

# Positioning Cities for Economic Recovery COVID-19

*Presentation to CEDMF*

**28 April 2020**



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

# Purpose of the Presentation

To update the CEDMF on actions to support city economic recovery

- Stats SA Business Survey results
- Presidential announcement of economic and social relief packages
  - Daily updates of the CSP Corona Virus p
  - [https://csp.treasury.gov.za/Resource%20/COVID\\_19\\_Responses.aspx](https://csp.treasury.gov.za/Resource%20/COVID_19_Responses.aspx)



- Think Tank held on Positioning Cities for COVID 19 economic recovery held on the 15<sup>th</sup> April 2020

# Real-time Economic Data

## Stats SA Business Survey released on the 21<sup>st</sup> April 2020

- Majority of businesses (85,4%) reported turnover below normal
- 46,4% indicated temporary closure or paused trading activity.
- 50,4% expected their workforce size to stay the same & 36,8% reported to decrease in two weeks after survey
- 28,3% indicated their workforce has decreased working hours and 19,6% reported laying off of staff in the short term
- 19,1% indicated that prices of materials, goods or services purchased increased more than normal
- 38,2% of businesses applying for financial assistance reported that they would use government relief schemes.
- 30,6% indicated they can survive less than a month without any turnover, while 54,0% can survive between 1 and 3 months.

# CSP Convened Think Tank on City Economic Recovery

- Think Tank convened at request of DM Tau to input into government's economic recovery planning & the IUDF Economic Inclusion Implementation Plan
- Think Tank objectives were to:
  - Discuss the role of South African cities in national economic recovery
  - Identify strategic choices that needs to be made to enable economic recovery
  - Propose national priority interventions required to support cities
  - Propose priority city-level interventions
- 43 participants mainly from public sector (national (NT, COGTA, DPME, DRDLR) and cities), SALGA and academia
- Hosted online

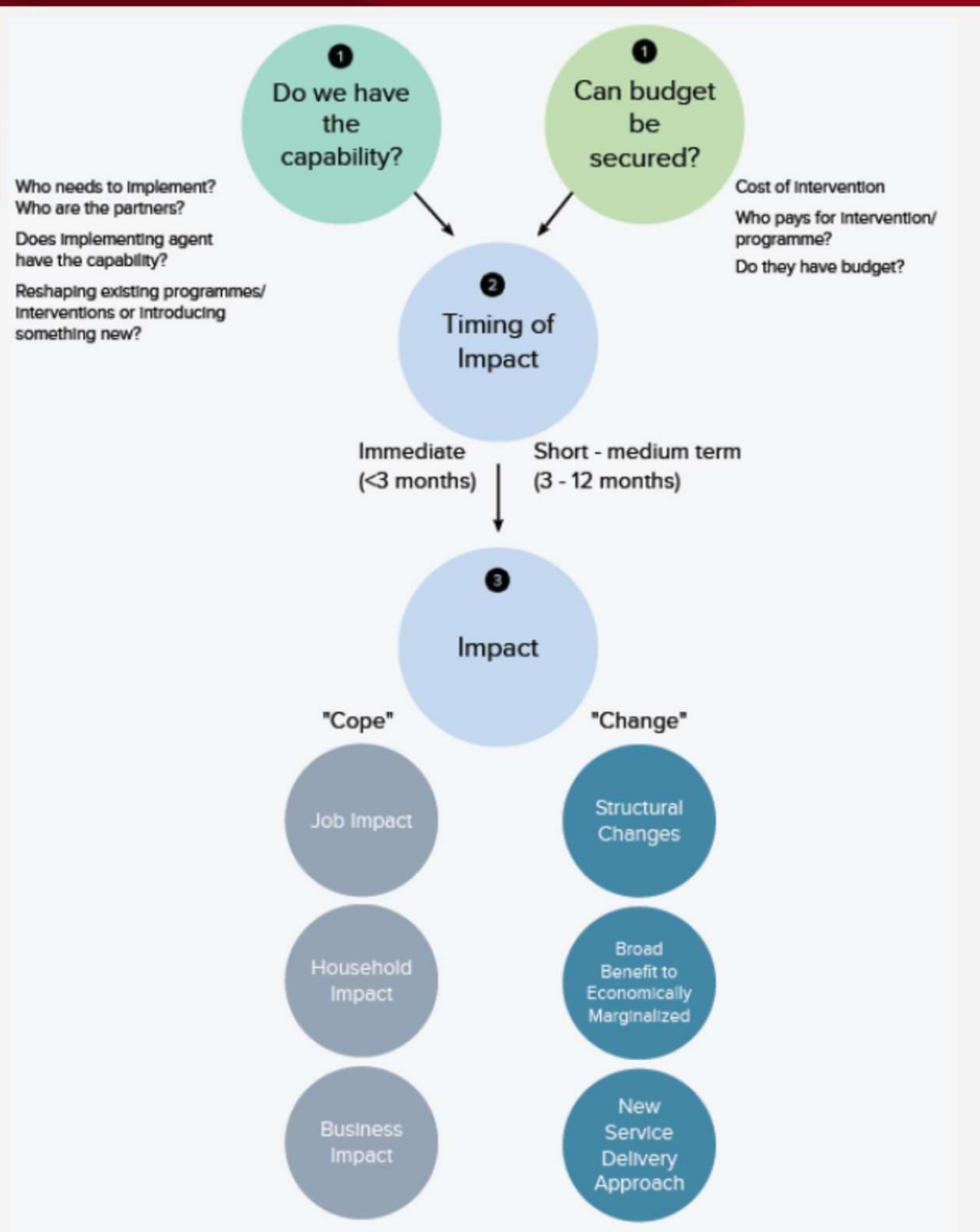
# What has the pandemic exposed?

Our reality	What we would like to keep	What we would like to change
<ul style="list-style-type: none"><li>• Economic linkages and dependencies</li><li>• Persistent Inequality</li><li>• Extent of the informal sector</li><li>• Fragility of food security</li><li>• Fragility of job security</li></ul>	<ul style="list-style-type: none"><li>• Solidarity and coming together</li><li>• States' ability to respond decisively</li><li>• State's capacity to regulate &amp; demonstrated political will</li><li>• Global knowledge sharing and support</li><li>• less traffic, less violence, less pollution</li></ul>	<ul style="list-style-type: none"><li>• How out of touch certain parts of govt are e.g. de-densification proposals</li><li>• Relative disempowerment of regional and local actors</li><li>• Link between current patterns of economic growth and environmental decay</li><li>• Lack of political discourse on socio-economic centrality of cities</li><li>• Lack of business continuity in government etc building plan approvals</li><li>• Lack of adaptive capacity in the public sector</li></ul>

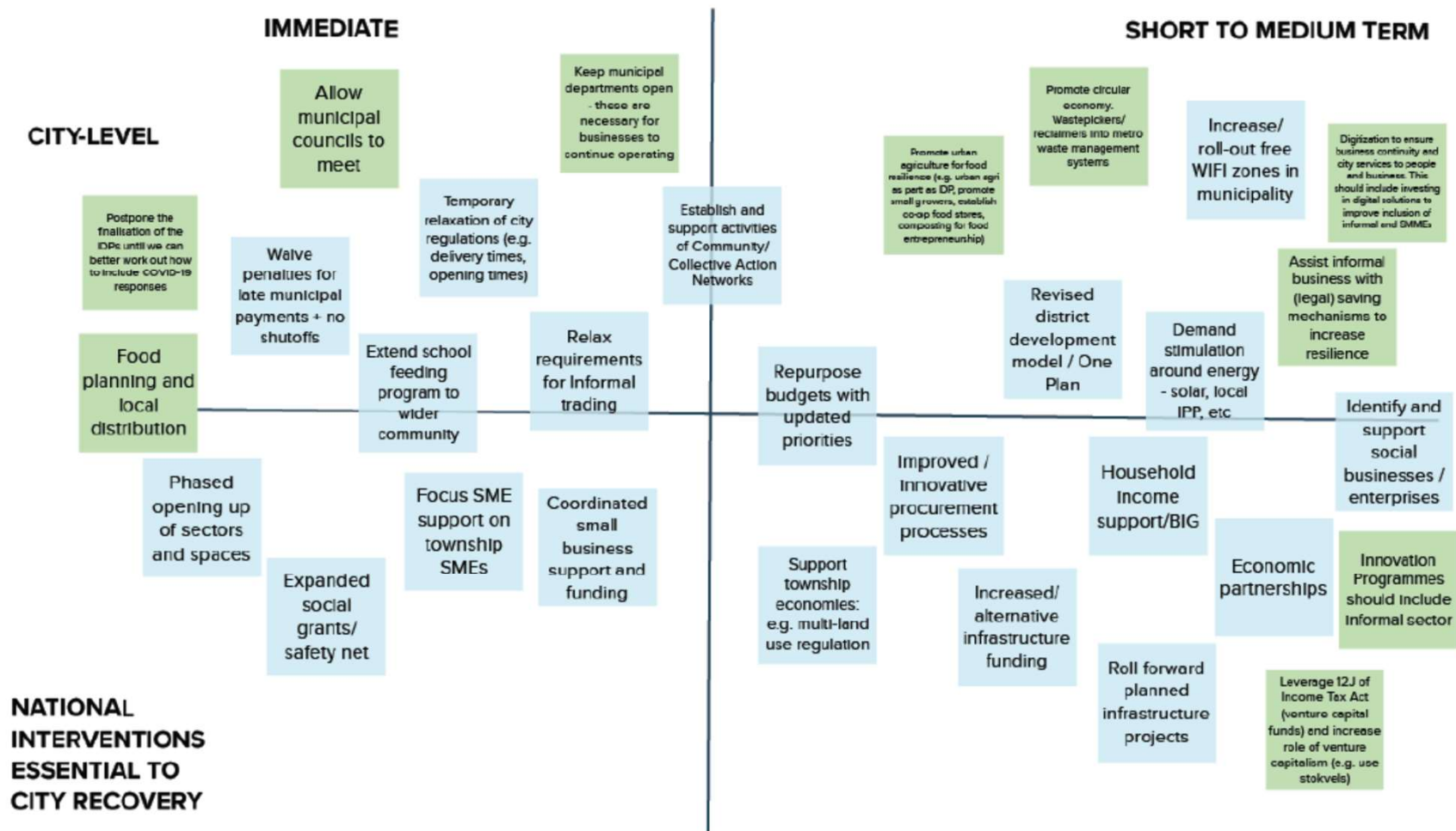
# What does economic recovery look like?

- **Phased recovery**
  - Concrete measures to relax the lockdown
- **Digitisation of government and businesses**
  - More flexible and online work
  - Public sector savings reprioritised
  - Widespread internet connectivity
- **More resilient cities**
  - Infrastructure & basic service delivery
  - Food security
  - Sustainable investments
- **Spatial changes**
  - Govt prioritising investment in city spaces
  - Boost to secondary cities and small towns
- **Networked society open to co-operation**
  - Contribution of knowledge institutions, civil society & private sector mobilised
- **Structural Changes**
  - Restructured food system
  - Increased support to the vulnerable
  - Increased importance of local production and consumption
  - Ecosystem in place to support innovation
  - Reinvention of tourism, conferencing and events industries
  - Measures to stimulate supply and demand
- **Governance changes**
  - Opportunities for decentralisation and deconcentration
  - Corruption and captured supply chains addressed
  - Metro borrowing powers utilised

# Selection Criteria for Interventions



# Proposed Economic Recovery Measures





# Prioritising Actions

## 1. Please pick your top 3 immediate (<3 months) interventions(Multiple Choice)

Establish and support Community Action Networks	54%
Extend the school feeding program to wider community	25%
Relax requirements on informal trading	29%
Temporary waive penalties for municipal payment + no	14%
Expanded social safety net	54%
Temporary relaxation of city requirements	4%
Coordinate small business support and funding	39%
Focus SME support on township SMEs	32%
Temporary relaxation of municipal regulation	4%
Food planning and local distribution	57%

## 2. Please pick your top 3 short to medium term (3 - 12 month) interventions(Multiple Choice)

Demand stimulation around energy	14%
Household income support / BIG	54%
Revised District Development Model/ One Plan	36%
Re-prioritise budgets with updated priorities	64%
Increase roll-out of free WIFI zones	57%
Promote circular economy (waste pickers integrated into waste process)	32%
Urban agriculture as part of IDP	29%
Delay IDP to include Covid-19 response	14%



# Next Steps

- Think Tank Report shared
  - Feed into IUDF Implementation Plan and possible hosting of Think Tanks with civil society and the private sector
  - Input into National and City Economic Recovery Planning
- Immediate actions proposed:
  - City Business Continuity Measures required to minimise negative economic impact
  - Relax requirements for informal trading
  - Postpone finalisation of IDPs to enable a COVID 19, economic recovery response
  - Allow Councils to meet
  - Waiver penalties on late municipal payments
  - Facilitate improved information flows and platforms on business support measures
- Facilitate focused engagements on:
  - Reimagining the District Development Model – iterative, ICM-focused, “Mini One Plans”
  - Building City Resilience
  - Building on partnerships and solidarity and creating space for innovation outside government
  - Digitisation of govt and the economy
  - Management of city industrial spaces

THANK YOU

