**MEDIA STATEMENT**

**COGTA COMMITTEE CALLS FOR INTEGRATED APPROACH TO REGENERATION OF SMALL TOWNS**

**Parliament, Wednesday, 24 February 2021** – The Portfolio Committee on Cooperative Governance and Traditional Affairs (Cogta), today received a briefing from the South African Local Government Association (Salga) on the Small Town Regeneration programme, which aims to advance local economic development.

In her opening remarks, the Chairperson of Cogta, Ms Faith Muthambi said “Over the last year and a half, the committee’s predominant focus has been on service delivery-related matters. Municipalities have been following a similar pattern, putting emphasis on service provision and treating local economic development as an afterthought.”

The reality is that an isolated focus on municipal service delivery is not sustainable in the long term if there is no vibrant local economy to support it. Unless the growing number of poor and unemployed people get access to productive employment, the scale and cost of service delivery will not be financially viable into the future.

One of the objectives of local government, in terms of Section 152(1) (c) of the Constitution, is to promote both social and economic development. South Africa as a developmental state can only thrive if there is a healthy balance between economic growth and social development, as the two are interdependent. Poor growth erodes a municipality’s economic base, which in turn results in service delivery deficiencies, such as poor roads and erratic power and water supply, due to the inability to service the debt owed to Eskom and the water boards.

Renewed focus on revitalising the local economy is needed, including the regeneration of small towns, the provision of meaningful support to private enterprises and the promotion of a culture of user payment for municipal services. The committee is concerned that some municipalities are not taking their local economic development mandate seriously, and are not helping to foster an enabling environment conducive to growth and job creation.

The committee heard from the Deputy Minister of Cogta, Mr Obed Bapela, that no new towns have been built since democracy. The increase in the overall population necessitates the regeneration of small towns, some of which were built over a 100 years ago.

Salga’s Councillor Bheki Stofile informed the committee that over 50% of the population live in small towns and that the Small Town Regeneration Strategy aims to regenerate, restore and fulfil economic protention of underperforming of small towns. Regeneration requires a regional approach, which means that one department alone cannot be responsible for regeneration. It requires a combined effort from government departments, municipalities and the private sector.

The committee enquired on the progress of the revitalisation of distressed mining towns and what has been done since former President Jacob Zuma’s 2012 Special Presidential Package for Distressed Mining Towns, which sought to respond to deteriorating living conditions in mining and around communities.

It is therefore important for the committee to initiate a series of vigorous interactions on local economic development, starting with the issue of small town regeneration, said the Chairperson. In her closing remarks, the Chairperson informed Salga and the department that local economic development must focus on the revival of factories that have become white elephants to create jobs and revive local economies.

It is important that government works together, combining the various spheres instead of working in silos, to pool resources and to avoid duplication of efforts, said the Chairperson. To this end, the committee will invite the departments of Small Business Development; Tourism; and Agriculture, Land and Rural Development to follow-up meetings with the specific focus on regenerating small towns.

**ISSUED BY THE PARLIAMENTARY COMMUNICATION SERVICES ON BEHALF OF THE CHAIRPERSON OF THE PORTFOLIO COMMITTEE ON COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS, MS FAITH MUTHAMBI.**