





### Towards an evidence-led approach to local intervention

Introducing the **Economic Areas Management Programme** 

Presentation to Public Sector Economist Forum

Making progress possible. Together.

- Lack of political capital to drive universal reforms necessary to resolve structural economic problems (e.g. skills, health)
- Growing reliance on area-based interventions as 'secondbest' solution
- However, SA has poor track record on using area-based instruments to:
  - Address material deprivation
  - Reduce unemployment
  - Guide private sector investment



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# Status quo: the telescopic approach to intervention



- The local elevated over the systemic as cause of and solution to urban problems
- Urban problems socially defined, solutions politically constructed.
- The city as checkerboard of neighbourhoods in perpetual zero-sum game for allocative preference
- Ignores regional market forces in spatial

### targeting decisions

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### Narrowing fiscal space for "hit-and-miss" interventions



Capital finance available for total Western Cape municipal capital expenditure



Typical municipal operating account analysis by service

(PGWC, 2013)

### Data-driven planning : a new frontier



- Shift in emphasis from planning products towards planning tools
- The planner must become the programmer!

# Pipeline for data-driven planning



### **ECAMP** Platform

- Harnesses massive amounts of spatial data being generated as byproduct of automated and integrated administrative processes
- Ongoing tracking of over sixty business precincts tracked across the Cape, using over seventy indicators of market performance and location potential





# 70+ expert-verified indicators



# 70+ business districts



Kilometers







# Track market performance



Market performance

# Identify long-term potential



Location potential

### ECAMP as decision-making support tool

 Enables evidence-led spatial targeting and monitoring of local interventions by local government



#### Location *↑*

# Run diagnostic model (1)



#### HIGH

GROWTH

Run diagnostic model (2)



#### TRANSITION

LOW

### CONSOLIDATION

#### 5 - HIGH

# Run diagnostic model (3)



CBD

# Guide area-based strategy (1)

ppp-

**P**/2



**HIGH** 

0

# Guide area-based strategy (2)



**Diagnostic classification** 

CONSOLIDATION OFFORTUNITY STION

# ECAMP as business intelligence platform

 Offers credible, comparative and fresh market intelligence to inform investment decisions



STAD KAAPSTAD



#### INDUSTRIAL POTENTIAL

#### city of cape town ISIXEKO SASEKAPA STAD KAAPSTAD http://ctcs.capetown.aov.za/ecamp

# Share data and engage



Unique data-driven view of our space economy now available via web-based portal

#### http://ctcs.capetown.gov.za/ecamp

#### Business L

# Up-to-date area profiles



# ECAMP as innovation space

- Predictive modelling
- Collaborative mapping
- Network analysis
- Serious gaming



# Explore new frontiers!



- Understanding functional region as system of interdependent nodes
- Enhanced understanding of spatial investment behaviour
- Insight into 'deep structure'

#### space economy game

#### Play the Cane

# Interactive decision modelling



# Some feedback from local, global players

#### "A game changer"

- Cape Chamber of Commerce

"At last the metro spatial economy is emerging as a basis to determine interventions."

- Economic Development Partnership

"Remarkable objective support, based on sophisticated modelling"

- Philippi Economic Development Initiative

"At the leading edge...without precedent, globally"

World Bank

### **ECAMP Business Model**

- The ECAMP business model is built on mutually-beneficial partnerships with key departments, various spheres of government, with academic and research institutions and the private sector.
- The only costs to the taxpayer incurred by ECAMP were a tiny budget for third party data, and my salary.
- Even the ECAMP Portal was built as a pilot project, free-of-charge.

#### Partners include:

- Planning, IS&T and Econ. Dev. depts.
- Western Cape Economic Development Partnership
- National Treasury
- SALGA
- Cape Town Partnership
- UCT School of Property Economics
- MISTRA Urban Futures
- Rode & Associates







### Thank You

Making progress possible. Together.