

28th November 2013

Press Release: Municipal IQ's updated Municipal Productivity and Hotspots Monitor results [for immediate release]

South Africans can be most productive in Cape Town (of all metros), and Saldanha Bay (as the top local municipality), but on average Gauteng municipalities represent the most productive provincial environment

Background: Municipal IQ, a specialised local government data and intelligence service, has released its seventh annual set of results on its **Municipal Productivity Index (MPI™)**. The MPI combines financial and non-financial data to assess *the ability of individuals to engage with local economies*; do residents live in acceptable conditions, how vibrant is the local economy and how is a municipality contributing to this?

Methodological note: The MPI indexes five factors:

1. *Poverty levels and how well as municipality responds to poverty (through access to indigent support);*
2. *Access to basic municipal services;*
3. *Economic "intelligence" (infrastructure used by residents to participate in the economy) and the make-up of the economy (skills level, education, employment);*
4. *Financial governance and expenditure levels by individual municipalities; and*
5. *The vacancy rates within any particular municipality.*

**The MPI does not reflect directly on municipal competence, but rather how spending patterns of a municipality reinforce and affect socio-economic contexts.*

Key trends for 2013: 2013 results are very close to those of 2012, with a clear dominance by Western Cape and Gauteng environments in the top ranks.

Kevin Allan, MD of Municipal IQ, notes: "The high scores of Gauteng and Western Cape municipalities as productive environments explain why they are the destination for migrants. This implies pressure for the cities and metros in these provinces. While urbanisation is a natural trajectory for developing countries, it is critical that municipal managers, in compliance with the vision of the National Development Plan (NDP), ensure that city development be as inclusive as possible and that".

Karen Heese, Economist at Municipal IQ argues: "The relative success of South African cities in providing productive environments does not mean that rural development should slip from the developmental agenda. Capacity challenges weighing down Limpopo, Eastern Cape and KwaZulu-Natal municipalities mean that they continue to cluster at the bottom end of MPI scores, especially in the case of rural areas, but also increasingly in former homeland areas. Conditions in these environments cannot be allowed to deteriorate as urbanisation needs to take place at a sustainable rate if cities are to continue functioning optimally."

Performance of municipalities by province: Average provincial scores on the MPI shows that Gauteng municipalities outperform the Western Cape average, bolstered by the combined strength of Gauteng’s three metros, notwithstanding top Western Cape performers (see best-performing local municipalities, below). The Eastern Cape and KwaZulu-Natal continue to score the lowest averages (in 8th and 9th place, respectively). The only province to deteriorate from 2012 was the Free State.

Table 1. Performance of municipalities – provincial averages

	Rank	2013 Score	National ave.
Gauteng	1	56.1	43
Western Cape	2	54.0	43
Northern Cape	3	46.2	43
Free State	4	45.2	43
Mpumalanga	5	43.8	43
North West	6	41.1	43
Limpopo	7	40.6	43
Eastern Cape	8	38.2	43
KwaZulu-Natal	9	37.8	43

Metro results: Top metros continue to fall within a close range of each other (see Table 2), but Cape Town comes ahead with strong performance on financial governance, which also bolster eThekweni’s score. Johannesburg’s robust economy insures its second place. Mangaung is the only metro to see a deteriorating score from last year, while Buffalo City improved its score, if not ranking, from 2012.

Table 2. MPI results for South Africa’s eight largest cities

	Rank	2013 score	Metro ave.
Cape Town	1	69.1	63.3
Johannesburg	2	67.0	63.3
eThekweni	3	66.0	63.3
Nelson Mandela Bay	4	65.2	63.3
Tshwane	5	64.4	63.3
Ekurhuleni	6	62.3	63.3
Mangaung	7	56.6	63.3
Buffalo City	8	55.6	63.3

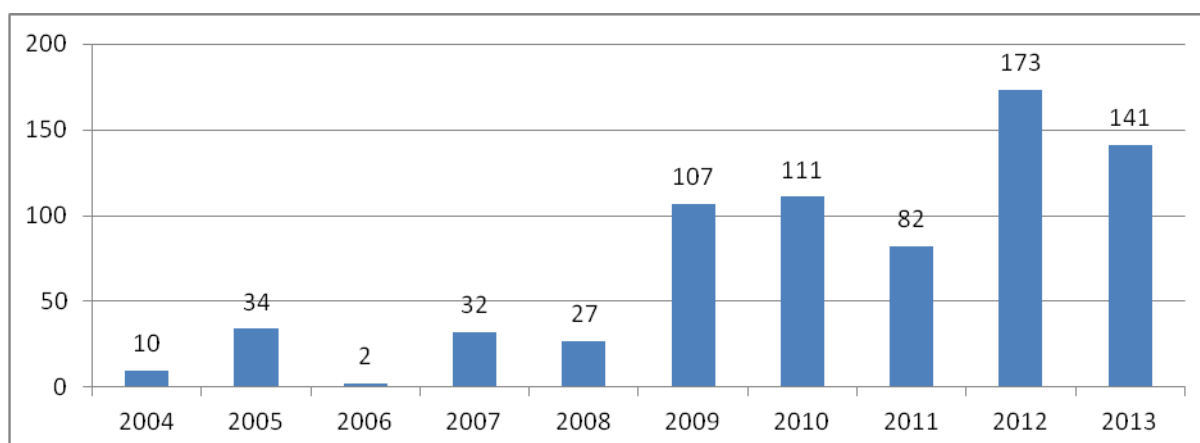
Best-performing local municipalities: 7 out of 10 top-performing local municipalities are in the Western Cape (see Table 3).

Table 3. Top 10 most productive local municipalities

Name	Rank	2013 score	Local ave.
Saldanha Bay (WC)	1	60.1	42.3
Stellenbosch (WC)	2	59.4	42.3
Overstrand (WC)	3	59.1	42.3
Mossel Bay (WC)	4	58.0	42.3
Bitou (WC)	5	57.8	42.3
Steve Tshwete (Mp)	6	57.4	42.3
Merafong City (Gt)	7	56.7	42.3
Knysna (WC)	8	56.6	42.3
Gamagara (NC)	9	56.6	42.3
Drakenstein (WC)	10	56.1	42.3

Protest results In addition to the MPI results, Municipal IQ, has also released aggregated findings from its **Municipal Hotspots Monitor** to contribute to understanding and debate surrounding (municipal) service delivery protests. The Monitor identifies where service delivery protests have taken place since 2004.

Figure 1: Major service delivery protests, by year (2004 – 31st October 2013)

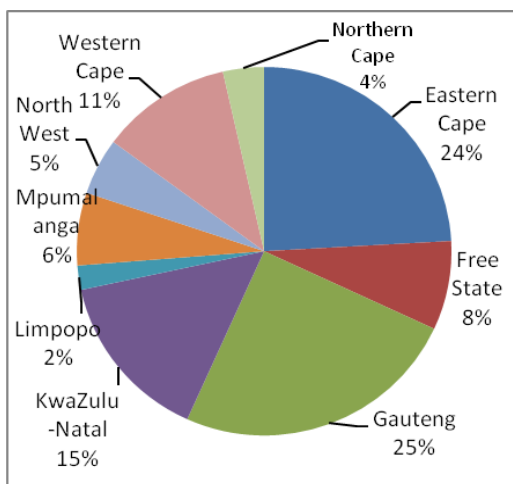


[Source: **Municipal IQ** Municipal Hotspots Monitor]

Major service delivery protests against local government (as of 31st October 2013) are off the 2012 peak on Municipal IQ's Hotspots Monitor (see Figure 1). Also, a smaller proportion of protests have been **violent** this year (70.2%, down from 77.5% in 2012).

Gauteng (see Figure 2 below) was narrowly ahead of the **Eastern Cape** as the most protest-ridden province for the first ten months of 2013. The Western Cape (excluding provincially-targeted "poo" protests), the Free State, North West and Mpumalanga all receded (after showing prominence in previous years and over the aggregated 2004-13 time period). **KwaZulu-Natal** featured prominently in protest activity – not only in eThekweni, but also further afield in smaller towns and rural areas.

Figure 2: Service delivery protests by province (January - October) 2013



[Source: **Municipal IQ** Municipal Hotspots Monitor]

Methodology: Municipal IQ's Hotspots Monitor collates major protests staged by community members (who can be identified as living in a particular ward) against a municipality, as recorded by the media (or other public domain sources such as SAPS releases). Such protestors raise issues that are the responsibility or perceived responsibility of local government (such as councillor accountability, the quality and pace of basic service delivery, and in metro areas, housing). These protests may be violent or peaceful, but there is a clear dissatisfaction with the management of a municipality. Not included are issues falling outside of local government's service delivery mandate such as demarcation, industrial relation disputes or clear party political issues (including candidate lists). Where protests are sustained over several days or weeks, these are recorded as a single entry, with qualitative details updated on the database.

Ends.

For further details, contact:

Tel 011 646 2589

e-mail kevin@municipaliq.co.za

karen@municipaliq.co.za

Municipal IQ ranks municipalities according to their relative performance on a number of monitors and indices, with the intention of contributing to an objective, critical assessment of municipal performance. It is hoped that this assessment will highlight both successes and failures in the work of municipalities and in so doing, assist to improve local government delivery.