

MEDIA STATEMENT

LAUNCH OF SPATIAL ECONOMIC ACTIVITY DATA: SOUTH AFRICA (SEAD-SA)

Tuesday, 20 June 2023

National Treasury and the Human Sciences Research Council launched a new initiative aimed at addressing the gaps that exist between the local economy of cities and the wider economic geography of the country by leveraging tax and other administrative data sources. The Spatial Economic Activity Data will provide government, business, and civil society with reliable evidence on which to base crucial developmental decisions.

In his keynote address, the Minister of Finance, Mr Enoch Godongwana, said that since as far back as the Reconstruction and Development Plan (RDP), urban areas, particularly metropolitan areas, have been key centres of economic activity, employment, and innovation, and that by addressing spatial inequalities and creating sustainable human settlements, we could achieve inclusive and sustainable growth. He stated that by continuing to support economic development at the local government and municipal levels –through grants and technical assistance through the Cities Support Programme for example – we are mobilising National Treasury and partners around township development and industrial park revitalisation within the metros. He emphasised that the SEAD-SA programme is a key step toward achieving these aims and ensuring that the allocated funds and efforts are well-targeted.

In addressing some of the benefits to be reaped from the SEAD-SA initiative, HSRC's CEO Prof Sarah Mosoetsa posed four strategic questions for South Africa and African continent.

"Will we harness the potential of big data, AI and the fourth industrial revolution? Will we be mindful of the 'local' in pursuit of our economic and social objectives? Will we be prepared for Africa's urban future? Will we innovate and break down organisational silos for improved public governance?" she asked.

She said the new technologies are disrupting global economic development, requiring that the workforce learn new skills and adapt to a rapidly changing work environment. "Job security is a growing concern. Appropriate governance and regulation is needed to ensure that societal welfare is balanced against new forms of production. Therefore, SEAD-SA is a powerful example of harnessing the data revolution for the common good," added Prof Mosoetsa.

WHAT IS SEAD-SA ABOUT?

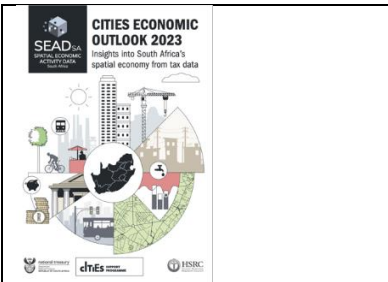

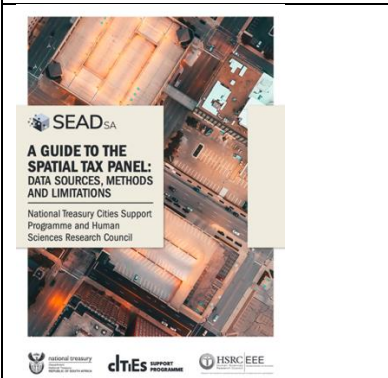
Insufficient attention has been paid to the performance of South African cities, regions and local economies, partly because of the **lack of credible data**. Municipal managers and local officials are required to plan for more productive, inclusive and sustainable economies yet lack credible information about the 'what' and 'where' of jobs and investment. Businesses and other local stakeholders lack the evidence base from which to advocate for change or hold leaders to account.

Spatial Economic Activity Data: South Africa (SEAD-SA) is a new initiative led by the **National Treasury** and **Human Sciences Research Council** that is finally beginning to plug this gap by leveraging tax and other administrative data sources. For the first time, granular spatial data exists to help answer vital policy and research questions about urbanisation, uneven development, territorial disparities, productivity and economic conditions of

municipalities, cities, towns and suburbs/wards. The creation of robust disaggregated and granular economic data, mindful of the interaction between the economy and social inclusion, is essential for monitoring changing economic conditions and sectoral and spatial shifts over time.

WHAT WAS PROFILED AT THE LAUNCH?

The following important outputs will be profiled:

	<p>Speeches from our partners (Keynote: Minister of Finance, Mr Enoch Godongwana) SEAD-SA has been launched as a collective brand to recognise the contribution of a growing consortium of stakeholders who share a common interest in understanding the spatial economy of South Africa. The intention is to widen the circle and enlarge the community of practice, with different participants making distinctive contributions to the 'spatial data value chain'.</p>
	<p>The Cities Economic Outlook 2023 The <i>Cities Economic Outlook</i> presents key policy insights about the economic performance of South African cities based on tax data. The chapters explore a variety of themes including: the role of urbanisation in economic development, the specialisation of each metro economy, the uneven impact of COVID-19, the relationship between cities and productivity, and the central role of cities in the labour market.</p>
	<p>The Spatial Tax Portal The <i>Spatial Tax Portal</i> (www.spatialtaxdata.org.za) is a user-friendly web interface that makes it simple and easy to explore and download spatial tax data. The portal includes a number of online tools for building custom maps ('map explorer') or exploring particular themes ('dashboards') across different municipalities including economic growth, industry diagnostics and equitable economies.</p>
	<p>The Spatial Tax Panel (raw data) The backbone of SEAD-SA is the creation of an 'open access' spatial database covering all 8 metropolitan municipalities as well as all 205 local municipalities in South Africa. The database also offers suburb-level data (hexagons) for metros, which show spatial shifts occurring within each of the metropolitan municipalities. This database includes a range of important economic indicators such as the concentration of jobs and firms, the function and economic specialisation of municipalities, average wage levels and earnings inequality.</p>

WHO IS INVOLVED?

The SEAD-SA programme involves a wide range of partners and is a powerful example of the value in joint-up governance. The programme is currently led by the Human Sciences Research Council and the National Treasury: Cities Support Programme and Economic Policy

Unit. Other partners include: the South African Revenue Services, UNU-WIDER, Statistics South Africa, Metropolitan Municipalities, the Department of Trade, Industry and Competition, South African Local Government Association, South African Cities Network, the UK's Foreign, Commonwealth and Development Office, the Swiss State Secretariat for Economic Affairs and the University of the Free State.

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