

# GAUTENG

## CITY REGION BRIEFING

# Gauteng City Region Briefing

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## Overview and Context

Following the first South Africa democratic elections in 1994 the Gauteng province has taken steps to better organise itself to govern and administer the changing and growing cosmopolitan society. It was the only province in South Africa to develop and implement an economic strategy immediately after 1994 to leverage off the existing manufacturing base and to diversify economic activity in the province to include the information communications technology sector. The province has taken up the challenges of demographic changes and migration related issues as well as the complex settlement patterns that characterises urbanisation.

Gauteng is the smallest of South Africa's provinces covering only 1,4 percent of South Africa's land mass. Gauteng covers a mere 18 178 km<sup>2</sup> and has been developed to be the gateway to Africa with a dominate industrial base and financial and services sector.

The province was in the forefront of the gold rush in the early 1800's, with Johannesburg eventually becoming known as Egoli, the city of Gold. However, Gauteng is more than just Johannesburg. It comprises of three metropolitan municipalities, namely, Ekurhuleni (the airport is located here), Johannesburg and Tshwane (also known as Pretoria) which is the seat of government administration and has all embassies. Gauteng also includes two districts. The West Rand - home of the Cradle of Humankind, a world heritage site, and Sedibeng, where the Vaal Dam is located amidst the first industrial belt of steel manufacturers.

Gauteng is the most populous province in South Africa with population estimates indicating that more than 13 million people were resident in the province. Between 1996 and 2001 the population grew by 2,7%, while between 2001 and 2011 the province's population grew by 3,6%. In practical terms, more than 5 million people moved into Gauteng over fifteen years. By 2030, it is estimated that Gauteng will be home to 18-20 million people.

At current prices, Gauteng's economy is more than R1 trillion. The province contributes 36% to the country's GDP, 40% of total industrial output and 60% of exports. Gauteng is the biggest contributor to national employment and the number of employed people grew from 2.7 million in 1995 to 4.88 million people in 2014. Notwithstanding this, it is estimated that 25% of the people living in Gauteng live in poverty.

Gauteng accounts for more than 10% of Africa's GDP. The recent Ernst & Young Survey (2014) shows that since 2010, Gauteng has been the most popular foreign investment destination for projects in

Africa. Gauteng is the financial capital of Africa: more than 70 foreign banks have their head offices in the province, as well as a large number of South African banks, stockbrokers and insurance giants. The JSE Ltd. in Johannesburg is the largest securities exchange in Africa.

Between 2003 and 2013, the provincial economy has consistently grown above the national average. In 2013, provincial economic growth recovered to 2.2%. The National Development Plan and Vision 2030 sets an annual national growth target of 5%, in this respect Gauteng has fallen short of the growth rate required for the national economy to grow.

Economic challenges include:

- Exclusion of the overwhelming majority of black people, women and youth as key participants in key sectors of the economy.
- Dominance of a racialised monopoly sector and a subdued role of the SMME and co-operative sector.
- Dominance of the primary and tertiary sectors, with a serious decline in the role of manufacturing in the structure of the economy.
- Dominance of unskilled and semi-skilled labour over skilled labour force.
- Small size of domestic market and skewed income distribution; which dampens national aggregate demand and economic growth.
- Apartheid economic geography and spatial inequalities contribute towards higher costs of living for those on the periphery.

Key elements of economic and spatial transformation set out by government are:

- Changing ownership patterns to bring black people into the economic mainstream and creating black industrialists through incentives;
- Changing the current industrial structure of the economy to promote manufacturing and industrialisation through the processing of rich mineral resources and other raw materials locally;
- The development of new modern, innovation-driven industries in the areas of high-tech, biotechnology, the green economy and blue economy;
- Investing in skills development to change the skills profile of the citizenry in line with the new strategic sectors and modern industries;
- Changing income distribution to ensure equity and decent living standards for all;
- Transforming the apartheid spatial economy and human settlement patterns to integrate economic opportunities, transport corridors and human settlements;
- Growing the SMME sector as a key driver of growth and revitalising and mainstreaming the township economy;

- Strengthening the capacity of the state to direct economic development and enhance the competitiveness of strategic economic sectors;
- Significant investment in economic infrastructure as the key stimulator of growth and investment;
- Transformative partnerships between the private and public sector in addressing the developmental challenges outlined in the NDP and building support for the Gauteng City Region vision.

Municipal boundaries have not limited the movement of goods and services. There is a manufacturing value chain linked to global automotive industry that extends across the province, with valued added work on steel being carried out in three areas of the province with the final assembly of cars for export taking place in Roslyn.

Mobility has been transformed with the first ever high speed rail system (Gautrain) in South Africa and Africa. Metropolitan municipalities are implementing bus rapid transit systems across the province that make the movement of people easier and faster, thus improving efficiency and productivity levels in the City Region.

The agglomeration of research and tertiary institutions, the Medical Science Research Council, the Human Science Research Council, the Council for Scientific Research, Mintek and four universities as well as at least three universities of technology are located in Gauteng. This places the Gauteng City Region ahead of other regions in Africa as the leader of knowledge generation and innovation. The province has set up an innovation hub to leverage off the presence of the research base.

## **Making the City Region Concept a Reality**

In May 2006 the mayors of Gauteng's 15 municipalities gave their support to a proposal championed by Gauteng Premier Mbhazima Shilowa since 2004 — to build the province into a globally competitive city region. The global city region perspective is also noted in the national spatial development plan and has been under discussion at municipal and provincial level.

The Gauteng City Region Perspective is premised on the idea that municipalities would retain their autonomy but — in recognition of Gauteng's unique character as an economic hub and an urban province with a high degree of interconnectedness between its regions and neighbouring provinces

— work more closely on issues of common interest, such as economic development, transport and planning.

The OECD Territorial Review of the Gauteng City-Region 2011 ranks Gauteng 14<sup>th</sup> out of 90 OECD metro-regions in terms of its contribution to national GDP. It ranks above metropolitan Tokyo's and metropolitan Paris' contribution to the GDP of Japan and France respectively. Currently, the sectors with the highest contribution to the Gauteng economy are (i) finance, real estate and business services (23.2%), (ii) general government services (17.8%) and (iii) manufacturing (13.8%).

On 29 August 2006, the province launched a strategy in the legislature to give public representatives the opportunity to further debate it and provide public comment. The Premier had said:

*“We have done a lot of work and have consulted widely in developing the Gauteng City Region perspective as well as in developing the subsidiary strategies that will give effect to the global city region perspective. We believe that this is the most appropriate path to enable us to tackle poverty and unemployment and to effectively address our broader development imperatives. This is the route we need to take to fulfil the aspirations of our people and indeed fulfil our promises.”*

Pillay, the Executive Director of the Urban, Rural and Economic Development Programme at the Human Sciences Research Council and author of *Are Globally Competitive City Regions Developing in South Africa?: Formulaic Aspirations or New Imaginations* (2006) – wrote that:

“The new regionalism stands in opposition to the view of the world as a borderless flow of spaces, which is sometimes set out in discussions on the future of international development. It does not represent the antithesis of globalisation, however, but is its counterpart in a world from which geography has not yet been — and cannot yet be — abolished. The nodes have begun to constitute distinctive subnational (regional) social and spatial formations, whose local character and dynamics seem to be undergoing major transformations due to the effects of globalisation.

Many of these nodes are the focus of significant new experiments in local political mobilisation and economic reorganisation, as different social groups within them strive to deal with the stresses and strains to which they are subjected as a result of globalisation.

Many of these nodes are starting to take on a definite identity and force as economic and political actors on the world stage. The new regionalism differs from an older regionalism in which regions within any national territory were apt to be much more subservient to the dictates of the central state. These new regional social formations have been referred to in recent literature as “global city regions”, and are an emerging feature in the developed and developing worlds.

Indeed, it is recognition of the emergence of such a sociospatial formation in Gauteng that has led to recent calls for the province to be launched as a global city region. Much of my research into the concept of the global city region, and its relevance to SA’s metropolitan space economy, has concluded — not surprisingly — that Johannesburg is by far SA’s most globally competitive urban prospect. However, the city does not independently qualify as a global city region in terms of the comprehensive definitions that have been presented on the subject. SA’s most formidable global city region prospect — if one is to talk about dense subnational social and spatial formations that have developed as the principal concentrations of advanced economic activities, and which function as territorial platforms from which concentrated groups or networks of firms contest global markets — is a considerable tract of land spanning an east-west and north-south axis in the “urban heart” of Gauteng. With a population of close to 12-million, the urban nodes of Johannesburg, Tshwane, Ekurhuleni and the West Rand constitute the economic heartland of SA. In fact, in the corridor between Johannesburg and Tshwane alone, which makes up just 0,2% of the country’s surface area, close to 30% of SA’s gross geographic product growth took place in the first five years of the new millennium.

Gauteng’s urban core, comprising the four nodes described above, while constituting just 1,4% of SA’s land area, contributes about half of the country’s gross domestic product (GDP), and 65% of fiscal revenue. In fact, the province generates 10% of the GDP of Africa. As such, this subregion of Gauteng would seem to be well on its way to joining cities such as Dhaka, Istanbul, Tianjin, Hyderabad, Lahore and Lagos as “new” megacities (or global city regions) in the developing world.

The commitment by the premier’s office to drive efforts to build Gauteng as a globally competitive city region is a commendable one — and makes economic sense. However, where I differ with champions of the concept in the premier’s office is in terms of how the geographic area that may approximate city region status is defined. While the premier’s office sees the entire province as a potential city region node, it is argued here that it is a subregion of Gauteng, the urban core of the province, that stands the most chance of being developed into a globally competitive, urban mega-agglomeration.

The necessary population and infrastructure, and the densification thresholds that warrant provincial consideration as a city region, simply do not exist at this stage. In this regard, planners in the province would do well to draw a line around Gauteng's Blue IQ projects — the economic infrastructure development programme of the province that began in 2000 — and compare this boundary with those that represent the province's urban core. They largely coincide, and present a useful basis for investigation into the applicability of the city region concept to Gauteng.

Having said that, the attempt to reconfigure Gauteng into a holistic programme of economic infrastructure development, while simultaneously nurturing social inclusivity, is an extremely positive one, and needs to be encouraged.

With the furious levels of transport and infrastructure planning that will occur before the 2010 Fifa World Cup, a unique set of opportunities exists to fast-track the global city region process. Planners must be cognisant, however, of the scale at which economies of agglomeration work best, and the importance of local context.

While our cities need to become globally competitive, we must not subscribe to a restrictive and formulaic global city agenda, which often imposes limitations on the imagining of possible futures for our cities”

In February 2007, a GCR (Gauteng City Region) perspective and strategy for implementation, together with an implementation plan as well as final benchmarking and monitoring and evaluation mechanisms were presented as part of the provincial plans to the provincial legislature. This marked the beginning of the City Region being shaped and formed through government's initiatives and processes.

By April 2007 Gauteng strategies on the follow were developed to support the GCR perspective:

- Growth and Development strategy,
- Social development strategy and
- Capacity and organisation of the state strategy.

The Premier's Co-ordination Forum, as the key structural driver of intergovernmental relations effectively became the GCR governance structure. This governance structure was meant to ensure integration, co-ordination, implementation and the monitoring of the activities and outputs of the city region.



The political leadership of the GCR was expected to mobilise all sectors behind the GCR vision and mission and provide leadership on integration, co-ordination, implementation, benchmarking and monitoring and evaluation.

An urban observatory to consolidate the research and development agenda, innovation and benchmarking with other city regions was set up.

A review the powers and functions between provincial and local government and the possibility of the metropolitan system of local government for the province was explored.

The intention of the leadership of the GCR was to reach out to the 'super-creative core' of scientists and engineers, university professors, poets and novelists, artists, entertainers, actors, designers and architects as well as "the thought-leadership of modern society: non-fiction writers, editors, cultural figures, think-tank researchers, analysts and other opinion makers. The 'creative class' includes "creative professionals who work in a wide range of knowledge-intensive industries, such as high-tech sectors, financial services, the legal and health care professions, and business management. Thus the implementation plans had a focus on engagement and management of stakeholder relations, which is championed by the Premier.

In 2008, 11 pathways were unveiled as strategic pathways to propel the GCR. These were:

- Growing and managing a GCR knowledge based economy
- Advancing the positioning of Gauteng as an economically active and sustainable city region
- Integrated planning, implementation, and coordination of economic growth & competitiveness strategies
- Integrated planning, implementation and coordination of social development, inclusion and cohesion strategies
- Improved coordination, collective decision making, and resource sharing across departments and municipalities
- Branding and communicating the Gauteng City-Region
- Benchmarking, monitoring and evaluation
- Mobilise high level "international" initiatives to enhance socio-economic growth and leave a global long lasting impression on the GCR
- GCR long term planning
- Alignment of strategies within the GCR perspective
- GCR Technical Steering Committee

Research carried out mapped the future outlook for the GCR with the following trends expected to impact development:

- Domestic and foreign trade volumes are expected to increase significantly especially to Africa. This is expected to provide opportunities for the GCR to grow and establish mutually beneficial trade agreements and improve the foreign trade balance of Gauteng.
- The demand for economic goods and services from the GCR is anticipated to increase, which will also require the utilisation of the GCR's available work force and create employment opportunities.
- The economy of the GCR is anticipated to experience robust growth over the coming decades based on improving market demand conditions, the strategic position of the GCR in Africa, and the in-migration of skilled migrants.
- The projected rate of migration and urban expansion implies increasing pressures on available housing, municipal infrastructure, economic opportunities, the natural environment and transportation infrastructure.
- Expanding migration flows are foreseen to be a significant factor in rapid population growth within the GCR.
- Cooperative governance and integrated planning will become increasingly complex as a result of rapidly expanding populations and local economies within the GCR. The governing system of the GCR needs to be redesigned into a more dynamic structure where departments and spheres can work independently but at the same time collaboratively to govern over the GCR effectively.
- Highly fertile agricultural land in the GCR is increasingly being lost and threatened by urban growth/sprawl. The expanding footprint of the city-region is increasingly encroaching on agricultural land placing pressure on local food security and peri-urban livelihoods.

By July 2015 a Gauteng Infrastructure Investment Conference was held where a comprehensive framework of what the content and cost of the Fifteen-Year Infrastructure Master Plan of the entire Gauteng City Region emerged. An e-Government and ICT Summit was held in November 2015, wherein a City Region-wide e-Government and ICT Summit strategy was adopted in order to give effect the idea of building a smart, knowledge-based and innovation- driven economy and society in the province. In addition a Spatial Planning Summit as well as the Aerotropolis Industrial Cluster Development and Investment Conference together with the City of Ekurhuleni was held in November 2015, where the GCR leadership were able to galvanise the private sector and major state-owned companies around the vision of re-industrialising Ekurhuleni as a major aviation hub and biggest airport city in Africa.

The Gauteng City Region has made a number of critical policy and strategic interventions to take the city region forward. These plans have a range of 15 to 20 year and are informed by the National Development Plan, Vision 2030. These plans have also been developed for the entire city region,

inclusive of national provincial and local government and in collaboration and consultation with the private sector and civil society to solidify buy-in and collective effort. Some of these include the:

- Gauteng 25 -Year Integrated Transport Master Plan;
- Gauteng City Region Social Development Strategy;
- Gauteng City Region Spatial Development Perspective 2030;
- Gauteng City Region Integrated Infrastructure Master Plan; and
- Gauteng City Region Economic Development Plan.

## Current Plans for the City Region

The spatial vision developed promotes a balance of various interests that recognises people, the environment, socio-economic dynamics and space. The Gauteng City Region outlines a need to change the apartheid spatial economy and settlement patterns in order to integrate economic opportunities, transport linkages and housing opportunities as key elements of radical economic and decisive spatial transformation. When implemented, this vision will decisively transform the apartheid spatial pattern in the City Region and ensure social cohesion, shared growth and a better quality of life.

In summary, the spatial vision of the GCR is to: build Gauteng for all through equitable, responsible and efficient development.

The spatial vision focuses on a new paradigm for spatial planning in the Gauteng City Region that is based on an approach that highlights spatial choice and efficiency that will allow:

- Building an integrated polycentric network that will provide a series of nodes that will lead to a functional relationship and linkages spatially and economically.
- Capitalizing on proximity what will ensure that human settlements, transport nodes and routes and major economic activity nodes are developed in complementarity to one another.
- Managing settlements that will lead to long term outward urban expansion in areas most affordable to services close to main employment locations and social economic opportunities.
- The creation of a viable and productive hinterland that leverages on agricultural tourism development potential, and environmental sustainability.

The new spatial paradigm recognises that the geography of apartheid separated out the economic hubs and the residential areas, particularly for black people. It did so by creating black residential areas as dormitories and labour reserves to service the white economy.

Gauteng City Region has three macro interventions: spatial reconfiguration, township economy revitalisation and massive infrastructure investments which is the province is leading jointly with municipalities and the private sector partners to change the space and structure of the economy of the province in order to address unemployment, poverty and inequality. The idea is to reconfigure the Gauteng City Region's space and economy along five development corridors that have distinct industries and different comparative advantages:

The **Central Development Corridor** is anchored around the City of Johannesburg as the hub of finance, services, ICT and pharmaceutical industries. There is a critical presence of global companies however the competitiveness of the pharmaceutical, telecommunication and information technology sectors is limited to distribution and sales in terms of the global value chain of these industries. Spatial reconfiguration, township economy revitalisation and current infrastructure investments include:

- The inner-city and other areas of Johannesburg have experienced a significant de-industrialisation and decline.. An estimated R10 billion in public and private investments is required for the regeneration of the CBD which is the seat of the provincial government. GCR leaders have invited the private sector to partner on improving the face of the central business districts and inner-cities through investing in better buildings, cleaning the streets and greening the City's open spaces as part of building liveable and sustainable cities. There is an appetite and passion to invest in the revitalisation of the CBD.
- The banks, insurance and mining houses, state-owned enterprises and other major companies have continued to invest in both the CBD and the commercial and financial district of Sandton.
- Various developments by the private sector are expected to radically change the spatial landscape of the Central Corridor. All these developments will have major socio-economic benefits with regard to decent employment and economic inclusion. Waterfall City is the largest property development to be built in post-apartheid South Africa. The estimated investment during construction is R 71 billion with, an estimated 100 000 jobs could be created by the project. The Modderfontein development will inject R 84 billion into the economy of the Gauteng City Region and is expected to create 150 000 jobs over the next twenty years. The Masingita city, is an integrated commercial and industrial hub, is a R3

billion private investment that will create 15,500 jobs during the construction stage and approximately 10,000 jobs during its full operation. Rietfontein is a complete mixed-use node with more than 8 000 proposed residential units, including commercial property, distribution and warehousing; retail and education facilities. This investment is estimated at R 20 billion and has the potential to create 17 000 jobs, during the construction phase and beyond. The Steyn City development is a R6.5 billion investment and includes the construction of a new arterial road (R511) and infrastructure for basic services. Phase 2 of the development will inject in excess of R50-billion into the economy of the Gauteng City Region.

- In order to change human settlement patterns an estimated 140 000 new housing units will be built in Lion Park, in Diepsloot East, in Fleurhof, Cosmo City, Malibongwe Ridge and Goud Rand over the next five years and a revitalisation programme for the old townships of Kliptown and Alexandra is being embarked on.
- As part of propelling spatial transformation, the City of Johannesburg is expanding the existing Reya Vaya Bus Rapid Transit System to cover more areas in the city. The City has invested a total of R 2 billion in this project. This is the City's Corridors of Freedom spatial transformation and Blue economy initiatives.

The **Eastern Development Corridor** anchored around the economy of the Ekurhuleni Metro as the hub of manufacturing, logistics and transport industries; Ekurhuleni was the manufacturing and transport hub of SADC over many decades during South Africa's industrial evolution. However, it has experienced dramatic de-industrialisation over the past twenty years. For every mine shaft sunk in the world some Ekurhuleni's manufacturing base has supplied parts. Notwithstanding, this the global contraction in manufacturing has impacted on the local economy.

- The provincial government had prior to the City Region initiative, embarked on the revitalisation of Wadeville-Alrode industrial corridor. The reindustrialization programme has been boosted with PRASA rolling out approximately 7 224 new rolling stock units with a projected investment of R123 billion over a period of 20 years. A total of 30 000 jobs will be created over the same period.
- 29 industrial initiatives, under the banner of the Aerotropolis, to revitalise manufacturing, aviation, transport and logistics industries linked to the OR Tambo International Airport will dramatically transform the current industrial structure of the economy of Ekurhuleni. Because of the interregional nature and transformative magnitude of the Aerotropolis and its effect on the GCR economy, the project has now been elevated to being a Gauteng City

Region-wide initiative. The footprint of the Aerotropolis will also cover the Lanseria Airport in Johannesburg and the Wonderboom Airport in Tshwane.

- Airport Company SA, Denel and major private sector companies are positioning themselves in line with the imperatives of the Aerotropolis. There is huge potential for these projects to attract massive foreign direct investment into the OR Tambo Industrial Development Zone and the Special Economic Zone.
- With regard to freight and logistics, Transnet's investment in the inland ports of Tambo Springs and Sentrarrand will also have a major impact in revitalising the economy of Ekurhuleni. The Tambo Springs Inland port development will have an estimated R7.5 billion investment over five years. This project will create a total of 110 000 jobs over fifteen years.
- To further change the spatial geography of this Corridor, the Bus Rapid Transit System is expected to be operational by March 2017. Over the next five years, more than R 500 million will be invested in the BRT system in Ekurhuleni. Public transport infrastructure has the potential to transform the Ekurhuleni spatial landscape and integrate the desperate towns, cities and human settlements of Ekurhuleni.
- In order change the human settlements paradigm, more than 100 000 housing units will be delivered over the next five years in areas such as Chief Albert Luthuli, John Dube Extension 2, Tsakane Extension 22, Germiston South, Leeuwpoort, Rietfontein and Clayville Extension 45.
- The cumulative effect and combined impact of all these public and private sector initiatives and investments will create a new economy and new spatial landscape in Ekurthuleni and generate massive employment and opportunities for economic inclusion.

The **Northern Development Corridor** anchored around Tshwane being the country's administrative Capital City and the hub of the automotive sector, research, development, innovation and the knowledge-based economy. Prior to the City Region being shaped, the provincial government has established an Innovation Hub as well as the AIDC (Automotive Industry Development Cooperation) both of which are located in Tshwane.

- The City of Tshwane has an initiative to reshape the City's space and economy into a new and more dynamic Capital City. In this respect regeneration of the inner-city is being looked at which includes the development of a student village, sport incubatory centre, retail and commercial components, inner city housing and health facilities.
- The development of the African Gateway in the heart of Centurion in partnership with the private sector is major boost to the economy of this corridor. This will be comprised of the

biggest Convention Centre, a massive hotel, residential, commercial and additional office space will create a more resilient economic node in Centurion.

- The City of Tshwane will invest R525 million to establish a Business Process Outsourcing Park in Hammanskraal. The Park will offer on-site training, technical support, incubators for SMMEs. The project is expected to create over 1 000 jobs during construction and over 1 000 indirect jobs.
- Working with the private sector, the City of Tshwane is rolling out free wi-fi within the City. To date R 150 million has been invested in this initiative.
- The AIDC is set to launch its second incubation centre in Rosslyn, Tshwane, to accelerate the development of sustainable SMMEs within the vehicle assembly industry. The establishment of a freight and logistics hub is being investigated to further support the automotive industry cope with the exports of products to the harbour in short times.
- From a human settlements perspective, more than 160 000 houses in Hammanskraal, Winterveldt, Sterkwater, Lady Selbourne, Soutpan Phase 1 to 7, Lotus Garden, Fortwest, Capital Park, Vermeulen, Olievenhoutbosch, Nelmaphuis, Zithobeni, Kirkney and Danville.

The **Western Corridor** covers the economy of the current West Rand district which has experienced significant de-industrialisation due to the decline of the mining industry, the main employer and source of revenue for municipalities.

- Over the next five years, work with national government, municipalities and the private sector to transform, modernise and diversify the West Rand economy and revitalise the mining towns.
- The economy of the Western Corridor, will focus on the green and blue economy initiatives, tourism, agro-processing and logistics. The Lanseria Airport and Maropeng World Heritage Site will be the main anchors of the new city and new economy of the West Rand.
- Working with the municipalities and private sector partners to unlock the potential of Lanseria Airport logistics hub. Thus far the private sector is injecting at least R 500 million in Capex for the development of the airport, with over R10 billion expected to be invested in Lanseria over the next 15 years.
- In order to position the Western Corridor as the hub of agri-business and agro-processing industry, work is underway to leverage this corridor's high value horticultural potential. Some initial work on this was carried by the mining sector following the closure of mines in the area. As part of the transformation of the agricultural sector, to ensure food-security and in order to stimulate economic activity in the Corridor, the province has invested in the Randfontein milling facility.

- The province is also partnering with the private sector to upscale the aquaculture potential of this Corridor, in particular, in the breeding of prawns. This initiative will create a total of 6 512 jobs in the West Rand over three years.
- To stimulate light manufacturing industries work is underway with the University of Johannesburg and other partners around the deployment of solar technologies and solar manufacturing plant or solar farm in the Western Corridor as an area earmarked for renewable energy industrial development.
- Furthermore, in the Western Corridor, the national government and Busmark are working on the manufacturing of coaches to supply various mass transit bus fleets.
- With regard to human settlements, more than 160 000 housing units will be built in Syferfontein, Chief Mogale, Kagiso Extension 13, Leratong, Westonaria Borwa, Thusang, Waagterskop, Kokosi Extension 6 and 7, Droogeheuwel, Mohlakeng Extension 11, Khutsong South Extension 1, 2 and 3 and Vaarkenslaagte.

The **Southern Corridor** covers the ailing economy of the Sedibeng district and Vaal Triangle which has been in decline for the past 30 years, as mining activities declined and the overreliance on the steel industry and lack of diversification of the economy led to massive unemployment. The goal is to shift the economy of this corridor into tourism and entertainment, agro-processing, logistics

- Private developments such as the new Vaal River City (hydropolis) aim to unlock the potential of the waterfront developments in the Emfuleni and Midvaal areas. The private sector is planning to invest more than R4 billion into this development, which will stimulate much needed economic activity in this corridor. The development is estimated to be worth between R7 and R11 billion, and will create up to 7 500 jobs in the construction phase alone. Also in this Corridor the Gauteng Highlands development; a mixed-use development comprising of industrial and residential space is underway. This is a R40 billion investment aimed at creating 25 000 direct and indirect jobs.
- The second area of focus is to unlock the agricultural potential of Sedibeng as the food basket of the Gauteng City Region and position the region as an Agropolis. In this regard, work with the private sector to support 32 black farmers to plant barley and maize to be supplied to the nearby Heineken Brewery. The project will create 1 000 permanent jobs per annum over three years.
- Over the next five years, more than 120 000 houses in Sedibeng will be built in Boiketlong; Golden Highway; Evaton; Vereeniging, Savanah City, Ratanda and R 59 Corridor.



## Key Challenges

Across the world, the urban transition is a reality that poses major challenges to policy makers, city planners and technocrats. As more people move to cities the existing infrastructure is unable to cope with the new arrivals that have aspirations for a better life. Similar to other City Regions globally, with Gauteng working toward its development peak, there are challenges that this City Region is confronted with.

Although there are attempt to make the City Region more inclusive, more equitable and more sustainable, the match between the private developments and economic competitiveness is lacking. There is still inequality, social polarisation, spatial inefficiencies and ecologically unsustainable geographic conditions that have to be overcome.

The City Region has not managed to develop a seamless planning process, nor is there a common and effective urban management programme and therefore integrated urban development capabilities appear to be lacking the at provincial and local spheres to manage the rapidly changing urban landscape.

- Human settlement delivery replicates and reproduces the racial and spatial legacy of apartheid. Most residential areas still remain segregated along racial and income lines. There exist in our province spatial marginalisation of townships with the majority of poor households located on the periphery, far removed from economic opportunities. This replicating the insider outsider dynamic and bring about exclusion.
- Persistent urban sprawl is a reality and a legacy of apartheid spatial planning, but still remains a reality in the City Region.
- While there is the emergence of new middle-to high-income residential neighbourhoods that almost exclusively take the form of gated communities or exclusive lifestyle estates and are relatively centrally located to services and opportunities and this is real domestic investment, the developments also create a spatial divide.

Gauteng has a well-developed road network which may serve as a disincentive for the use of public transport. Related to this is the fact that the road infrastructure is severely congested by not only private vehicles but also by heavy vehicles for the purposes of freight and logistics. This can be attributed to, among others, a long term disinvestment in rail infrastructure. The City Region still has a fragmented public transport system and mobility of citizens is costly. To this day, black workers spent almost 70% of their income on transport commuting from home to work. Many workers have

no quality time with families as they have to get up very early to travel to work with unreliable, unaffordable and inefficient public transport.

While the vision of governance in the Gauteng City Region entails tight cooperation and coordination between different spheres of government there are a number of service delivery protests from communities excluded from development and opportunities. In spite of a ward system of government, the administrative responsiveness on delivery linked to local issues has not been realised. This poses the dilemma around the scale of administration of a City Region, and whether appropriate decentralisation should be considered.

The engagement with citizens is limited to government communications, the role and space for civil society to be involved in the city region is not clear and has not developed organically. There is a demographic dividend that exists in Gauteng. While this offers massive opportunities to build a vibrant, productive and innovative Gauteng City Region, there are also dangers of increased marginalisation and social polarisation if the young people from the townships and rural areas do not have the skills and competencies required by an increasingly modernising economy, and this can lead to increased tensions, violent protests and escalation of crime and other social ills such as drug abuse.

The partnerships and collaboration between the public and private sector on major issues of common interest is still in infancy and limited to property development. It is not clear whether the government component of the City Region is leading development, or whether the market is focusing the state to react to developments and investments. The private sector has not adopted the vision of the City Region in any direct manner. Thus, this aspect requires more concerted efforts. Robust engagement with private sector on tertiary sector unfolding will be needed.

In terms of the industrial strategy of the City Region's economy and the five development corridors with differentiated and specialised cluster of industries to comparative advantage and global competitiveness of the cities the link between space and the economy is clear, however much more would need to be done to ensure that the industrial strategy improves the economy.

Finally, the branding and marketing of the metropolitan municipalities appear to be in competition with each other, this also can be seen in the investment promotion approaches and in the twinning agreements with various international cities.

## Conclusion

The world is undergoing the largest wave of urban growth in history, a reality that has led to Habitat III focusing on sustainable futures. By 2030 the number of people in the world living in towns and cities is estimated to be about 5 billion. Much of this urbanization is expected to be in Africa and Asia. In responding to the pressures of urbanisation, administrative areas are beginning to function beyond their borders and evolving into city regions.

The critical question is whether the current approach to the Gauteng City Region will serve to be an example in South Africa, Africa and internationally, or whether it will be surpassed by new initiatives. Is the foundation set down going to catapult into a future that build a coalition of role players committed to a common vision and capable of meeting the challenges of urbanisation and modernisation?