

1. Title of paper **Urban economic empowerment: The continuation of history?**
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5. Abstract

### **Urban economic empowerment: The continuation of history?**

The two national and local democratic elections introduced the possibility for institutional changes in decision-making in urban management. One aim of urban management is to increase access to economic opportunities in the manufacturing sector in urban areas. This is in contrast to the pre-democratic period in which urban land use was used as an instrument to limit access to economic opportunities for a major part of the urban population. The result, during the latter part of the previous century, was urban crisis management.

This paper addresses one issue of urban management, namely the microfragmentation (the division between manufacturing workplace and place of living) of urban areas. The first section addresses quantitatively the implications for the low income population to manufacturing employment opportunities in the urban areas of Pretoria, Centurion, Akasia and Midrand. The conclusion is that their accessibility is extremely low in comparison with the high income urban population.

According to the New Institutional Economics three roleplayers can be identified in determining the urban structure and consequently where manufacturing firms will locate, namely the urban community, the local government and the manufacturing entrepreneur. The second section analyses the contribution of these role players in the historical development of the urban structure. The conclusion is made that the local government played an overwhelming role in determining where manufacturing firms were located. Decision-making by various players in the local

government, such as counsellors and, especially, planning officials, is based in specific institutions. These institutions relate to the nature of the urban manufacturing sector. Their origin and development are linked to inputs from the high-income urban community, a Western urban planning tradition, the central government and the own institutions of planning officials. It is further concluded that a number of these planning institutions are not relevant or pro-active for the development of an accessible urban manufacturing structure. The needs of the urban population have changed, as well as the nature of the manufacturing sector and the technology used. Urban planning in the form of existing zoning is not conducive to employment creation in the urban manufacturing sector.

Given the prominent role played by local governments the last section discusses the institutions of the new decision-makers since 1994. The question is asked if their underlying institutions differ from the previous decision-makers or whether there is a continuation of the institutions of the pre-democratic period.

It is concluded that not much has changed since the democratic elections. Although certain post-1994 policy documents subscribe to an urban policy of increasing access to manufacturing employment, the institutional framework for decision-making is still based on specific historical views of the manufacturing sector. This is probably due to the fact that information for decision-making by the new decision-makers still originates from a pre-1994 institutional framework for urban planning.