



# Newsflash

VIII-02-2025

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COLLEGE OF BUSINESS AND ECONOMICS

## UJ research study unlocks municipality potential with Inclusive Growth Index to tackle inequality



In a move to address systemic inequalities within South Africa’s municipalities, the University of Johannesburg’s School of Public Management, in partnership with Infrastructure South Africa (ISA), has launched a transformative Local Government Inclusive Growth Index (LGIGI). This index aims to assist local governance by providing a tangible framework for measuring inclusive growth across all levels of government.

The LGIGI comes at a time when South African municipalities grapple with persistent socio-economic challenges, accentuated by stark disparities in wealth distribution and access to essential services. Professor Daniel Meyer, the study's lead researcher, states “ We believe that the index will be a game-changer, enabling local governments to pinpoint inequalities and implement targeted interventions to ensure that every citizen benefits from economic progress.”

This index responds to President Ramaphosa's urgent call for inclusive economic growth articulated in the 2025 State of the Nation Address. It departs from traditional economic metrics like GDP, revealing deeper insights into the socio-economic fabric of municipalities. Prof Meyer highlights, “By exposing inequalities hidden by conventional statistics, we provide a crucial lens through which policymakers can craft strategies aimed at equitable growth and improved quality of life for all South Africans.”

The main results of the study indicate that a national inclusive growth index improvement from 41.5 in 1995 to 52.9 in 2023 – show an annual growth of 0.99% annually. Gauteng is the leading province with an index of 62.6, while KwaZulu-Natal lags at 48.3, highlighting critical developmental challenges and disparities between leading and lagging regions. Exceptional performers such as Thabazimbi LM in Limpopo have outpaced peers, whereas Ntabankulu LM in the Eastern Cape ranks as the least effective, emphasising the pressing need for targeted developmental strategies.

Regarding local government (eight (8) metros and 205 local municipalities), the best-performing metro with the highest composite index in 2023 was the City of Johannesburg, with an index of 65.8, up 0.47% per annum since 1995 and the worst-performing metro was Buffalo City, with an index of 56.3 with an annual increase of only 0.32%.

- The top 10 best performing municipal areas were (of the top 10, four from Gauteng; two from Northern Cape; one from Mpumulanga, Western Cape, Limpopo and North-West):
- 10. Rand West City, Gauteng
  - 9. Mogale City, Gauteng
  - 8. Steve Tshwete, Mpumulanga
  - 7. Merafong City, Gauteng
  - 6. Witzenberg, Western Cape
  - 5. City of Johannesburg, Gauteng
  - 4. Khai-Ma, Northern Cape
  - 3. Rustenburg, North-West
  - 2. Gamagara, Northern Cape
  - 1. Thabazimbi, Limpopo (Index of 74.4) (Best performing municipal region)

- The top 10 worst-performing municipal areas in 2023 were (Five (5) from Eastern Cape; four from KwaZulu-Natal, and one from the North West):
1. Ntabankulu, Eastern Cape (index of 38.15)(worst performing municipal region)
  2. Ingquza Hill, Eastern Cape
  3. Msinga, KwaZulu-Natal
  4. Port St Johns, Eastern Cape
  5. Ratlou, North-West
  6. Mbizana, Eastern Cape
  7. Mbhashe, Eastern Cape
  8. Nquthu, KwaZulu-Natal
  9. The Big 5 Hlabisa, KwaZulu-Natal
  10. Jozini, KwaZulu-Natal

Regarding the eight sub-indexes, the best and worst-performing municipal regions for 2023 are listed in the table below:

Sub-Index	Best performing municipal region	Worst performing municipal region
Dependency ratio	Thabazimbi LM	Msinga LM
Poverty levels,	Thabazimbi LM	Prince Albert LM
Income inequality	Ndwedwe LM	Mahikeng LM
GVA per capita	Gamagara LM	Msinga LM
Employment	Thabazimbi LM	Msinga LM
Infrastructure	Bergrivier LM	Msinga LM
Education level	City of Tshwane Metro	Intsika Yethu LM
Health levels	Dr Beyers Naude LM	Joe Morolong LM

“This index empowers local authorities to engage with their communities, understand specific disparities, and tailor their responses effectively,” adds Prof Meyer. By focusing on essential metrics such as poverty levels, income inequality, employment rates, and access to healthcare and education, the LGIGI positions inclusivity at the forefront of municipal governance.

Aligned with the United Nations’ Sustainable Development Goals, particularly those aiming to reduce inequality and promote decent work, the LGIGI represents a significant leap forward in fostering socially equitable economic development in South Africa. This new measurement tool is poised to facilitate vital dialogues among community leaders, policymakers, and citizens, ultimately cultivating trust and cooperation in the journey towards a more inclusive South Africa.

Also attached is a graph indicating national and provincial inclusive growth performance and the 2023 LGIGI map.

Table 1: National and provincial inclusive growth index summary: 1995 to 2023

