1991	2.3	2.8	2.4	2.4	-3.3	6.9	2.4
1991-1996	2.8	3.6	3.2	2.7	19.0	3.8	3.5

Source: Calculated from Population Censuses

² Table compiled before the 2000 Demarcation Board boundaries were defined see Crankshaw, O. and Parnell, S. 2002: Urban Change in South Africa, Report for IIED, London for a full list of magisterial districts included in calculations. Note a number of the fluctuations relate to the inclusion/exclusion of homeland settlements in the census.

URBANISATION OF POVERTY

Global, regional and national urban poverty indicators suggest that not only are cities getting bigger but that, with growth, the absolute and relative numbers of the poor living in cities is also growing.

The urbanisation of poverty is the result of:

- the natural growth of the poor population within cities
- growing urban inequality
- poor people moving to cities

Now more than ever before addressing poverty demands that we respond to the needs of the urban poor.

Global patterns of the urbanisation of poverty

At the global scale the urbanisation of poverty is associated with relatively high levels of population growth in the developing world (Figure 11) as well as the increase in urban growth and urbanisation in the developing world (Table 2). The rapid growth of cities is undermining the traditionally better levels of service of urban areas as city governments struggle to keep up with rapidly expanding demands. Quality of life indicators, such as access to potable water or infant mortality, are declining in many cities and the number of people in poverty in cities is increasing, even relative to rural poverty .

Trends in urban and rural poverty³

Country	Survey year	Urban poverty incidence	Rural poverty incidence	Percentage of poor in urban areas	Number of urban poor (000's)
Bangladesh	1983-1984	50.8	60.4	11.5	6737
	1991-1992	45.2	63.0	11.8	7781
Columbia	1978	12.1	38.4	35.8	2052
	1992	8.0	31.2	37.4	1852
Nigeria	1985-1986	31.7	49.5	22.1	8092
	1992-1993	30.4	36.4	31.0	10,234
Indonesia	1990	10.3	23.1	16.4	5760
	1993	5.2	16.5	14.7	3637
India	1977-1978	40.5	50.6	19.3	64,335
	1993-1994	30.5	36.7	23.3	75,932
China	1988	6.7	32.7	6.8	20,281
	1995	8.0	28.6	10.8	29,298
Pakistan	1984-1985	38.2	41.9	23.7	1132
	1991	28.0	33.9	28.6	1348
Ghana	1987-1988	27.3	41.9	23.7	1132
	1992-1993	26.5	33.9	28.6	1348

³ Haddad et al 1999, pp 1894-1895 cited in Rakodi p.31

Regional patterns in the urbanisation of poverty

Increasing urban poverty is not only the result of the influx of poor people to cities and the natural expansion of the urban poor, it is also a result of the absolute and relative decline of national and city economies and of rising inequality within city populations. In the southern African region the urbanisation of poverty is also associated with the negative impacts of war, famine and natural disasters.

Comparison of urban growth rates with growth/decline in GNP⁴

	Average Annual Growth rate (%)		
	Urban population		GNP per capita 1980-1991
	1965-1980	1980-1990	
Mozambique	10.2	10.4	-1.1
Malawi	7.4	6.2	0.1
Lesotho	7.5	7.0	-0.5
Zimbabwe	6.0	5.9	-0.2
Botswana	12.6	9.9	5.6
Namibia	4.6	5.3	-1.2
South Africa	3.2	3.7	0.7

South African patterns in the urbanisation of poverty

The urbanisation of poverty in South African cities follows global and regional trends. In other words there has been a clear inward migration of poor people (from rural areas, other towns and the region) and the existing poor urban population has grown. From both national figures (Table 6) and work on individual cities (Table 7)⁵ it is clear that there has been an increase in inequality generally and urban inequality specifically, means that the benefits of economic growth have been unevenly distributed.

Table 6: National trends in gini co-efficient by race, 1975-1996⁶

Race	1975	1991	1996
African	0.47	0.62	0.66
Coloured	0.51	0.52	0.56
Indian	0.45	0.49	0.52
White	0.36	0.46	0.50
All	0.68	0.68	0.69

⁴ Simon, D. 1997: Globalisation and economic decline in Rakodi, C. (ed) *Urban Challenge in Africa*, United Nations Press, Tokyo, pp. 74-111.

⁵ C.f. Beall, J. Crankshaw, O and Parnell, S. 2002: *Uniting a Divided City: Governance and Social Exclusion Johannesburg*, Earthscan, London; Freund, W. and Padayachee, V. 2002: *(D)urban Vortex*, University of Natal Press.

⁶ South African Institute of Race Relations, 2001: *South African Survey 2000/2001*, Johannesburg. P.374

Table7: Gini co-efficient 1995 versus 19** in selected urban areas

Urban centre	Gini coefficient for the urban centre, 1995	Gini coefficient for the urban centre, 1981
Cape Town	0.569	Awaiting calculation
Port Elizabeth	0.540	Awaiting calculation
Bloemfontein	0.501	Awaiting calculation
Durban	0.421	Awaiting calculation
Johannesburg	0.601	Awaiting calculation

In South Africa most poverty assessments assume that levels of urban inequality will reflect those of the provinces in which they occur.⁷ This is not the case. As the South African gini coefficient figures show (Table 8), some urban centres (shaded) have higher levels of inequality than the province in which they occur. This is true of both the highly urbanised case of Johannesburg in Gauteng and the predominantly rural context of Polakwane (Pietersberg) in Limpopo. It is also true for Cape Town in the Western Cape, where provincial levels of poverty are relatively low, and for Klerksdorp in North West where provincial poverty levels are high.

Table 8: Inequality in selected South African provinces and cities⁸

Province	Gini coefficient for the province	Percentage urban	Urban centre	Gini coefficient for the urban centre	Percentage of provincial population in income poverty
Western Cape	0.558	89	Cape Town	0.569	29.1
Eastern Cape	0.614	37	Port Elizabeth	0.540	74.3
Northern Cape	0.606	70	Kimberley	0.480	57.5
Free State	0.594	68.6	Bloemfontein	0.501	54.1
KwaZulu-Natal	0.566	43	Durban	0.421	63
North West	0.663		Klerksdorp	0.694	60.9
Gauteng	0.538	93	Johannesburg	0.601	32.3
Mpumalanga	0.539	39	Nelspruit	0.494	63.9
Northern Province	0.621	11	Pietersberg	0.647	77.9

⁷ c.f. UNDP 2002: *South African Human Development Report*

⁸ Compiled from: UNDP, 2001: *South Africa: Transformation for Human Development 2000*, UNDP, Pretoria; Bohrat, H. 2002: *Measuring inequality in the city of Cape Town*, DPRU, Cape Town.

It is likely that the abolition of apartheid has accentuated the urbanisation of poverty in South Africa. Here are some of the reasons:

- Under apartheid influx controls all urban dwellers were (theoretically) employed and the unemployed were repatriated to the bantustans. Thus urban Africans, although paid very low wages, were generally employed. Today the urban unemployment level among urban Africans is 28.9 percent.⁹
- The introduction of cost recovery for services (such as water and electricity) in rural areas is undermining the differentials in the cost of living between urban and rural areas, thereby reducing the imperative of the poor to live in low cost rural locations.
- The extension of urban housing provision to women makes it possible for women headed households (who are often among the poorest of the population) to choose to remain in, or move to, an urban location.
- The removal of apartheid decentralisation incentives to homeland towns has seen the relocation of some people to larger towns.
- Urban poverty in South Africa tends to be under-emphasised because the official definition of 'urban' is an area that is proclaimed as urban. This includes cities, towns and metropolitan regions but excludes the semi-urban informal areas surrounding the proclaimed area. Also migrants living in hostels are numerated in their rural homes and not in the towns where they work and live. In the 1995 October Household Survey over 5% of urban South Africans were found to live in hostels (4%; 3% and 5% for Durban, Joburg and Cape Town respectively).¹⁰
- The 2000 metropolitan municipal boundaries include informal areas, such as Orange Farm or the greater Durban informal settlements, areas that have never before been enumerated as urban. This is likely to not only increase the proportion of the population recorded as urban, but to increase the proportion of the recorded urban population who are poor.¹¹

⁹ Census 1996

¹⁰ October Household Survey 1995

¹¹ Demarcation board 2000

RECORDING URBAN POVERTY: THE CITY DEVELOPMENT INDEX AND THE SOUTH AFRICAN POVERTY INDEX FOR CITIES

1. Purpose of indicators

Indicators are one of many tools that can aid city planning and management. Composite indicators such as the City Development Index (CDI) cannot replace other strategic information, most notably data on trends such as urbanisation and urban growth, national and city finances and external forces such as international trade regimes.

This section of the urban poverty project for the Cities Network nevertheless makes the case for members to include indicators as a useful tool for targeting poverty reduction. We propose that the United Nation's City Development Index be adopted, adapted and extended (in the form of a South African Poverty Index for Cities (SAPIC)) so that poverty can be reviewed across South African cities.

Before the CDI and SAPIC methodology for preparing and presenting poverty indicators is outlined in Section 3, a note of caution about the data that currently informs these indicators in South Africa is needed.

2 Data Problems

Census Data

The Census data is currently the only data-set that is statistically significant at the City level for all cities. Unfortunately this data-set is quite dated as it is measured every five years. Moreover, the census data only becomes available after another year, effectively meaning that data at the city level may be as much as six years old.

For tracking urban poverty there are particular problems with Census South Africa, these include the rural enumeration of local migrants, the non enumeration of illegal foreign populations and the underenumeration of sections of the upper income populations of cities. There is also difficulty in using the data to do a trend analysis as occupational and other categories change from census to census. Municipal boundaries have also changed each census year.

A further problem with census data is that it does not capture all the relevant social and economic variables needed for composite indicators like the Human Development Index (HDI), the City Development Index (CDI) or the SAPIC.

- Because important variables for composite quality of life indicators are not included in the census data-set, like GGP or life expectancy figures alternative data may need to be collected from city and provincial sources such as the antenatal survey.
- One option might include the Labour Force Survey that has recently replaced the October Household Survey and which is collected on an annual basis. The LFS is an improvement on the OHS since it provides better information on service delivery and employment.

What cities need is a regularly updated data-set which is statistically significant at the city level (and sub-city level) and provides the important variables required to develop comprehensive indicators.

3. City Development Index

The CDI was developed in 1997 and measures the level of development in cities. The Urban Indicators Programme of the United Nations Human Settlements Programme (UN-Habitat) developed the indicator so that they could rank cities of the world according to their level of development and as a display of indicators depicting development. The CDI cuts across the different clusters identified in the Urban Indicator Framework as it is based on five sub indices namely, infrastructure, waste, health, education and city product. It is useful as it provides a snap-shot view of how cities are doing with respect to the different indices. Note that for these CDIs, 1996 data has been used.

For more information on the CDI visit www.unchc.org/programmes

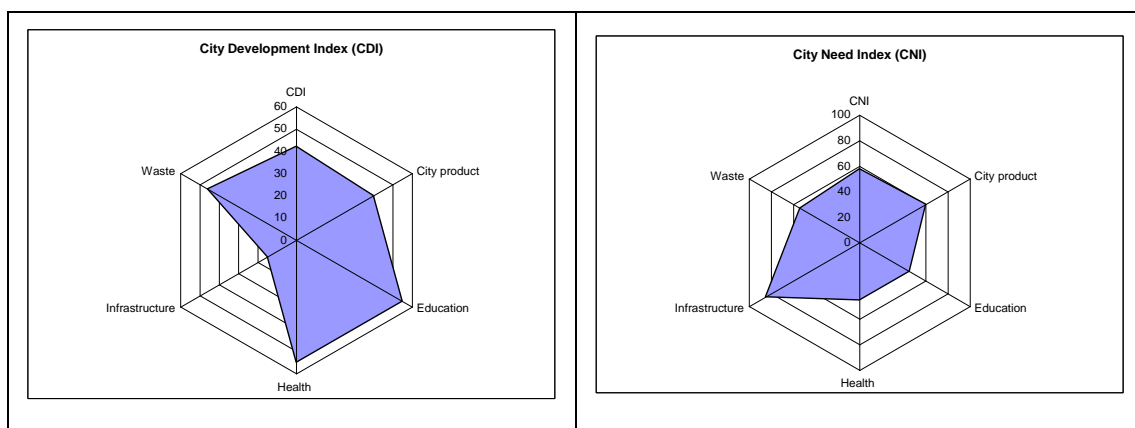
Using the CDI

The index is usually constructed to depict development outcomes.

- This internationally recognised format allows cross city comparisons of development
- When this is done over time it will provide a barometer of progress in the sectors reflected on the various 'spokes'.

The index can also be inverted to create a City Need Index (CNI), to highlight development deficits rather than achievements, thus indicating where money should be spent.

There are a number of uses for the CDI, most notably in the IDP and for budgetary processes.



Adapting the CDI for South Africa

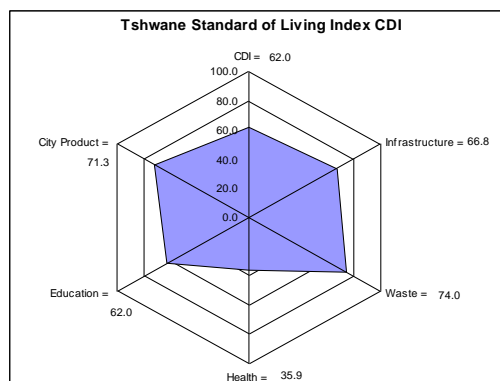
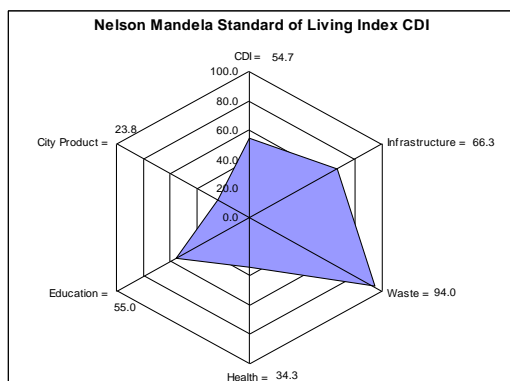
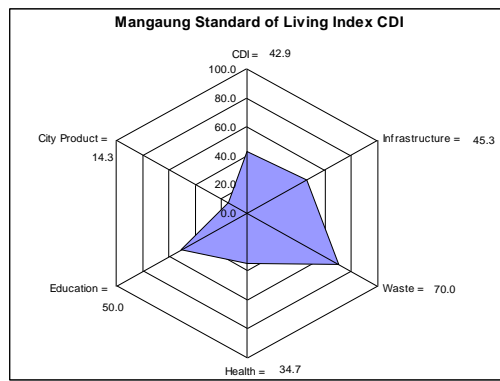
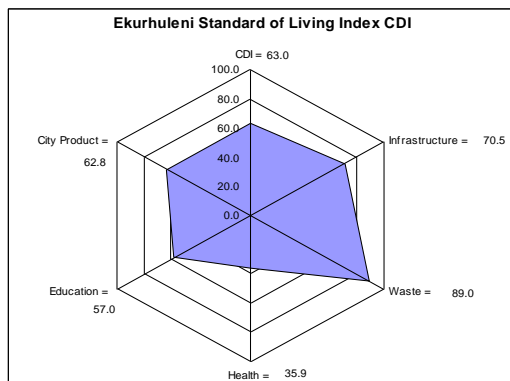
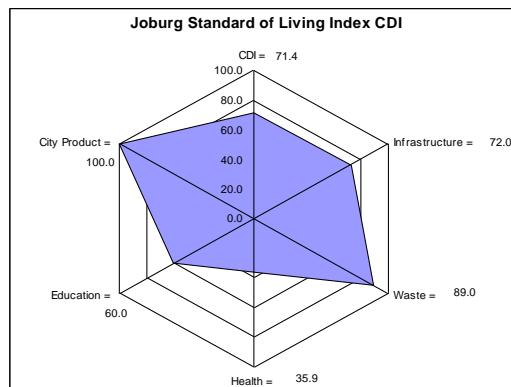
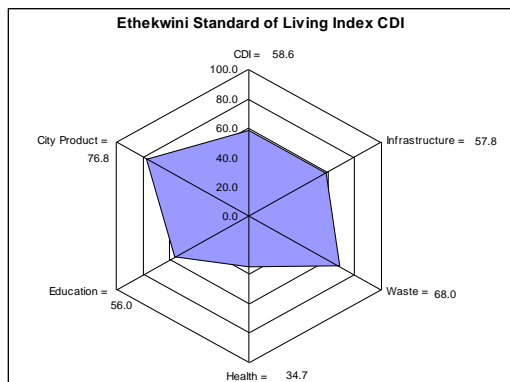
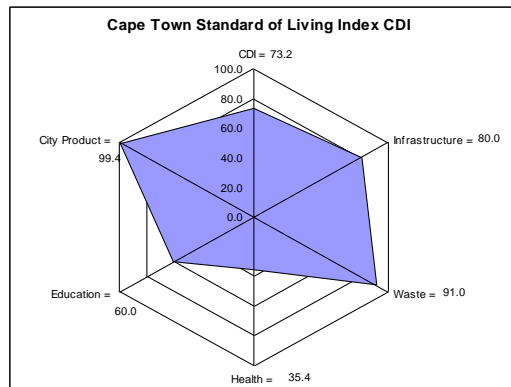
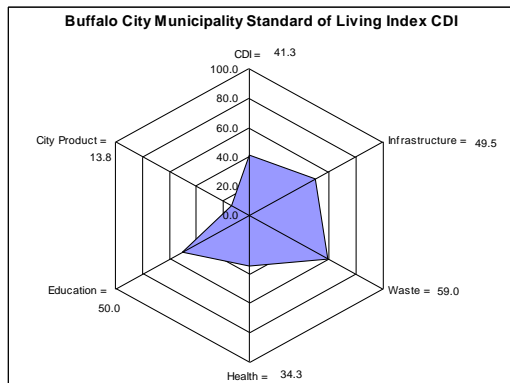
The CDI provides a very useful internationally recognised benchmarking tool. Using readily available Census 1996 data we have been able to apply the CDI to South African cities without too much difficulty. However, in calculating the CDI for the nine member cities of the SA Cities Network some proxy data had to be used, especially in the areas of health and product. Table 1 below sets out the available data that we used to calculate the CDI. It also comments on more appropriate data that SHOULD be

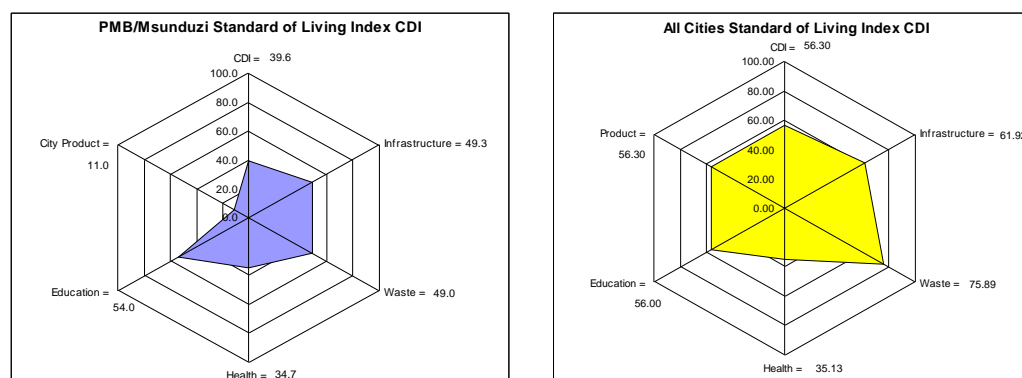
available for calculating the CDI. The final column of Table 1 comments on the relevance of the internationally defined components of the CDI to South Africa.

It is important that the use of indicators does not distort the development process and that clear objectives are set for its application. Careful monitoring of the use of the CDI is required to avoid creating false incentives. It is important that the CDI should be used with caution pending consensus that the data used to derive the components is the most appropriate and reliable.

Table 1: Calculating the City Development Index (CDI) for South Africa

CDI	AVAILABLE DATA	REASONABLE DATA 'WISH LIST'	COMMENT ON SOUTH AFRICAN RELEVANCE
PRODUCT (Gross Geographical Product (GGP))	We used Mean Household Income (Census 1996) normalised to 100 as a substitute for GGP.	GGP figures are available, but have not been calculated for all the cities and is unevenly reported.	The product figure fails to capture the other dimensions of growth, and it seems sensible to propose a growth index for cities along the lines of the SAPIC (South African poverty index for cities). Such an index might include figures on investment, competitiveness, exports, tourism, employment, building plans passed, car sales, house prices, local inflation, skills etc.
EDUCATION (Literacy x 25 + combined enrolment)	In the absence of city enrolment figures we used only literacy (literacy x50).	Enrolment figures are available in the Provinces, but have not been calculated for at the city or sub city scale.	The definition of literacy varies – we used the South African Institute of Race Relations figure of 9 years of schooling for functional literacy. Other sources use 7 years. Given the nature of formal employment in cities it may also be appropriate to measure levels of tertiary education.
HEALTH Life expectancy – 25 x50/60 +32 Child mortality x50 /31.92	We used provincial estimates of infant mortality instead of child mortality	Child mortality figures are available from the ante natal surveys, but are not calibrated at the city scale. Life expectancy has not been calibrated at the city scale	Recognising that there is a danger of double counting, it is important that HIV/Aids and TB figures are reflected in the health index. Similarly, the impact on mortality and health services of the high transport accident figures means that this data could also be used.
INFRASTRUCTURE Water connection x25 Sewerage connection x25 Electricity x25 Telephone x25	Census 1996 data was used ...define levels	City data may be more up to date than the census.	Service levels may need to be adjusted. Given the housing backlog and the ongoing demands associated with urban growth we felt housing should be included – but that only informal backyard shacks and informal settlements should be defined as inadequate to recognise rental housing as an important urban shelter choice.
WASTE Wastewater treated x50 + formal solid waste disposal	Formal solid waste disposal (Census 1996)	Data on waste water treated is available from the cities.	The focus of this 'brown agenda' indicator could be expanded to recognise air pollutants, possibly using a proxy health indicator such as upper respiratory tract infections.



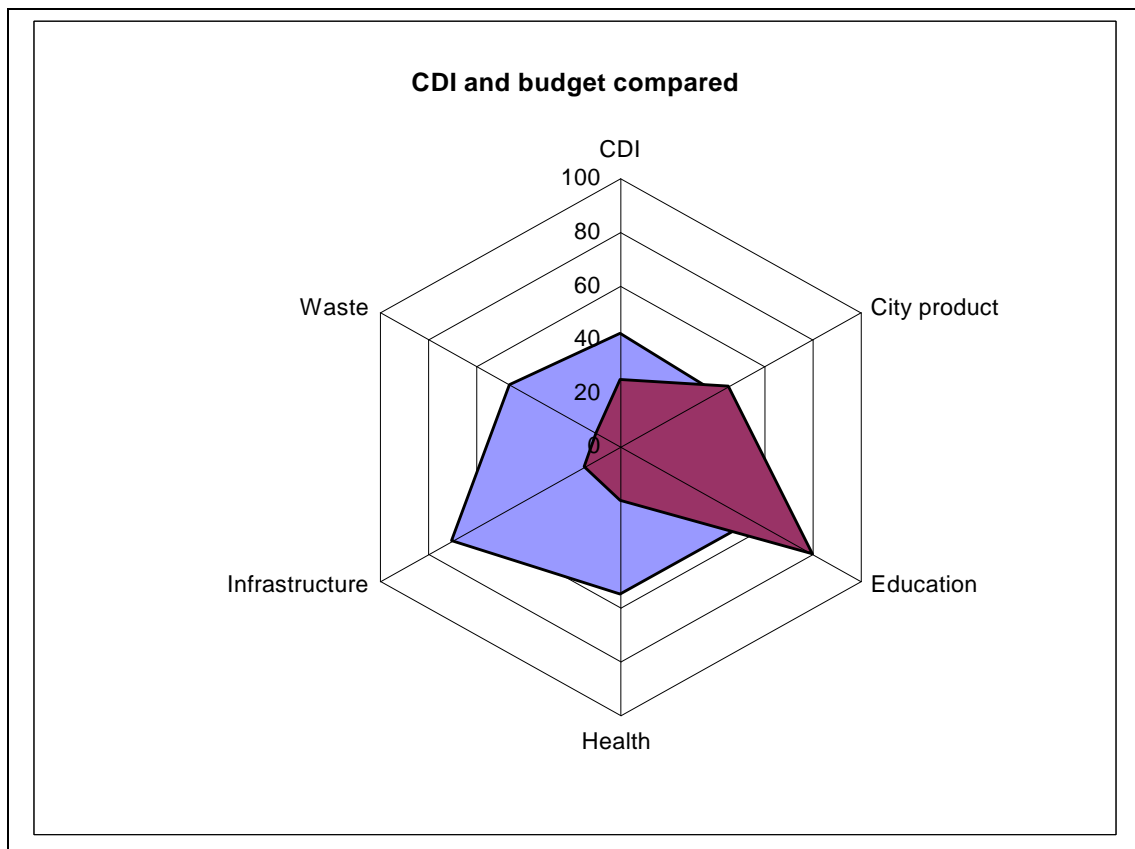


Extending the use of the CDI

For cities seeking to develop baseline indicators to inform IDPs and budgets, to compare themselves with other South African and international cities and to report to their citizens on progress in development, there are exciting opportunities for adapting and extending the CDI.

Linking the CDI to other planning tools and information

- Many of the investments and interventions in cities are initiated outside of local government. Provinces in particular, through health, welfare, transport, education and economic development have a crucial role to play in directing resources and influencing city development paths. The CDI can be adapted to include provincial variables. The CDI indicator format can be used to align data systems at the city and sub city scale to facilitate intergovernmental co-operation.
- Given the powers and functions of local government in South Africa one important gap in the CDI relates to the area of economic development (see comment in Table 1 under 'product').
- Similarly the area of environmental sustainability and biophysical carrying capacity is a crucial issue for South African cities. For example, because water is scarce and several large cities are ecological hot spots it may be important to recognise that in some instances there is a contradiction between service extension and the available carrying capacity.
- There are opportunities for linking the CDI and other indicators to financial management to trace the relationship between development outcomes (as measured in the CDI) and capital and operating budgets.



Gaps in the CDI for monitoring poverty

- The political and strategic importance of poverty reduction as a pillar of developmental local government merits closer scrutiny of the CDI as a tool to review progress in poverty alleviation.
- While the CDI provides an excellent baseline of poverty that covers not only infrastructure but also economic, health and educational dimensions of well being, there is scope to extend the CDI especially to reflect local specificities of poverty. We therefore propose the introduction of the SAPIC (South African Poverty Indicator for Cities) to be run in conjunction with the CDI.
- A methodology for producing the SAPIC is outlined below. Please note that only DRAFT figures are included to illustrate the SAPIC as Cities Network members will need to agree on variables and weightings before the appropriate data is collected and run.

South African Poverty Indicator for Cities (SAPIC)

Like the CDI the SAPIC uses the notion of the graphic presentation of various composite indicators clustered around a general theme. The five spokes of the SAPIC include

1. Safety and Security
2. Good governance
3. Spatial integration
4. Social and economic exclusion
5. A poverty adjusted CDI

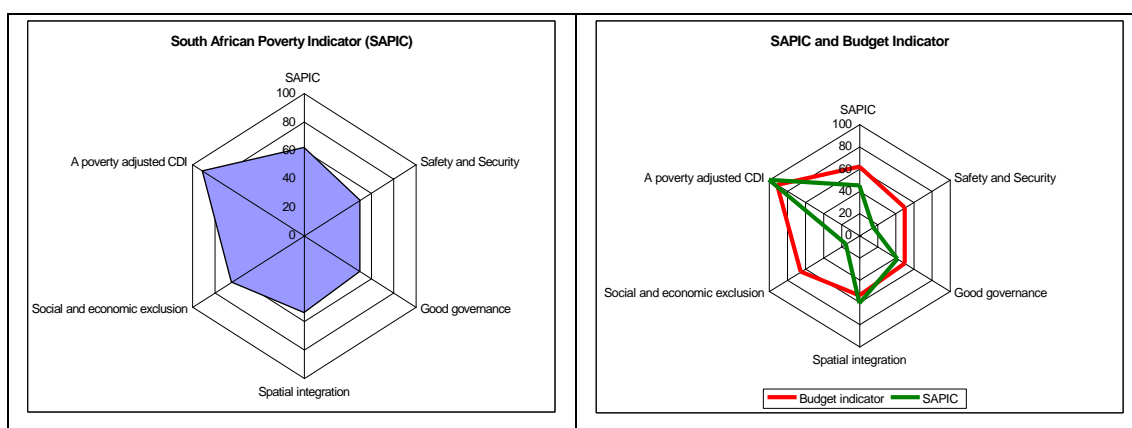


Table 2: Calculating the South African Poverty Index for Cities (SAPIC)

SAPIC (Possible indicators)	DATA 'WISH LIST' AND DATA ISSUES	RELEVANCE TO POVERTY IN SOUTH AFRICAN CITIES
<p>SAFETY AND SECURITY</p> <p>Black male victims between 16 and 30 who are homicide victims.</p> <p>Police per 10000 population</p> <p>Juvenile offenders per 10000 population</p> <p>Proportion of alcohol/drug related crimes.</p>	<p>City and sub city scale collation of crime, prison, and medical data.</p> <p>The weighting and formation of the index needs to balance issues of access to justice, negative impacts of crime and violence and the dependence on criminal livelihoods within poor communities.</p> <p>Figures on crimes against women and children are not included in this part of the SAPIC as they are used as proxy indicators of social exclusion.</p>	<p>Although all South Africans are negatively affected by crime, the poor bare the brunt of the violence and social dislocation of crime.</p> <p>Crime in South African cities, especially among poor communities, is closely associated with drug and alcohol trade and abuse.</p> <p>Unchecked criminality as a livelihood strategy among poor households may threaten overall city governance and public safety.</p>
<p>GOOD GOVERNANCE</p> <p>Project viability - financial indicators, Institutional transformation, Participatory IDP, etc</p>	<p>These indicators draw from the Department of Provincial and Local Government's (DPLG's) Key Performance Indicators (KPI's). They are collected at a municipal scale intended for reporting to national government. The proposed indicators would not be appropriate for sub city application, for instance in an IDP, where alternatives</p>	<p>Although all citizens benefit from sound financial practice, transparent government and effective participatory processes, the poor are most likely to gain from democratic and good governance. They are also most likely to suffer from municipal fiscal crisis and corruption. Without democracy and participatory forums their voices cannot be</p>

	should be proposed.	heard on how the city should be run. Despite its prominence in the pro-poor literature good city governance is not an area where there has been much work on urban indicators and we have therefore adopted some of DPLG's general KPIs for local government.
<p>SPATIAL INTEGRATION</p> <p>Affordability of commuter fares x25</p> <p>Accessibility to public transport x25</p> <p>Door to door journey times x 25</p> <p>Proportion of the population stranded without access to transport x25</p>	<p>Transport is used as a proxy indicator for spatial isolation and exclusion.</p> <p>These indicators draw from the Department of Transport's <i>Moving South Africa</i>. Collection of the data at the city (and sub city) scale is required for the inclusion of the indicator as proposed.</p> <p>Elements of the index overlap with the CDI and there is an ambiguity over the definition of secure tenure with a possible over emphasis on ownership over rental.</p> <p><u>Slums Index:</u></p> <ul style="list-style-type: none"> % households without tenure % households without water % households without sanitation and other services % households without permanent structures 	<p>The legacy of apartheid planning and the high cost of well located land for new subsidy based housing development means that the urban poor in South African are located on the periphery, far from jobs and subject to expensive travel. Extensive subsidies currently maintain this pattern of race and class segregation and mitigate against the integration of cities in line with urban reconstruction policy frameworks that are designed to enhance the opportunities of the poor.</p> <p>It may be appropriate to use the UN's Slums Index as it captures the problem of the prevalence of the blighted conditions of the urban poor. It also it forms part of South Africa's required reporting to the UN for the Millennium Goals, but we have reservations about the proposed computation of the Slums Index, its overlap with the CDI and its emphasis on tenure.</p>
<p>SOCIAL AND ECONOMIC EXCLUSION</p> <p>RDI (Racial Development Index) = HDI of Africans as a proportion of that of the population as a whole.</p> <p>GDI (Gender Development Index)</p> <p>Rape</p> <p>Gini coefficient for Africans</p> <p>Reported child abuse per 10000 of population</p> <p>Unemployment (extended definition)</p>	<p>The HDI is a globally accepted index of well being. HDI (Human Development Index) indicators include longevity, education and income – these can all be extracted from the South African census at the city and sub city scale and calculated using the apartheid race classification of African as a proxy for racist exclusion.</p> <p>The UN's GDI (Gender Development Index) uses the same variables as the HDI but measures the performance of women relative to that of men. It is used here as a proxy indicator of gender discrimination</p> <p>Although rape and child abuse figures are notoriously underreported, they are collected and can be used to reflect fear and vulnerability.</p> <p>Gini coefficients measure inequality – traditionally in income. The use of the African Gini is designed to show that race is no longer a reliable predictor of poverty, as there is increasingly extreme inequality within 'race' groups. Similar measures could be made of any 'race' group.</p>	<p>Key lines of exclusion and marginality in South Africa include racism, sexism, language discrimination and xenophobia. An overt 'class' inequality transcends these divisions and is a force that prevents many of the urban poor from attaining their full human potential. Many of the best indicators of exclusion are qualitative rather than quantitative. We have adopted racialised, gendered and income linked versions of standard indicators of well being (the HDI) and of inequality (Gini coefficient) as well as rape and child abuse figures to highlight vulnerable groups. The expanded definition of unemployment links to the UN's definition of the excluded as those out of employment for longer than a year.</p>
POVERTY ADJUSTED CDI	Not all variables of the CDI can be adjusted for race or for housing type and income	The CDI is a solid general measure of poverty, but it measures average performance and,

<p>CDI for Africans</p> <p>CDI for residents of informal backyards and informal settlements</p> <p>CDI for the lowest income quintile</p>	<p>quintile. But the infrastructure, waste, health and education variables can be disaggregated in this way and if income rather than GGP is used for the product Census 1996 can be used to calculate the poverty adjusted CDI.</p>	<p>especially in highly unequal contexts such as South African cities, fails to reflect the position of the poorest of the poor. By running the CDI for Africans (the population most negatively impacted by apartheid); the lowest income quintile and those in informal settlements (the housing and infrastructure poorest) we establish a general idea of development from the perspective of the poor of the city.</p>
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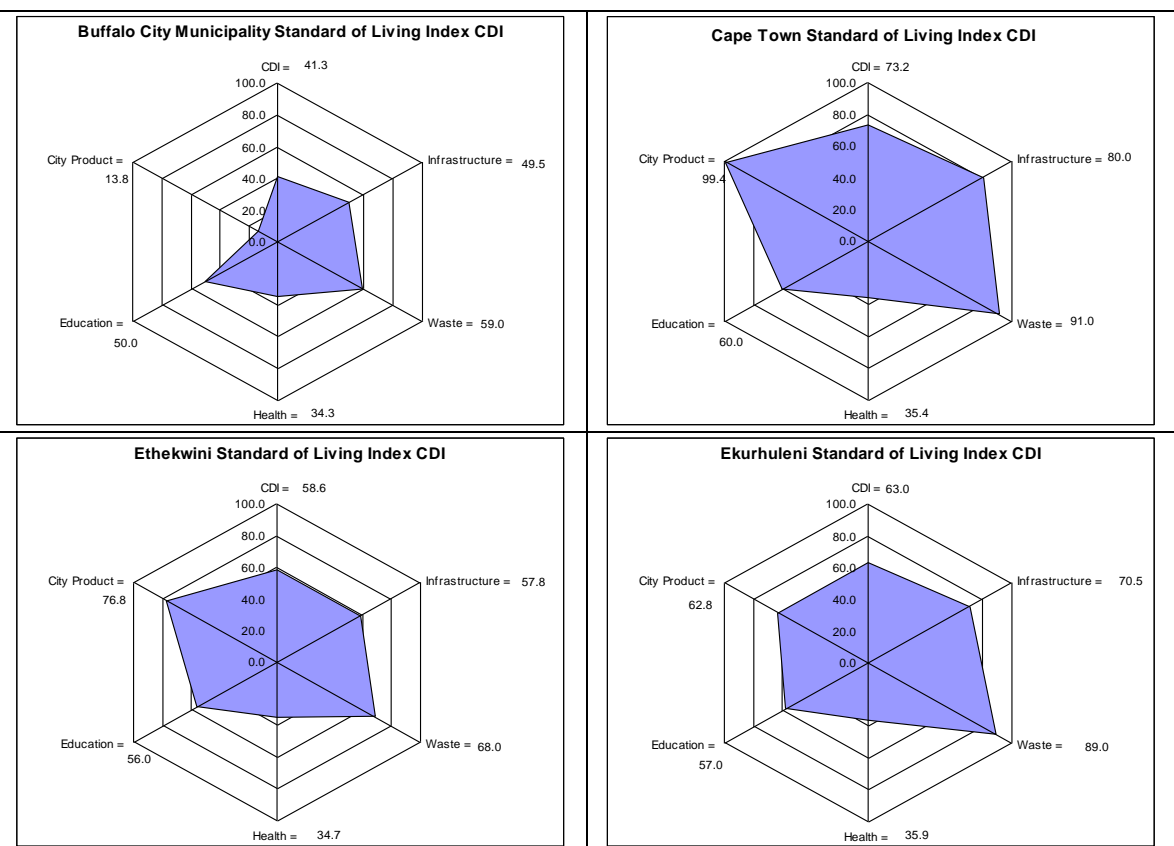
5. Way Forward: Cities Network Indicators Working Group

- Refine methodology and statistical approach of the CDI and SAPIC.
- Establish appropriate data sources at the appropriate scale (health, crime etc) for the CDI to populate the CDI and SAPIC models.
- Downscale the CDI and SAPIC where appropriate (for example, to suburb level).
- Link CDI and SAPIC to GIS.
- Link CDI and SAPIC to municipal budgets.
- Explore opportunities to extend the CDI to better reflect economic development and sustainability issues as well as other spheres of government.
- Recommend the strategic collection, use and dissemination of information for the members of the Network.
- Explore the interface between quantitative data and more qualitative information (e.g. making a good governance index at the sub-city scale)

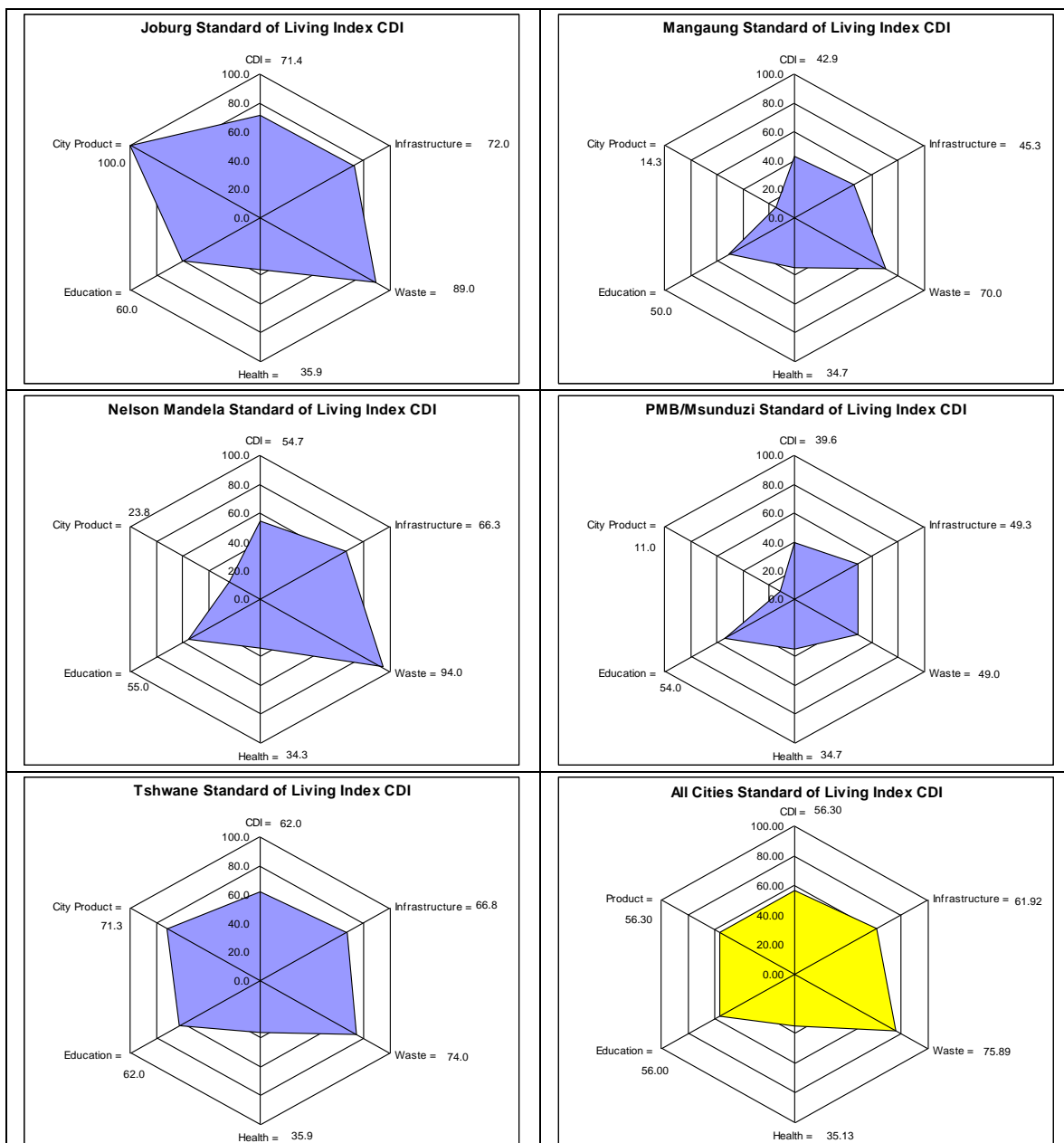
RECORDING AND MONITORING POVERTY

Poverty profiles of each of the SACN members have been developed following the multi-criteria definition of poverty. Broad categories of information including environmental and health, social and governance, housing and infrastructure and economic indicators inform the poverty profile framework. It is envisaged that these profiles will provide useful diagnostic information in order to identify areas where interventions are required. City and sector based data has been collected and composite indicators such as the City Development Index (CDI) have been calculated using available data.

The CDI was developed in 1997 and measures the level of development in cities. The Urban Indicators Programme of the United Nations Human Settlements Programme (UN-Habitat) developed the indicator so that they could rank cities of the world according to their level of development and as a display of indicators depicting development.¹ The CDI cuts across the different clusters identified in the Urban Indicator Framework as it is based on five sub indices namely, infrastructure, waste, health, education and city product. It is useful as it provides a snap-shot view of how cities are doing with respect to the different indices.



¹ See global urban observatory – www.unchs.org/programmes.guo.



Methodology for calculating CDI

Index	Formula as stipulated by the Guo	As calculated for the Cities
Infrastructure	25* water connections + 25* sewerage + 25* electricity + 25* telephone	
Waste	Wastewater treated*50 + formal solid waste disposal*50	Formal solid waste disposal*100
Health	(Life expectancy - 25)*50/60 + (32-child mortality)*50/31.92	(Life expectancy - 25)*50/60 + normalized infant mortality rate.
Education	Literacy*25 + combined enrolment*25	Literacy*50
Product	(Log city product - 4.61)*100/5.99 or where city product is not provided it can be calculated as 0.45* mean household income	The mean household income for all income groups in the different cities were obtained from the 1996 Census. This was compared, with the highest mean household income normalised to a value of 100

City Development Index (Infrastructure index + waste index + education index + health index + city product)/5

In calculating the CDI we have as far as possible used the methodology employed above. In general Census information was used. Where Census information was not available, proxy data sets were used. Care was taken to use 1996 figures. Where indicators were not available at a city level, provincial estimates were used. For example, it proved difficult to obtain health indicators for all cities and so provincial estimates and proxies were used instead. The use of Census data also means that the CDIs for the various cities are dated. Many cities have made substantial developmental progress since 1996.

These figures give a general comparison across the cities, of course because of the inter-urban differentiation associated with segregation it would be useful to reflect the CDI across the city, as this example from Cape Town magisterial districts reveals.

City Development Index for magisterial districts in Cape Town

