

TRAINING MODULE 2: **PLANNING REFORMS i DIRECTIONS IN PLANNING REFORM**

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The purpose of this module is to explore the international influences which have shaped – and are still shaping – South African responses to planning reforms.

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The idea of 'Planning Reform' in South Africa has been foregrounded again around 2018 by several initiatives in national government. These include:

- the National Treasury's City Support Programme since 2011;
- MFMA Circular No.88 Rationalising Reporting Requirements (2017);
- the proposal by the Department of Planning, Monitoring and Evaluation for an Integrated Planning Framework Act;
- and initiatives within the Department of Cooperative Governance and Traditional Affairs to review the guidelines for the preparation of Integrated Development Plans (IDPs) and to significantly extend support for local planning through an Intermediate City Municipality Support Programme.
- In August 2019 COGTA introduced the District Development Model (DDM) as a result of an executive decision by Cabinet, with the President being the champion.

The new developments are, in fact, a further extension of a long process of adaptive reforms in post-apartheid South Africa which have included, for example:

- the introduction of the IDP as the primary instrument for local planning;
- the incorporation of the Spatial Development Framework within the IDP;
- the passing of the Spatial Planning and Land Use Management Act, 2013 (SPLUMA) after a landmark judgement of the Constitutional Court;
- and the introduction of a National System of Monitoring and Evaluation (M&E) in 2009.

These reforms have also included

- the creation of the National Planning Commission in 2010 and the adoption of a National Development Plan in 2012;
- the introduction of a City Support Programme by National Treasury,
- and a requirement from 2014 that metropolitan municipalities prepare Built Environment Performance Plans (BEPPs) as an eligibility requirement for access to national grants;
- the adoption of an Integrated Urban Development Framework with its Implementation Plan in 2016;
- and, various replicated initiatives in provincial governments.

In addition, of course, there have been parallel developments in related fields including Human Settlements, Industrial Policy, Environmental Management and Transportation.

In all of these there has been a complex conjoining of international trends and thinking with national or local histories, contexts and influences.

There is, of course, a lot of variation in the way in which these trends play out in different contexts, and there are also counter-trends and emergent trends that may eventually establish different directions. An overarching context globally is the recent adoption of the

Sustainable Development Goals and the New Urban Agenda which represents a near global consensus.

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Key elements of planning reform, internationally: Planning as an instrument of integrated governance

Planning has always been an instrument to coordinate and direct development. In the Western and colonial traditions of planning this has been focused mainly on land-use management and physical development.

In the 1980s, under the influence of a radical neo-liberalism (associated with the leadership of Margaret Thatcher and Ronald Reagan), governance became increasingly atomised. This happened through processes such as the privatization, corporatization and devolution of public functions.

In the 1990s there was a partial ideological shift with the rise of the so-called Third Way (associated, for example, with Bill Clinton in the USA and Tony Blair in the UK). Instead of calling for the shrinking of government as their predecessors had done, they argued that government should become more effective in the delivery of public services through greater coherence and integration.

The shift to integration happened at about the same time as the rise of a new environmentalism, and of the cohering concept of 'sustainability'. In a number of countries, the stated purpose of integrated governance was to support 'sustainability' or 'sustainable communities'.

Since the 1990s, planning has been increasingly recast as an instrument for coordination and integration, including for: aligning across different policies, strategies and programmes; connecting policy and action through linking planning with budgets. This shift in planning must be located within a broader political and ideological shift towards 'integrated governance'.

One of the instruments of strategic coordination that emerged in the European Union was strategic spatial planning, which uses action-oriented visions, narratives of the future, and broad indications of future infrastructural and settlement growth as a means of aligning action across agencies and sectors.

In post-Socialist contexts, the trajectory towards integrated planning came from a rather different direction:

- In the Soviet Union and East European satellites by the turn of the century, a move to national coherence emerged after the radical dismantling trend in the 1990s
- China experienced an incremental loosening of central direction towards indicative planning with instruments of coordination

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Key elements of planning reform, nationally

In South Africa, too, there was a shift towards 'integrated planning' from the mid-1990s, with a formal requirement for municipalities to prepare IDPs. This planning reform was informed by two contexts.

- On the one hand, there was certainly the influence of the dominating international discourse of the time,
- on the other hand, there was the contextual requirement of responding to the legacies of a political regime that had deliberately fragmented space society along racial lines.

While integration remains a central rationale for planning internationally, some of the more recent assessments are more diffident or cautious than before.

Rode (2015) is concerned, for example, that integration may provide the justification for centralising tendencies which make governments more hierarchical, and less equipped to deal with wicked problems by undermining energies and capacities at local level. He writes that the more integrated governance is, the more complex it may be at a high cost.

While Rode and others argue that overblown conceptions of integration may be actively disabling, they do not reject the need for a more sensibly coherent approach to governance. They argue that strategically identifying critical junctures where better integration would make an obvious meaningful difference. In spatial policy this may mean, for example, prioritising the integration of land-use and transportation. Rode suggests a number of supporting factors such as building networks of trust, collaborative visions, using IT and Communication technologies, etc.

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The shift to performance-based approaches

In a performance-based approach it is the outcomes of planning that matter rather than compliance to rules and regulations. It is about 'performing' rather than 'conforming'. The rationale for a performance-based approach includes:

- the space it gives creative application;
- its focus on results;
- and its flexibility.

Performance-based planning has dual origins:

- The first is in land-use management
- and the second is far more broadly in the shift to integrated governance from the 1990s.

You can read more about how and why other countries implemented this approach in The Urban Reforms Knowledge Series.

Africa, too, has followed the trend. South Africa set up its national M&E system in 2009, with the creation of the Department of Monitoring and Evaluation (DME) early in 2010. Many other countries on the continent have set up M&E systems with varying degrees of comprehensiveness (for example in Uganda, Mozambique, Nigeria, Tanzania, and others). M&E is, in fact, an excellent example of the international transfer of practice, but there are some national differences in the form it takes. Many systems are centralised nationally (for example, in South Africa, Malaysia, and China) but a few are quite decentralised with agreed national targets but multiple agencies involved in monitoring (for example in Brazil).

Most systems are quite technocratic and formal, but there are a few where civil society plays a role in the evaluation process (in Colombia for example).

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The popularity of performance-management approaches does point to probable impact in terms of levels of efficiency and accountability in public governance. There are however limitations and risks that we must take into account:

- In land use management, the transition to performance based approaches has been less successful than anticipated, and has brought a number of unexpected consequences. In many cases, the reforms actually increased the costs, complexity and time in dealing with development applications.
- Performance management approaches were associated with far higher levels of uncertainty and inconsistency in decision-making than rule-based approaches, and this was a concern for both developers and communities.
- Recent concerns include a preoccupation with targets, performance standards and measurement may introduce new rigidities into governance.
- Some writers also point to the opportunities that the system offers for political manipulation.
- In addition to these risks, there are technical concerns with implementing performance-based approaches, which mainly have to do with: the quality and availability of data for performance measurements, the available skills base, and the capacity to manage complex processes.

One way to avoid overly technocratic approach is to build in accountability mechanisms that involve active participation of civil society.

Despite the pitfalls indicated above, performance-based governance is now a reality across the globe, and the challenge is now, arguably, to make it work as an instrument to increase the effectiveness and accountability of government.

Importantly, the Sustainable Development Goals are framed as performance indicators, and the requirement is that national government localise this framework with their individual contexts.

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Spatial Targeting

There has been a gradual shift over the past 4 or so decades from functional approaches, in which policies and programmes are applied generally across administrative jurisdictions, towards spatially targeted approaches, where interventions are concentrated in delineated areas. These may also be referred to as area-based or spatial development initiatives. The argument for spatial targeting is that this crowding-in of resources creates agglomeration economies, supports linkages, and allows for more efficient and coordinated governance.

An early form of spatial targeting for economic purposes was the Export Processing Zone where special exemptions were granted to investors. The next generation of spatial targeting was referred to as Special Economic Zones with the focus on providing good

quality environments to support long term sustainable development and the value-added upgrade of economic enterprise. There are other examples of spatial targeting for economic growth such as industrial parks, science parks, cluster support programmes, and economic corridors. Please see The Urban Reforms Knowledge Series for examples of these and the varying success it achieved.

With the mix of success and failure with economically oriented initiatives, there is increasing attention to what makes spatial targeting work. Success factors include:

- good location,
- consistently maintained hard infrastructure,
- effective regulatory regimes,
- viable local institutions,
- market size,
- linkages with the wider economy
- and the quality of incentives offered.

While spatial targeting for economic purposes does offer prospects of success, with all the caveats indicated above, the prospects of spatial targeting for social objectives is less certain. Where spatial targeting has been associated with spatial convergence (reduced spatial inequality) this is mainly because other forces have shifted economic activity away the economic core.

New spatial mapping technologies and multidimensional definitions of poverty are producing poverty maps that are increasing disaggregated spatially, and sensitive to different forms of poverty. This arguably allows for more carefully targeted anti-poverty programmes. Examples are spatially targeted food stamps.

Another form of spatial targeting is intra-urban, with the designation of zones or districts for purposes including programme coordination, urban renewal, employment creation, and specialist support for different activities. Some of these may be creations of local government but others may be designated and assisted by higher levels.

The now popular practice of transit-oriented development (TOD) is also a form of spatial targeting. The linking of public transit infrastructure and mixed-use development has met the objectives of public authorities and developers, and the approach has spread globally quite rapidly.

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South Africa has a diverse experience with spatial targeting from the apartheid and post-apartheid eras, and there is a need to draw lessons from this experience, as well as from the international cases which you can reference in The Urban Reforms Knowledge Series.

Most post-apartheid spatial targeting policies have been relatively short-term, so the impacts may be more limited than might otherwise have been possible.

A study during 2013 shows the importance of strong institutions and institutional integration for spatial targeting; the need to develop appropriate packages of support well designed for the context and policy objective; and the need for a strong understanding of economic

contexts and dynamics. It also points to the importance of sustained support to a few carefully chosen places but recognises that policy objectives may vary affecting the types of places chosen and the length of support.

The Urban Reforms Knowledge Series elaborates on the risks and difficulties associated with spatial targeting, including, inter alia,

- wasteful expenditure;
- corruption;
- subsidisation of inefficiency;
- unproductive proliferation of places supported;
- and the uncertainties associated with targeting.

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Multi-level Planning

For a long time we have been caught in the binary of top-down and bottom-up planning. The arguments for top-down approaches include greater efficiency, more coherence, and universal spread of benefits but the criticisms have included increased bureaucracy, low levels of local motivation, authoritarian tendencies, and a lack of local responsiveness. Bottom-up approaches are said to address the failures of the top-down by deepening local democracies, allowing for greater agility, and mobilising local energies, assets and knowledge.

Experts point out “top-down approaches are not always synonymous with failure, nor are bottom-up approaches always successful” - we need to use both top-down and bottom-up approaches to promote interaction and dialogue among all levels.

This recognition has come together with the idea of ‘multilevel governance’ which recognises that complex problems cannot be solved through action at any one level.

You can read more about this concept with the European Union, Brazil and Germany in The Urban Reforms Knowledge Series.

South Africa's 1996 constitution introduced the idea of co-operative governance, recognising three distinctive and inter-dependent spheres of government with mutual obligations.

A modest approach to multi-level governances, which gradually builds the capabilities for interaction across levels, may offer a feasible way forward.

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Intergovernmental Fiscal Transfers

One of the possible mechanisms for a meaningful practice of multi-level governance and planning is the productive use of intergovernmental fiscal transfers.

Traditionally, intergovernmental transfers are divided between the general transfers or block grants and input based transfers. The former have no strings attached, and therefore support local autonomy, but do nothing to promote multi-level policy and planning coherence. The latter are restrictive and directive, undermining local autonomy, but allowing national government to achieve specific objectives.

The new approach of output-based grants arguably achieves a balance, allowing national government to promote coherent national objectives while giving local authorities

considerable discretion in terms of their activities. Also, by rewarding local authorities for their success in meeting objectives, it promotes efficiency, accountability and local innovation.

You can Learn more about the origins of this approach in The Urban Reforms Knowledge Series.

The challenges for output-based transfers include:

- independent verification in contexts of unreliable data;
- the ongoing tensions between national objectives and local autonomy;
- and political manipulation.

However, transparent processes of target setting and verification, including greater citizen involvement, reduce the opportunities for manipulation .

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Evidence-based Planning Approaches

The underlying assumption with evidence-based planning is that public policy making would be based on “rigorously established objective evidence”. Read more about the history of this approach in The Urban Reforms Knowledge Series.

Learned Colleagues advise however, that much of the enthusiasm is based on a mistaken assumption that there is in fact a direct relationship between information and policy-making. Others refer to the tension that emerged from the 1990s between the ‘communicative turn’ in planning, with its emphasis on policy-making through dialogue and open deliberation and the ‘evidence-based turn’ with its technocratic focus on the use of science and data.

The danger, in fact, is that evidence-based approaches may depoliticize the policy making process, and therefore undermine democratic process. The tension may be addressed by institutionally separating the data collection and analysis function from the actual policy-making process, although interconnections are clearly required. Read more about the application of this approach in the Netherlands and EU in The Urban Reforms Knowledge Series.

In Gauteng, the Gauteng City-Region Observatory provides a rigorous, independent evidence base to the planners who work under political guidance in the provincial government. Some experts argue that the real benefit of an evidence-based approach is to ensure that a politically driven approach to policy-making is as informed as possible by rigorously tested knowledge.

Whether evidence-based planning is practiced in its technocratic form or as a hybrid with a more deliberative and politically-directed approach, there are requirements for success, which include: credible data sources; skills in data analysis; and, most importantly, political support for using the evidence base in policy making.

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Capacity-based Planning Approaches

The capabilities approach is widely associated with the work of Amartya Sen in welfare economics. In this approach poverty is a capability-deprivation and the focus of anti-poverty strategies should be to expand the range of capabilities possessed by individuals. The capabilities approach has significantly informed the content of development strategies including South Africa's National Development Plan.

The source is, in fact, the American military which has enormous resources for developing more effective approaches to strategising for battle and has gradually transferred into civilian settings.

Innovation policy should be viewed as a means to mobilise, renew, build and acquire new resources and capabilities in a region and should aim to build and stimulate regional network level capabilities for economic renewal.

Capability-based planning involves, firstly, an assessment of the ability of an institution to achieve declared goals. The outcome of the assessment is the identification of a 'capabilities gap. With this knowledge planners will either propose actions to increase capabilities or to adjustment the objectives to the constraints of capability (or a combination of both). Finally, it also involves constant assessment and risk management in relation to the capability-objective interface.

However, capability-planning has its pitfalls:

- There is a backlash within the American military, for example, where expensive technologies and programmes have been developed because there is a capability even though there is no obvious threat that warrants these efforts.
- There is a risk also that the close alignment between planning and existing capabilities will perpetuate the status quo.

What is needed is an approach that recognizes the limits of feasibility but actively builds capabilities to expand these limits.

This brings us again to Amartya Sen's approach. It also suggests that capabilities-based planning should be grafted on to other planning approaches, rather than being framed as a dominant approach in its own right.

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Final Thoughts:

The first point is very simply that the ends of planning must remain firmly in mind.

Broad conclusions are:

- We do need to address 'governance gaps' through integration but do so strategically without overly-centralising and becoming paralysed with complexity;
- In our approach to performance-based planning we need to maintain an intelligent response to the requirement for achieving outcomes rather than being caught up in the prescriptions and details of targets, indicators and measurements;
- We need to target spatially where appropriate but be continually aware of what it actually takes to achieve success, and be mindful of distributional consequences of targeting;
- Wicked problems do need to be addressed across scales, requiring an evolving system of multilevel planning (including strategic use of intergovernmental financial

transfers) but this needs to be done strategically to avoid overly complex arrangements;

- Policy making should be based on good quality information but not at the expense of its political dimension – fortunately, there are models which show how this may be done; and,
- Capability-based approaches may offer a useful basis for adaptive means-end iteration but should be grafted onto other approaches.

Ongoing adaptive responses to planning reform in particular contexts are always required.