



Cape Higher Education Consortium

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CHEC Response to City of Cape Town Review of the Economic Development Strategy

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Introduction

The Cape Higher Education Consortium (CHEC) represents the four public universities in the Western Cape and is the longest standing regional higher education consortium in the country. CHEC appreciates the opportunity to respond to the City of Cape Town Review of the Economic Development Strategy as requested by the City. These comments are put forward as a contribution to our partnership with the City and as a statement of our commitment to on-going engagement around policy and implementation matters of common concern.

Because we believe that the universities should be key partners of the city in supporting economic and social development, we believed it was important to involve our four university partners in compiling this submission. These comments are accordingly the product of a joint work-session involving all four of the CHEC member universities. The comments are structured in four parts.

Firstly, we make a number of general comments about the document pointing to both the positive elements as well as to gaps and weaknesses. Secondly, we propose a number of additions in regard to the education sector focusing on the role of higher education in particular. Thirdly, we note a key urban regeneration academic precinct project which is being driven within our member universities and which we believe can have important catalytic impact in growing the knowledge and innovation economy in Cape Town. Lastly, we make a number of suggestions regarding further engagement in the process of refining and implementing economic development strategies and projects.

General comments

CHEC firstly welcomes the document and expresses its appreciation for the many positive and exciting ideas it contains. We support the general approach of the document and believe that it identifies most of the critical economic development issues

facing Cape Town. We believe it also does well in capturing the complicated and complex set of issues in a straightforward and comprehensible manner.

We like many of the ideas in the document including:

- The emphasis on establishing Cape Town as a green city with a low carbon footprint;
- The emphasis on developing transport infrastructure as a key driver of development;
- The focus on helping small businesses.

There are also areas where the document could be enhanced.

Firstly, we think that the document could be made more consistent and coherent with some additional attention to how the argument is formulated. Our suggestions here include:

- The document could be more strategic in its approach with more focus and stronger prioritization. In this regard we are of the view that the current six strategic thrusts indicate general areas of engagement rather than strategies in their own right. Each thrust would thus need a stronger strategy of its own. Similarly, we think the document might benefit from pointing to Cape Town's strengths which would be a starting point for suggesting where we should focus efforts.
- The document could benefit from including stronger evidence to reinforce the argument. There is little data or statistical information in the document that supports the proposed approach. There is also little reflection on the prior experience of economic development support activity in the city that points to what has worked and what has not.
- There are some areas where concepts in the document need tighter definition. For example, the document makes reference to Cape Town as a competitive city but it does not really explain what this means. In what ways does Cape Town compete? With whom does Cape Town compete? In this regard, it was suggested at our work-session that productivity might possibly be a more useful concept.
- The document does not indicate the specific actions and associated timeframes nor does it suggest what resources will be required for implementation. Further iterations should seek to make the document more specific in these areas in order to underline the importance of implementation.

There are also a number of more specific issues that we think should be taken up in an economic development strategy document of this nature that are not currently emphasized. These include:

- In addressing public transport, it is suggested that the document give some direction as to how the taxi industry will be incorporated within the new transport arrangements.

- The current restriction on the number of direct international flights allowed to Cape Town has a significant negative economic impact on Cape Town. There needs to be a major push for an “open skies” policy and increasing the number of direct flights.
- The issue of entrepreneurship needs to be explored more fully. In this regard, there is a limit to how much impact is possible through skills training. The more fundamental problems are the lack of finance and overregulation that are not emphasized in the document.
- The issue of the informal sector including informal business and informal settlements needs more explicit treatment. The document also needs to suggest how poverty alleviation is addressed through the strategy.
- Basic education and vocational skills training are critical foundations for economic success and resilience and the challenges in these areas need to be highlighted. In addition, the document should suggest other ways of creating a better fit between the labour market and the needs of the economy.
- The importance of inter-governmental alignment, the roles of the different spheres of government in relation to economic development and the place of the regional perspective in the economic development strategy gets very limited attention and should be developed.
- Lastly, CHEC is of the view that the document understates the importance of higher education (HE). This is addressed in the section below.

Comments about the role of higher education in economic development

HE is an important driver of economic development in the city and the region and we think that this role is understated in the document. We are of the view that HE has a significant role to play in each of the strategic thrust areas indicated and that it should also be highlighted as an economic sector in its own right.

The critical role of HE in the economy is increasingly acknowledged internationally. The 2007 OECD report on HE and regions (OECD (2007) Higher Education and Regions: Globally Competitive, Locally Engaged, Paris: OECD) provides strong research confirmation of this. Dynamic cities and regions now put considerable effort into strengthening and working with their HE institutions as key partners in development. Reasons for the importance include:

- HE is a major contributor to knowledge creation through research and its exploitation via technology transfer (intellectual property and consultancy) and new business formation;
- HE contributes to knowledge transfer through human resource development, education, localising the learning process via work-based learning, graduate employment in the region, continuing education, and professional development;

- HE contributes to the cultural and community development necessary for creating the milieu, social cohesion and sustainable development on which innovation depends.
- HE can play a key integrating role in the city and its civil society by joining up the different elements of national policy on learning and skills, research and innovation, culture and social inclusion.
- HE can enhance the image and reputation of a city and can contribute to attracting talent, investment and visitors.
- HE can play a role in urban regeneration particularly in areas where academic precincts are established.

In the case of Cape Town, HE is a major economic asset and should be seen as an economic sector in its own right that makes a significant contribution to local GDP and Cape Town's capacity for further economic development.

In 2006, the four CHEC universities offered over 13 000 courses, combined in almost 2000 undergraduate and postgraduate programmes covering all major fields of study, enrolled 87 000 students (undergraduate and postgraduate) and awarded 21 240 qualifications, including 279 doctorates. 36,5% of all NRF rated scientists in HE institutions work at one of the 4 CHEC universities. 52% of A-rated scientists in the country are at the University of Cape Town (UCT) and University of Stellenbosch (US). UCT, US and the University of Western Cape (UWC) accounted for 30% of national research publication outputs for universities and Cape Peninsula University of Technology (CPUT) for 30% of the university of technology outputs, as accredited by the national Department of Education. The four universities also attracted at least 10 000 international students for full qualifications and semester study. The majority are from the rest of Africa. The Western Cape attracts increasing numbers of students from the US and the Nordic countries. South Africa is also becoming a destination of choice for students from the Middle East as it is seen as a welcoming environment that embraces diversity.

The four universities have numerous active international collaboration agreements that result in academics from across the globe spending time in the Western Cape and our academics are widely accepted throughout the continent and the world and so bring back perspectives and experience from elsewhere. In 2006, the four universities also employed around 13 500 permanent and contract staff, brought R1,76 billion in national government subsidy to the Western Cape and had a combined income of almost R5,5 billion generated from subsidy, tuition fees, research contracts and various other sources. HE also makes an important contribution to the economy of the City as a large employer, as a payer of rates and taxes, as a major procurer of goods and services and as a driver of tourism through local and international conferences and attracting students.

In addition, it makes a substantial contribution to the intellectual and cultural life of the City and region through extra-mural and continuing professional education programmes, theatre, choirs, conferences, workshops, festivals and sport. The HE institutions also make a contribution through community service and engagement via their academic hospitals, via the service delivery role of students in health sciences, law, education and

social development, via the role of student voluntary organisations, such as SHAWCO and via relevant research and community development.

We think the document has a rather narrow view of the role of education. In the document, the role of HE in skills development is underlined but not its broader role. HE in fact makes a contribution to all the strategic thrust areas identified.

In this regard, we believe that CHEC should be deleted as a lead department from 6.3 (school governing bodies) because of the limited relevance. CHEC should similarly be deleted as a lead department from 6.2 (skills development). Responsibility here must be much more widely shared. In particular, the range of public bodies involved in education and training need a much closer relationship with business in the different economic sectors which each generate their own nexus of specific skills needs.

Taking forward university precinct as a stimulus for urban regeneration and growth

We think that university precincts can become key community hubs with a range of economic activity spin-offs if some attention is given to their development. These can also be linked with science and commercial parks as catalysts for spin-off companies and commercial initiatives within the university. This links neatly with the area targeting proposed in the third strategic thrust identified in the document.

In this regard, we note the detailed plans that have already been developed by UWC for a Bellville academic precinct. All four CHEC member universities support the development of an academic hub in the area and believe that it has great potential to revitalize the proposed area. It is excellently located as a central destination relatively close to the airport and other transport infrastructure and in close proximity to communities needing development opportunities. A joint submission by the whole CHEC board supporting this initiative has been submitted to the City. We would suggest in addition that it be mentioned in the economic development strategy as a catalytic economic project.

Future engagement regarding the development of economic development strategies and implementation

CHEC is strongly committed to working in partnership with the City of Cape Town and seeks to be an active participant in the on-going process of refining and implementing the economic and social development strategies and policies needed for Cape Town to prosper.

There are currently many examples of important research and development work being undertaken by members of the CHEC community. However, there is much to be done to ensure that a larger pool of academics than is currently the case commit themselves to working on projects relevant to city and regional development. This will probably require improved communication, some attention to changing culture and a relook at the system of incentives within the university environment so that contribution to local development is more acknowledged, recognised and rewarded than at present. The City can assist in

this through making more money available for relevant research and development work that academics can access. The current CityLab initiative with the UCT African Centre for Cities is an example of what is possible but there is scope for many more partnerships of this type.

Suitably experienced members of local universities could also participate in a variety of policy and implementation forums related to issues such as:

- education and skills development;
- engineering and infrastructure development;
- business development and industrial policy;
- science and technology development;
- area regeneration and urban policy;
- environmental management and land-use planning;
- health and welfare policy.

Conclusion

In conclusion, we note again that the City and its local universities share many common objectives and have a mutual interest in the sustained and shared prosperity of metropolitan Cape Town. As CHEC, we are committed to developing a much stronger partnership between the City and universities focused on addressing social and economic needs. We look forward to on-going engagement with the City in this regard.

Please contact Nasima Badsha or Erica Gillard regarding any further clarifications you may require in regard to this input or the process of further engagement.