

Local economic development

A case for public transport

Public transport is not only an issue, which has, over the years, sparked incidents of violence, but is also at the core of industrial development. **Temba Phintshane** argues that policies that seek to address industrial development should take cognisance of the importance of public transport in promoting industrial development and local economic development (LED).

The inadequacies of the public transport system have been revealed in a number of surveys and studies. A study conducted in Ekurhuleni Metropolitan Municipality (EMM), showed that the public transport services do not go where they are needed. In some cases industries are willing to operate a three-shift system but are prevented from doing so because public transport services are not available. An efficient public transport system would provide incentives for firms to increase production by introducing more shifts, thereby increasing employment and economic growth. In this regard, a well thought-out public transport policy would enable local authorities to contribute significantly in fulfilling their local economic development (LED) mandate. Local government expenditure on improved public transport can be said to 'crowd-in' private investment, which is one of the traditional approaches to local economic development.

The question of how public transport policy is responding to public transport needs is crucial to promoting LED and industrial development. The translation of transport policies into action to develop vibrant local economies is a good test of how concepts such as LED and the Integrated Development Plan (IDP) are working in practice. For example, the decision of firms to relocate or

expand existing production is very much dependant on a number of factors such as availability of labour, tax levels and transportation. In this regard, the efficiency of one location over another is the touchstone for corporate investment decisions.

LOCAL GOVERNMENT AND IP

The White Paper on Local Government (1998) introduces the concept of developmental local government, defined as 'government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve the quality of life'. The White Paper states that local government must play an increasingly prominent and active role in the overall pursuit of social and economic development.

The adoption of the new developmental mandate by local authorities effectively means that local government confronts the daunting task of transforming its institutions to be aligned with the newly altered powers and responsibilities. A clear public transport policy is fundamental in enabling local government to effectively perform its role in promoting industrial development.

What needs to be done is expressed in a variety of Acts, policies and programmes. The

focus is on issues such as access, cost of public transport, safety and travel times. These policy issues are reflected in national and provincial government legislation. A criticism of the public transport policy is that it tends to reflect little on how these issues relate to the national economic development objectives and priorities.

The policy framework is insufficient. It lacks long-term goals based on shared achievable objectives. For instance, the Gauteng Household Travel Survey showed that the poor communities, from which most of the industrial workforce comes, spends about 20% of their disposable income on public transport. The acceptable percentage that should be spent on transport is 10% of the disposable income. This is the issue that public transport policy should focus on. The public transport policy approach has focused largely on the captive commuters. These are the commuters that are not necessarily satisfied with the public transport services they use, but are unable to shift to another mode due to the fact that other modes are either not available, expensive or do not go to their destination.

Nevertheless, public transport policy seeks to expand the share of public transport by attracting the private car users to the public transport system. There are intrinsic challenges to this approach. Shifting focus



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however, a low level of understanding of the IDP process at the local government level while current coordination structures are inadequate, incapacitated or not clear on the tasks they should be fulfilling in coordinating industrial development. The role that government policy has played in promoting LED has been narrow in its conception and implementation. The focus has been either on economic growth or poverty alleviation and employment creation in isolation. However, public transport policy should seek to transcend the temptation to focus on industrial development as consisting of fragments that require isolated policy interventions. The conception of industrial development strategy should take cognisance of the fact that the multiplier effects of public transport, as noted above, are diverse and multifaceted.

Local authorities need to explore the method through which the delivery of an efficient public transport is envisaged. How do local authorities ensure that public transport policy is coherent and consistent? First, there must be consistency at the national government level based on incremental long-term planning. At the local level, the IDP provides one of the answers. The IDP managers must ensure that sectoral plans are complementary. Public transport

must be prioritised in the IDP. The poor segments of the community must be targeted. Overall, this approach will have a significant impact in enabling local government to play a meaningful developmental mandate.

CONCLUSION

For local authorities to play a meaningful contribution in industrial development, public transport policy must be explicit, coherent and consistent. The prioritisation of public transport and the understanding of the role it performs in industrial development are critical. The level of infrastructural investment should reflect the overall objective of industrial development. It must also be realised that public transport investments may not have immediate profit or returns, but it would contribute significantly in the long-term industrial development and LED. It is through a proactive, long-term and incremental public transport policy that industrial development, employment creation and LED can be achieved.

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Phintshane is with the with the Corporate Strategy and Industrial Development research programme, School of Economic and Business Sciences, University of the Witwatersrand.

from the poor segments of the communities, where unemployment and poverty are concentrated, reflects a lack of consistency and a clear long-term vision as regards the developmental duty of the government. Before private car commuters can be attracted to the public transport system, it has to offer a real alternative. Why and how would private car and taxi commuters shift to the rail mode when the rail services are inadequate and unsatisfactory? This is a major policy question.

What will happen to the poor workers and those who need public transport the most if public transport policy shifts in favour of the more affluent public transport users. What about those firms who face problems because of inadequate public transport? And those who want to increase shifts, which would impact on jobs, in a context where national government has committed itself to half unemployment and poverty by 2014. Without disregarding the importance of the macroeconomic environment, the attainment of these 2014 goals will largely depend on the performance of local authorities in setting out and implementing clear policies and strategies that explicitly seek to promote industrial development.

The Integrated Development Plan (IDP) is meant to be at the centre of sectoral coordination and implementation. There is

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