



EC/US311 BUSINESS AND ECONOMICS OF SOUTH AFRICAN CITIES
IES Abroad Cape Town

DESCRIPTION:

This course covers a range of themes that reflect the diverse and complex nature of the South African cities' economic landscape. Students will consider the historical, geographical, governance, and firm-level perspectives when unpacking the growth, performance, and inclusiveness of urban economies in pre- and post-Apartheid South Africa.

Students interested in urban studies and its relationship to economics will learn to understand “the economy” as linked to other important systems and focus primarily on notions of productivity and constraints to growth and inclusion through the lens of South African cities. By interacting with various specialists and practitioners, students will also get a taste of interdisciplinary fields such as urban economics, economic development planning, and how urban economics is evolving towards applied economics in the municipal realm.

Traditional lectures, which are held during the first weekly class session, will provide an overview of key concepts and themes, sometimes supplemented by guest speakers with expertise in specific areas to bring real-world perspectives into the classroom. The second weekly class sessions will be organised around workshops and student presentations geared towards having students apply concepts to real-world urban contexts.

CREDITS: 3

CONTACT HOURS: 45

LANGUAGE OF INSTRUCTION: English

INSTRUCTOR: Jodi Allemeier

PREREQUISITES: None

METHOD OF PRESENTATION:

One theoretical lecture (one hour), and one case study workshop per week (two hours), with the exception of sessions dedicated to presentation of assignments.

REQUIRED WORK AND FORM OF ASSESSMENT:

- Course participation – 10%
- Midterm assessment – 20%
- Course-related trip report – 15%
- Final Group Paper – 25%
- Final exam – 30%

Course Participation

Weekly readings should be completed before the lecture and students should come prepared to discuss them. Students are encouraged to engage in discussions, debates and summary presentations on specific topics or case studies, fostering critical thinking and the exchange of diverse viewpoints. Occasional field trip reflections will contribute 5% towards the overall participation grade. To complete these assignments the lecturer will provide specific instructions and items related to the field trip/course-related trip experience to guide student reflections.

- **Course-Related Trip Field Report 1**

Students are required to write 750 words (double-spaced; 3 pages) on our visit to the Cape Town Central Business District. This course-related trip will provide students with an opportunity to see a functioning metropolitan business district and the diversity of sectors that operate from the downtown. The tour will include information about specific business attraction and retention initiatives as well as how the business environment has changed over time. After the course-related trip, students will reflect on their experience by discussing any important aspects of the visit in relation to factors that contribute to business activity. In addition, students are encouraged to use readings to reflect on the economic value of the central business district, and its changes over time.

- **Course-Related Trip Field Report 2:**

Students are required to write 750 words (double-spaced; 3 pages) on our visit to the Green Economy/Circular Economy project. This course-related trip will provide students with an opportunity to see a functioning industrial area focused on circular economy and green industries. The tour will include information about specific business support initiatives as well as how the business environment has changed over time. After the course-related trip, students will reflect on their experience by discussing any important aspects of the visit in relation to factors that contribute to business activity. In addition, students are encouraged to use readings to reflect on the economic value of the industrial district, and its changes over time.

- **Final Paper specifications:**

At the end of the course, students will submit a 3,000-word (double-spaced; 12 pages) final essay. As the course is based on examining the economies of South African cities, students must utilize economic development theory and apply an understanding of the economic history of South African cities in their papers. More specifically, students will have the choice of responding to one of two research questions:

- Policy group: Provide a policymaker's view on urban economic development in South Africa. Many question the value of "local economic development" strategies. Taking into consideration constraints to growth and "pathways to prosperity", compare two South African metro's economic development strategies. Describe their relative emphasis on various constraints, and making use of at least 8 sources in the essay, create an argument for any evidence of their success, or areas of weakness.
- Business group: Provide a business view on urban economic development in South Africa. Select a firm or sector based in a South African metro and describe their performance in recent years. Drawing on at least 8 sources, assess the firm or sectors' needs from an economic support perspective *at a local level*; and describe how addressing these needs could contribute to achieving economic goals, such as greater levels of productivity or more inclusive economic growth.

If the class has 4 or fewer participants, the class will work as one group and will collectively choose one stream to work on. In this instance, the course presenter will present either a policy or business view (whichever is not chosen by the students) as part of the feedback and critique of each step of the project work.

In Week 4 you will select your project focus and groups. The research essay must include:

- An introduction that outlines the topic
- A review of policies, theory and/or case studies as relevant to the chosen topic



- The students' analysis
- Summary of the significance of the students' analysis
- Conclusion
- Bibliography

The essays must:

- Show understanding of diagnostic frameworks for performance of productive urban economies
- Be holistic in assessing success factors such as inclusion (who benefits) and resilience (robustness in uncertain context), and not just productivity and growth
- Take into account governance, market and geographic dynamics
- Use data and information that is readily available to make clear arguments
- Incorporate the sub-assignments on informality, green economy, and resilience from session 13

Notes on Methods

Case study and news media analysis: case studies are used to illustrate theoretical concepts and encourage students to apply their knowledge to real-world situations. Students can analyze the case studies individually or in groups and present their analysis in class.

Data analysis exercises: Relevant economic and spatial data sets are available publicly and students will be familiarized with these. Students will *not* be required to use specialist statistical techniques or packages but will be required to incorporate available open data and analysis in their case studies, workshops, and final papers.

LEARNING OUTCOMES:

By the end of the course students will be able to:

- Critique and expand on South African urban economic development programs using the key established and emerging spatial and urban economics theories
- Explain key constraints to growth and inclusion in South African urban economies
- Identify and differentiate between the needs of specific sectors, business types and role players in the formal and informal value chains of urban economies in South Africa
- Evaluate key governance structures, plans and projects aimed at improving the economic performance of South African cities

ATTENDANCE POLICY:

Attendance is mandatory for all IES Abroad classes, including all course-related trips. Excused absences are permitted in cases of documented illness, a family emergency or when class is held on a recognized religious holiday traditionally observed by a particular student. In this case an IES Abroad Excused Absence Form and supporting documents must be submitted to the Academic Manager at least 24 hours before the class. For illness, the Excused Absence Form must be submitted to the Academic Manager within 24 hours after the class with a doctor's note.

More than two unexcused absences will result in two percentage points (2%) being deducted from the final grade for every additional unexcused absence thereafter. Any exams, tests, presentations, or other work missed due to student absences can only be rescheduled in cases of documented medical emergencies or family emergencies. If a test is missed during an unexcused absence, they cannot be made up. It is the student's responsibility to contact the lecturer and request information on the missed class as well as any relevant reading or homework information.

CONTENT:

Week	Content	Assignments
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Week 1	Session 1: Introduction to urban economics and comparison to adjacent fields like urban geography and local government economics. What are the economic drivers of urbanization?	- Undercoverhist [@Undercoverhist]. (2021, May 19). History of urban economics. Twitter. https://twitter.com/Undercoverhist/status/1372999869204467718 - Clarke, G. (2022). The Century of Cities. <i>Catapult</i>. 8 pages.
	Session 2: Introduction to economic growth diagnostics: limitations to the growth-to-development approach Looking at how growth may not lead desired development, but regional growth may help to avoid this disconnect	- Visagie, J. and Turok, I., 2022. Firing on all cylinders: Decomposing regional growth dynamics in South Africa. <i>South African Journal of Economics</i>, 90(1), pp.57-74. - Hausmann, R. (2014). Understanding SA's Poor Economic Performance. <i>PoliticsWeb</i>, 11 pages. - Hausmann, R. (2015). Redistribution of Inclusion? 4 pages
	Session 3: The interdependence between businesses and cities: Cities as drivers of Economic Growth	- Glaeser, E. (2012). Triumph of the City: How Our Greatest Invention Makes Us Richer, Smarter, Greener, Healthier, and Happier <i>Economic Geography</i>, 88(1), 3 pages. - Hausmann, R. (2014). Understanding SA's Poor Economic Performance. <i>PoliticsWeb</i>, 11 pages. - South African doesn't need new cities: https://theconversation.com/south-africa-doesnt-need-new-cities-it-needs-to-focus-on-fixing-what-its-got-187873 - Unlocking the potential of cities as drivers of growth: https://ersawps.org/index.php/working-paper-series/article/view/160/119
	Session 4: Measures of inclusion and wellbeing – alternative ways to assess development	Mushongera, D. et al. (2021). Inclusive Cities: Transversal Cooperation for Inclusion and Wellbeing. <i>State of South African Cities Report</i>, 18 pages. Posel, D.R. and Casale, D.M., 2011. Relative standing and subjective well-being in South Africa: The role of perceptions, expectations and income mobility. <i>Social indicators research</i>, 104(2), pp.195-223.

	Session 5: Economic History of South African Cities	Houghton, J., 2016. (Regional and) local economic development themes in contemporary South African Cities. <i>Local Economy</i>, 31(1-2), pp.42-56.
1 July 2026	Course Related Trip 1: Walking through the public transport spaces in the central business district through the lens of the historic establishment of Wesgro, the Cape Town Partnership and the Central City Improvement District.	
Week 2	Session 6: Workshop: Discuss in groups key historical moments in South African urban development history Create a timeline of key events that shaped the economic development of a specific South African city. v	Von Fintel, D.P., 2018. Long-run spatial inequality in South Africa: early settlement patterns and separate development. <i>Studies in Economics and Econometrics</i>, 42(2), pp.81-102.
Week 3	Session 7: The Role of Local and National Government in Shaping the Economy of South Africa	Allemeier, J & Tolamo, K. (2021). Productive Cities: Governance and Economic Inclusion. <i>State of South African Report</i>, 25 pages. Deliverables Course related trip reflection paper 1
	Session 8: The economic competitiveness and recent performance of South African cities, using firm-level data at city and sub-place level to explore applications to planning in urban economic development	- Visagie, J & Turok, I. (2023). Urbanisation and economic development, <i>Economic Cities Outlook</i>, 9 pages. - Visagie, J & Turok, I. (2023). Cities and productivity in South Africa. <i>2023 Economic Cities Outlook</i>, 9 pages.
Week 4	Session 9: Workshop In groups, evaluate the CSP data at the spatialized firm level. Some guiding questions are: Groups doing main assignment Policy group: How did the metros change over the past decade?	In class, groups can make use of the resources listed below to help develop their answers: - Tax data explorer: https://spatialtaxdata.org.za/ - South African Cities Network SCODA: https://scoda.co.za/scoda/about-us

	Groups doing main assignment Business group: How has your chosen or sector grown or relocated in the past decade? What other insights does the available data give you (about employment, firm growth or closure, gender inclusion, firm relocations, etc?)—or what questions does it leave you with—for your chosen strategy or sector investigation? Once in groups students will be given further instructions from the lecturer about how to use the above resources and what to look out for in the above resources during the Workshop. The instructor will be available throughout the workshop to assist with data navigation.	• <i>eThekweni EDGE:</i> https://economy.edge.durban/ • <i>Cape Town Open Data Portal:</i> https://odp-cctegis.opendata.arcgis.com/ • <i>StatsSA:</i> https://www.statssa.gov.za/ Workshop Deliverable: Assignment 2 Data story (2 slides or similar format) describing key findings. <i>This deliverable is graded separately but students are expected to use their findings as a learning tool to improve their first Main Assignment deliverable.</i>
Week 5	Session 10: Introduction to Place-based Approaches to Economic Development, including defining ‘township’ and examining maps of South African cities. Building on the constraints lens, investigate the factors contributing to economic exclusion, such as social distribution of gains (e.g. racial and gender disparities, and region based wage disparities)	• Neumark, D & Simpson, H. (2014) Place-Based Policies. <i>NBER Working Paper Series</i>. Sections 1-2, 14 pages. • Scheba, A, & Turok, I. (2019). Strengthening township economies in South Africa: the case for better regulation and policy innovation. <i>Urban Forum</i>, 17 pages. • Bradlow, Benjamin. (2021). “Weapons Of The Strong: Elite Resistance and the Neo-ApartheidCity.” <i>City & Community</i>, 20 pages • Hausmann, R. (2015). Redistribution of Inclusion? 4 pages • Mudiriza, G. and Edwards, L., 2021. The persistence of apartheid regional wage disparities in South Africa. <i>Journal of Economic Geography</i>, 21(6), pp.807-839. • Mulumba, S., Edwards, L. and Fadiran, D.O., 2024. Economic geography determinants of spatial wage disparities in South Africa: Evidence from a firm-level panel (No. 2024/52). <i>WIDER Working Paper</i>.
	Session 11 (Workshop): In your Main Assignment groups, apply place-based theory to your chosen topic. The guiding questions are:	• Amusa, H, Wabiri, N, & Fadiran, D. (2019). Agglomeration and productivity in South Africa: Evidence from firm-level data. <i>United Nations University World Institute for Development</i>

	Policy group: How focused on place-based approaches is your chosen metro economic development strategy? Are there any place-based agencies or incentives? Business group: How spatially dependent is your chosen sector or business? What support services, if any, has it received that can be described as place-based interventions? Groups will choose to either: Explore the effectiveness of job creation programmes such as EPWP. Are these addressing inclusion? Evaluate the impact of women at work in South African cities of a recent crisis such as a flood, unrest, or the pandemic.	<i>Economics Research</i>, 29 pages. - PwC (2022). <i>Assessment of Economic Incentives Report</i>. 29 pages. Workshop Deliverable: Assignment 3 2 slides per city group addressing the questions in Session 14. Students should use this to refine their first presentations on their main assignments (Week 8). - Ariyo, I. Eds (2020). The State of the Expanded Public Works Programme in South African Cities. <i>South African Cities Network</i>, 20 pages. - Kohler, T et al. (2021). COVID-19 and the labour market: <i>Estimating the effects of South Africa's national lockdown</i>, 5 pages. Deliverable Poster summarizing workshop findings, delivered in class (contributes to participation grade). Deliverable Halfway presentation
	Session 12: Doing Business in South Africa: Examining shocks and stressors in South African cities. Discuss the role of the informal sector in South African cities, its contributions to the overall economy, and contemporary policy debates surrounding its regulation	- Allemeier, J. (2023) Resilience Framework for SMMEs. <i>South African Cities Network</i>, (2022). Urban Resilience in South Africa. <i>South African Cities Network</i>, 10 pages. - Hausmann, R. (2013). The logic of the informal economy, 3 pages. - Reiersgord, D. (2022). Contradictory excessiveness: abandoned trolleys in Post-Apartheid South Africa. <i>Safundi</i>, 22(3), 16 pages
	Session 13: Groups will present why their choice of topic was selected, key data sources, key questions/uncertainties, findings to date and roles of each team member towards completing the project	Charman, Petersen & Govender. (2021). <i>Township Economy - People, Spaces and Practices</i>. Cape Town: HSRC Press. Chapter: <i>The Right to Use Land</i>, 21 pages.
Week 6	Session 14 (workshop): Groups will receive feedback from the lecturer, followed by group debrief and work time	Cawe, A. (2021). <i>The Economy on your doorstep: The political economy that explains why the South African economy "misfires", and what we can do about it</i>, 6 pages.

	Session 15 (workshop): In your main assignment groups: - Policy group: Discuss and identify techniques for how you would look for the economic development strategy's approach to Green Economy and Resilience - Business group: Determine how you would look for the sector/business response to a specific shock or stress (pandemic, unrest, flood, drought) and what contributed to its ability to recover and its potential to survive or contribute to a 'just transition'	Allemeier, J. (2023) Resilience Framework for SMMEs. <i>South African Cities Network</i>, (2022). Urban Resilience in South Africa. <i>South African Cities Network</i>, 10 pages. Main assignment: Resiliency Deliverable 2 slides addressing scope of workshop in Session 24. Students are expected to incorporate findings in the final assignment.
	Session 16: Final class recap of themes covered and class discussion on the idea of economic policy at a local level: can cities in South Africa improve their local economies? What is "the economy on our doorstep" and how is it achieved?	- Cawe, A. (2021). <i>The Economy on your doorstep: The political economy that explains why the South African economy "misfires", and what we can do about it</i>, 8 pages. - Levy, B. et al (2022). South Africa: When Strong Institutions and Massive Inequalities Collide, 51 pages. Workshop Deliverable Assignment 4 Decision support scope of work
	Final Exam (presentations)	Deliverables: Main assignment: final presentations Main assignment: final report

COURSE-RELATED TRIPS:

- Walking through the City of Cape Town's Central Business District, especially the public transport spaces, will provide students with on-the-ground reference points of key institutions, the city improvement district, Wesgro and how they contribute to Cape Town's urban systems.
- Circular Economy Project: This tour will take students to one of Cape Town's main industrial areas where there are ongoing green economy projects, focused on the circular economy and/or green production. Students will be exposed to business support practices and a view of transformation in an industrial context.

Data Sources:

- (2023). *Cities Economic Outlook*. SEAD-SA.
- (2023). *Cities Outlook 2023*. Centre for Cities.
- (2023). About The Project. *Spatial Economic Activity*, <https://spatialtaxdata.org.za/>
- South African Cities Network SCODA: <https://scoda.co.za/scoda/about-us>

- eThekweni Municipality. (2022). The Durban Edge. *The Durban Edge*. <https://economy.edge.durban/>
- City of Cape Town. (2022). Open Data Portal. *City of Cape Town*. <https://odp-cctegis.opendata.arcgis.com/>
- Statistics SA. (2023). <https://www.statssa.gov.za/>

REQUIRED READINGS:

- Allemeier, J., & Tolamo, K. (2021). Productive Cities: Governance and Economic Inclusion. State of South African Cities Report.
- Allemeier, J. (2023). Resilience Framework for SMMEs. In Urban Resilience in South Africa. South African Cities Network.
- Amusa, H., Wabiri, N., & Fadiran, D. (2019). Agglomeration and productivity in South Africa: Evidence from firm-level data. United Nations University World Institute for Development Economics Research.
- Ariyo, I. (Ed.). (2020). The State of the Expanded Public Works Programme in South African Cities. South African Cities Network.
- Bradlow, B. (2021). Weapons of the strong: Elite resistance and the neo-apartheid city. *City & Community*, 20(1), 1–20.
- Cawe, A. (2021). The economy on your doorstep: The political economy that explains why the South African economy “misfires”, and what we can do about it. Tafelberg.
- Charman, A., Petersen, L., & Govender, T. (2021). Township Economy – People, Spaces and Practices. Cape Town: HSRC Press.
- Clarke, G. (2022). The Century of Cities. Catapult.
- Fourie, J. (2016). The long walk to economic freedom after apartheid, and the road ahead. Working Papers 11/2016. Stellenbosch University, Department of Economics.
- Glaeser, E. (2012). Triumph of the City: How Our Greatest Invention Makes Us Richer, Smarter, Greener, Healthier, and Happier. Penguin Press.
- Grant, R., et al. (2019). South Africa’s Green Transition? The Case of Atlantic Greentech Special Economic Zone.
- Hanlon, W. W., & Heblich, S. (2022). History and urban economics. *Regional Science and Urban Economics*, 94, 103769.
- Hausmann, R. (2013). *Project Syndicate*. <https://www.project-syndicate.org/commentary/the-logic-of-the-informal-economy-by-ricardo-hausmann?barrier=accesspaylog>
- Hausmann, R. (2014). Understanding SA’s Poor Economic Performance. *PoliticsWeb*. <https://www.politicsweb.co.za/news-and-analysis/understanding-sas-poor-economic-performance--ricar>
- Hausmann, R., Klinger, R & Wagner, R (2008). “Doing Growth Diagnostics in Practice: A 'Mindbook.'” *CID Working Paper Series* 2008.177, Harvard University
- Houghton, J., 2016. (Regional and) local economic development themes in contemporary South African Cities. *Local Economy*, 31(1-2), pp.42-56.
- Kohler, T et al. (2021). COVID-19 and the labour market: *Estimating the effects of South Africa’s national lockdown*. <https://www.wits.ac.za/media/wits-university/faculties-and-schools/commerce-law-and-management/wits-school-of-governance/documents/COVID-19%20and%20the%20labour%20market-.pdf>
- Levy, B. et al (2022). South Africa: When Strong Institutions and Massive Inequalities Collide.: <https://carnegieendowment.org/2021/03/18/south-africa-when-strong-institutions-and-massive-inequalities-collide-pub-84063>
- Mushongera, D., et al. (2021). Inclusive Cities: Transversal Cooperation for Inclusion and Wellbeing. State of South African Cities Report.
- Neumark, D., & Simpson, H. (2014). Place-Based Policies. NBER Working Paper Series.
- Posel, D. R., & Casale, D. M. (2011). Relative standing and subjective well-being in South Africa: The role of perceptions, expectations, and income mobility. *Social Indicators Research*, 104(2), 195–223.
- PwC. (2022). Assessment of Economic Incentives Report. PricewaterhouseCoopers.
- Rabe, C. (2015). Towards an Evidence-Based Approach to Local Intervention: The ECAMP Tool. City of Cape Town.
- Reiersgord, D. (2022). Contradictory excessiveness: Abandoned trolleys in post-apartheid South Africa. *Safundi*, 22(3), 367–383.
- Scheba, A., & Turok, I. (2019). Strengthening township economies in South Africa: The case for better regulation and policy innovation. *Urban Forum*, 30(4), 397–417.
- Skinner, C. (2008). The struggle for the streets: Processes of exclusion and inclusion of street traders in Durban, South Africa. *Development Southern Africa*, 25(2), 227–242.
- Turok, I. (2012). Urbanisation and development in South Africa: Economic imperatives, spatial distortions and strategic responses. International Institute for Environment and Development.

- Undercoverhist [@Undercoverhist]. (2021, May 19). History of urban economics. Twitter. <https://twitter.com/Undercoverhist/status/1372999869204467718>
- Visagie, J., & Turok, I. (2020). The Economic Landscape of South African Cities: Diversity Across Space, Sector and Skills. Urban Economies Papers.
- Visagie, J., & Turok, I. (2022). Firing on all cylinders: Decomposing regional growth dynamics in South Africa. South African Journal of Economics, 90(1), 57–74.
- Visagie, J., & Turok, I. (2023). Urbanisation and Economic Development. Economic Cities Outlook.
- Visagie, J., & Turok, I. (2023). Cities and Productivity in South Africa. Economic Cities Outlook.
- Von Fintel, D. P. (2018). Long-run spatial inequality in South Africa: Early settlement patterns and separate development. Studies in Economics and Econometrics, 42(2), 81–102.

INSTRUCTOR BIOGRAPHY: