Spatial, Sector and National Economic Planning

This sub-programme includes the following workstreams:

- **National Economic Planning**
- **Spatial Economic Development Action Plans**
- **Coherence of Provincial and Local Economic Development Plans and Agencies**
- **Economic Development at Sectoral Level**

### National Economic Planning

Economic planning is a critical part of any overall national plan. Economic planning has a number of different dimensions, such as investment patterns, industrial development, employment creation and skills development. It addresses both outcomes as well as resource requirements. Economic planning utilises a number of tools available to government and takes account of market realities. It provides an overarching vision within which both private sector and public institutions operate.

Government is committed to developing strong planning capacity in the different functional areas of its administration. EDD will play that role in respect of economic planning. These different dimensions of the planning function need to be brought together within a coherent framework. The National Planning Commission is being set up inter alia to achieve this goal. The purpose of this workstream is to develop economic plans for South Africa which help to realise government’s broader goals, ensures that there is coherence between the economic development policies of the state and the policies of state entities and that the micro- and macroeconomic plans are consistent.

The workstream will work closely with the National Planning Commission (NPC). It will submit
economic planning proposals to the NPC for incorporation within the wider national plan. In reality, there will be a strong iteration, with insights that flow from other areas of planning shaping the economic plans. For example, projected population, migration and spatial development plans in a specific province will impact greatly on the economic plans in the area. In doing so, EDD will, after consulting with the relevant departments and entities and evaluating the economic development impact of the programmes of state, draft economic planning proposals that promote the coherence and alignment of the state’s and state entities’ economic plans and that foster South Africa’s growth path and need for substantial job creation.

Spatial Economic Development Action Plans

Spatial economic development is a vital part of government’s national economic policy focus. Good policy choices and well-executed planning can ensure balanced economic development across South Africa’s nine provinces and can help to address marginalisation and poverty, particularly in rural areas. In addition to this, spatial dimensions to industrial development are critical to certain industries, either because of inherent comparative advantages in a particular locality or the requirement of critical mass in supplier industries to create a competitive cluster.

The purpose of this workstream is to promote the development of spatial economic development action plans, particularly for key and distressed areas. The department aims to foster these actions plans through an inter-sectoral process with government departments, including Rural Development and Land Reform, Co-operative Governance, Trade and Industry, provincial governments, SALGA and key metropolitan councils, the publication of a framework agreement and by providing support to regions that are developing these plans.

Coherence of Provincial and Local Economic Development Plans and Agencies

Provinces play an important role in promotion of economic opportunities within their jurisdiction and due to their closeness to their industries and people, they have responsibilities and opportunities that national government need to support. Larger local authorities particularly the metropolitan councils have both resources and existing institutional capacities for the promotion of local economic development.

The purpose of this workstream is to build the coherence of provincial and local economic development plans. Through MinMEC and other fora, the department will, in partnership with provinces:
- identify corridor opportunities across provinces;
- identify economic clusters across sectors and regions;
- identify competitive advantages in each province and the linkages between them;
- build strategic relationships with SALGA and the metropolitan councils;
- build coherence and links between national and provincial development agencies; and
- identify social partnership opportunities to promote economic development.

**Economic Development at Sectoral Level**

Industrial policy targets both sectors and firms. The opportunities that exist in both the national and global economies require strong competitive industries as well as firms that are flexible and capable of utilising those opportunities. Government policy is to promote a number of key sectors, chosen inter alia for their labour-absorbing capacity, technological contribution to the economy, or earning of foreign exchange. Sector policies are also important in promoting labour-absorbing beneficiation of raw materials. Finally, sector policies are directed at addressing both weak economic performance and large scale job losses (distressed sectors) as well as regeneration of economic activity in particular regions and areas.

The purpose of this workstream is to promote economic development in major sectors of the economy. This will include the promotion of rural economic development and the development of industrial policy frameworks for sectors, in order to support the Industrial Policy Action Plan. This will involve a broader inter-sectoral government process that includes close cooperation with the Department of Rural Development and Land Reform and coordination with the dti on industrial policy frameworks.