

Chapter 2

The Economic Drivers of Urban Change in the Gauteng City-Region: Past, Present, and Future

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2.1 Introduction

This chapter deals with the economic drivers of urban change in the Gauteng City-Region after the dawn of democracy in 1994. The chapter reflects on matters of economic policy and growth and their impact on the attraction of investments, creation of employment and the reconfiguration of the regional space economy. It is about the history and geography of labour and capital, their location, growth, distribution, and influence of the spatial form of the region. The thrust of argument in this chapter is that urban change in the region is shaped by the apartheid legacy; national economic policy; government interventions; spatial mobility of people; and the vicissitudes of political and economic dynamics on the continent.

The chapter discusses the economic development of the region in terms of the national administrations of Presidents Nelson Mandela, Thabo Mbeki and Jacob Zuma. While acknowledging some policy continuity between the administrations, the focus is on programmes and projects with significant interventions. It starts by describing the historical and economic location of the city-region. This is followed by a reflection on the national policy development under Mandela and its impact on the city-region. The following sections deal with the impact of the Mbeki era's economic policy on the development of the city-region, and influence of national and provincial economic policies under Zuma's administration. The last section sets out functions in the city-region and concluding remarks on overall outlook.

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2.2 Development of the Gauteng City-Region

During the apartheid era, South Africa had been constituted by four provinces and a number of ‘homeland’ areas. In 1994 after the first democratic government came to power, the country was divided along new political boundaries into nine provinces, one of which was Gauteng. Figure 2.1 shows the apartheid era homelands. Areas of the former KwaNdebele, Lebowa and Bophuthatswana were included in Gauteng, in the northern and north-eastern part of the province.

The name ‘Gauteng’ is the Sesotho word meaning ‘Place of Gold’ (Duncan 2008), which was coined as a result of the mining industry that developed after the discovery of gold in the 1880s. This historical function has made the region to be South Africa’s and the Africa’s economic powerhouse, although Gauteng is the smallest of the nine provinces with only 1.4% of the country’s surface area.

The present-day province of Gauteng emerged from the renaming the Pretoria–Witwatersrand–Vereeniging (PWV) region in 1995, which encompassed the far West Rand, the West Rand, the Johannesburg area, the East Rand, and the Vereeniging area (South Africa Union 1955, p. 2). Hendler (1992) points out that the region was not a homogenous mass but three conurbations involving Pretoria, Johannesburg and Vereeniging. Its layout owed much to the Menz Committee, which planned ‘African townships’ in the 1950s and 1960s according to apartheid policies (South African Union 1955; Mabin 2013). This Committee divided the region into the Far West Rand; the West Rand; the Johannesburg area; the East

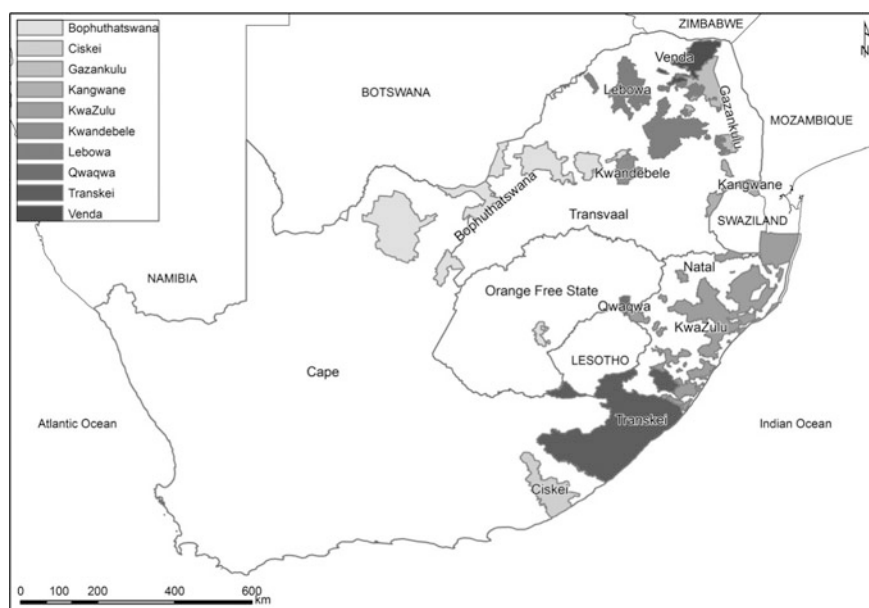


Fig. 2.1 The former South African homelands during the apartheid era

Rand; and the Vereeniging area (South African Union 1991). A system of freeways, developed in the 1970s to serve the mining and industrial belt, had a diverse set of linkages to peripheral towns. The Spatial Development Strategy of 1981, which also segmented the area in terms of a statutory guide plan of five sub-regions, contributed to the legacy (Hendler 1992, p. 41). The notion of a poly-nucleated megalopolitan structure (cf. Office of the Prime Minister 1981) was depicted in the guide plans which referred to the “Greater Pretoria area (three African townships); the Central Witwatersrand (seven African townships); the East Rand/Far East Rand (twelve African townships); and the West Rand (three African townships)” (Hendler 1992, p. 47). Before the end of the apartheid era, the region had an estimated population of 2,740,406 million people, with 1,349,080 in the Central Witwatersrand; 666,180 in the East Rand/Far East Rand; 356,027 in the Vaal River complex; and 369,119 in Greater Pretoria (Hendler 1992, p. 63).

Gauteng’s landscapes developed from the historical establishment of mining and commercial towns, as well as settler administrations in and around the Witwatersrand gold reef. Race groups were spatially segregated, with the poorest (mainly black) communities located at the edge in areas away from jobs and urban services (Harrison 2013). The predominantly white towns and suburbs of the PWV were well-resourced and provided with good infrastructure, while the black townships and informal settlements represented degraded living environments with poor infrastructure and minimal social facilities (Rogerson 1996). Generations of Chinese migrants were largely confined to communities in limited spaces in the CBD (e.g. the ‘Chinatown’ at the western end of Commissioner Street in downtown Johannesburg).

The distribution of residential areas, land uses, transport routes and statutory curbs on economic development resulted in a spatial pattern where extreme forms of social inequality and uneven access to the economy were manifest, and entrenched along racial lines: urban segregation was germane to the urban space economy of the region (Maylam 1995). Racial income inequalities were high and spatial/racial imbalances in service provision were pronounced.

Employment data for the period after 1989 indicate alarming declines in certain spheres of formal-sector employment, especially the manufacturing sector, which experienced a phase of major restructuring (Rogerson 1996). The rate of joblessness, by relatively narrow definition, was very high at 37% (Ibid 1996). A baseline study on poverty in the PWV region indicated that widespread inequality was due to “a consistent and singular increase in poverty in the PWV over a period of twenty years” (Hall et al. 1993, p. 219). Estimates of income disparities in 1995 suggest that average white monthly household incomes were four and a half times larger than those of black households (Gauteng Provincial Government 1995).

By 1995, then, when Gauteng came into being, the GCR was a network that had arisen from the socio-political engineering of apartheid planning. It consisted of “metropolitan cities, secondary cities, towns and smaller service centres, well connected by road and rail” (Harrison 2013, p. 11). However, today, the GCR has urban landscapes that reflect the spaces, identities, relationships and encounters of historical divisions, while also embedding the significant and complex generations

of difference that are produced by many overlapping economic histories and functions. These urban landscapes can be loosely divided into nine historical formations:

Old small towns landscape grew from the availability of agricultural land or the discovery of mineral resources to accommodate white settlers in the 1800. These landscapes have both colonial and apartheid beginnings and tend to have an old industrial plant and/or railway lines. They contributed significantly to the proliferation of dysfunctional settlements, dysfunctional space economies and, to the terrible trio of poverty, inequality and unemployment. They have declined since the slump in mineral prices and with the shift towards post-industrial production.

Metropolitan landscapes are large cities such as Johannesburg and Pretoria with large populations and social and economic relations with satellite towns of the region. These landscapes developed from old small town landscapes, of which they still have the vestiges, through trade and diversification. They contribute the highest earnings to the GDP of the province, but are characterised by remarkable economic, income, and social inequalities, and spatial fragmentation. They are responsible for unprecedented urban sprawl, new slums, and unbalanced development.

Suburban landscapes are part of metropolitan landscapes. They are places of privilege providing comfortable neighbourhoods for the middle and upper classes. They are produced largely through decentralisation urban growth away from the inner city. These are characterised by the post-industrial urban dynamics of office parks, residential estates (gated communities) and shopping complexes, which propagates fragmentation.

Gated community landscapes, developed over the last 15–20 years, are walled, residential communities or housing estates with strictly controlled access to “prevent penetration by non-residents” (Blakely and Snyder 1999, p. 2), and public spaces that are privatized.

Black township landscapes are areas created originally by the apartheid regime for ‘non-white’ residents—blacks (Africans), Indians and ‘Coloureds’, on the periphery of towns and cities, usually 20–30 km away from the CBD. These areas often have limited formal economic development apart from retail, and conflicting interests about peripheral land-use. Services such as electricity, water and heating are inadequate or unreliable.

Informal settlement landscapes are urban or peri-urban locations where houses and ‘shacks’ have been constructed on land that the occupants occupy illegally, without official approval. Many informal settlements are located on the outskirts of the city adjacent to black townships.

RDP (Reconstruction and Development Programme) landscapes were established through the massive government housing capital subsidy scheme. They are sprawls of formal low-cost mass housing, largely at the edge of the cities where land is cheaper, far from job opportunities. Despite the government’s good intentions, they perpetuate the apartheid urban form (Horn 2010).

Peri-urban Landscapes are located on the periphery of the major cities. They contain a variety of restaurants, retail shops, conference facilities, a spa, and hotels. These are strategically located to provide touristic leisure and entertainment. They

are thriving economically. While not intense, they provide a lot of jobs to the lowly skilled. They include: Shell Ultra cities, cultural villages, botanical gardens, nature reserves, airports, and waterfronts. They often carry a mix of these activities. Such areas include: Muldersdrift, Walter Sisulu National Botanical Garden, Lanseria International Airport, Hartbeespoort Dam, Nature Reserves, Maropeng, and Lesedi Cultural Village.

One of the primary trends in the growth of tourism is the proliferation of *African cultural villages* within the Gauteng region. African cultural villages landscapes are defined as complexes that are purposely built with the help of ‘cultural workers,’ to aspects of cultural life for a group as it was at a specific period (or over several periods) of time (Van Veuren 2001). The ‘cultural workers’ are employed to perform and demonstrate a purportedly ‘traditional’ way of life for visitors. These landscapes are therefore purposely-constructed tourist attractions by people recruited (sometimes as families) from the relevant ‘ethno’-linguistic groups to live and work in the villages. They are tourist villages which celebrate the cultural traditions of several different people of Southern Africa.

The recent introduction of mega-projects provides yet another landscape that seek to stimulate economic activity in the already built environment. Whether these mega-projects are “a new stadium, a world-class museum, [or] a high-speed rail line, [they] are seen as transformative, placing a city on the world stage and attracting visitors, investment, jobs, and, ultimately, a higher quality of life for residents” (Bornstein 2010, p. 199). These projects are directed by spatial targeting and channel investment (in the form of large-scale facilities and infrastructure) into specific locations in the city. Sellers (2002) criticizes the influence of international business elites and external capital on urban-policy making in relation to mega project as the interests of the elite usually override the interests of the poor. Many of the above landscapes have evolved since democratic elections of 1994.

2.3 The Mandela Era: The Reconstruction Imperative

The era of political freedom was viewed as an important opportunity for building a new foundation for economic inclusion, and therefore economic prosperity. The government developed the Reconstruction and Development Programme (RDP) policy in 1994 “to mobilize all our people and our country’s resources towards the final eradication of apartheid and the building of a democratic, non-racial and non-sexist future” (ANC 1994, p. 1). The programme sought to enhance socio-economic growth and basic needs delivery, in order to address the legacy of injustice. It placed an emphasis on “people-centred development”, “integrated development” and “sustainable development” that was both democratic and participatory (ANC 1994). Munslow and Fitzgerald note that “[t]here is no doubt that the RDP played a pivotal role in ensuring the successful transition from separate development towards a more sustainable development future” (1997, p. 57). Lodge points out that, nationally:

between 1994 and the start of 2001, over 1.1 million cheap houses eligible for government subsidies had been built, accommodating five million of the estimated 12.5 million South Africans without proper housing. Between 1994 and May 2000 around 1.75 million homes had been connected to the national grid, while the proportion of rural homes with electricity grew from 12% to 42% ... By the beginning of 1998, standpipes had been installed within 200 metres of the dwellings of about 1.3 million rural people ... By 2000, a total of 236 projects had supplied clean piped water to nearly 4.9 million people—most of whom were inhabitants of former homelands (Lodge 2003, p. 57).

In Gauteng, this was achieved largely through various housing, public works and community development projects. Most notably, in the East Rand area, the province delivered houses, water, electricity and sanitation through the Kathorus Presidential Project that emerged from an ‘urban war’ in the months before the first democratic elections (Zack 2004). Many other communities received water, electricity and sanitation facilities as a result of the National Public Works Programme, or from Eskom, the state-owned electricity supply enterprise.

However, the welfare orientation of the RDP came under critical scrutiny as investors and international financial institutions demanded greater privatisation in relation to national economic policy. In 1996, a macro-economic strategy known as Growth Employment and Redistribution Strategy (GEAR) was developed, notwithstanding its affinity to neo-liberalism (Republic of South Africa 1996). The GEAR set of policies was developed to achieve high rates of economic growth, expand the private sector, improve output and employment, achieve fiscal reform as well as encourage trade and investment (Misuraca 2007). This was predicated on the assumption that the expansion of the private sector would have a substantial impact on the economy, while the role of the state was largely a facilitative one.

The democratic opening up of the economy and the country in general led to a surge in informal economic activity in the major cities. The “rise of the informal economy [was] evident in a host of new street or pavement-centred activities (including flea markets, hawkers, taxi drivers, street barbers, shoe shiners or prostitutes), the proliferation of home-based enterprises (child-minding, *spazas*—retail shops run from the home, *shebeens*—liquor-selling outlets run from the home, backyard or garage workshops/repairs, hairdressers, the showing of videos) and a small number of increasingly formalized ventures located on fixed business premises (small-scale manufacturers, liquor taverns)” (Rogerson 1996, p. 171). Urban areas in the region served an important function as reception areas or gateways for migrant populations—shack settlements provided a low-cost, accessible entry point from which to search for work and gain a foothold in the urban labour market (Cross 2010). Despite the building of significant numbers of low-cost houses, the proportion of households in informal dwellings in Gauteng rose slightly to 22.2% (Turok 2012). Land invasion by those intending to set up informal dwellings began to occur in the province in the 1990s, and migrants from countries experiencing political turmoil and/or economic difficulties, particularly, for example, from Ethiopia, Somalia, and the DRC, moved to South Africa in search of a better life (Kihato 2010; Landau 2010). In 1996, 4.6% of people living in the province were

born outside the country's borders, and in 2001, this had risen to 5.3% (StatsSA 2003).

Unfortunately, the influx of people into the cities was not accompanied by a process of industrialisation. The poor occupied marginal, low-lying, poorly drained and environmentally fragile areas (such as: floodplains, waste ground and dolomitic land vulnerable to subsidence), which endangered lives and local ecosystems (Turok 2012). The burgeoning of poor urban communities and the consequences of over-urbanisation were also driven by rural poverty, which government was unable to do much about (Turok 2012). The growing urbanisation of poverty—meaning a rising percentage of the poor living in urban areas—was augmented by the disconnection between urbanisation and industrialisation, which exacerbated inequality and joblessness.

2.3.1 Inner City Transformation

The huge influx of people increased the informal sector in inner city environments such as the city of Johannesburg. According to World Bank figures, the number of informal shacks in the Johannesburg municipality for the period 1996–2001 grew by an astonishing 42% to almost a quarter million, even though the number of formal dwellings increased by over 220,000 units (Honey 2004). The spreading informal sector created the impression that cities were in decline (Crankshaw and White 1995). High rates of crime generated fear and feelings of insecurity that undermined confidence in the inner city (Murray 2008). The sharp increase in the violence of almost all contact crimes and house burglaries, and a massive spike in car and truck hijackings, earned the province the nickname of 'gangsters' paradise' (Germaner and Flanagan 2015; Parker 2012).

Pessimism accelerated the rapid decline of property values in the inner city, to a large extent. A lot of 'big money', such as investment banks and financial consultants moved north of the city centre to new decentralised nodes such as Rosebank, Sandton, Rivonia, Sunninghill and Midrand (Crankshaw and White 1995), where a large amount of the city's A-grade office space was increasingly located. The Johannesburg Stock Exchange relocated its offices from the central business district (CBD) to Sandton in the late 1990s. This exodus from the inner city contributed to a rapid growth in lifestyle retail, hotels, high density exclusive apartment, and corporate office development, and speciality retail and residential densification in suburban areas. Sandton became the country's new financial district and the province's premier business centre (Mail and Guardian 1997). Even the Chinese community, resident in the older parts of the inner city, moved out to establish shops, restaurants, business and residences in other parts of the city. This transformation saw the concentration of more affluent populations in the northern suburbs, and the poor in the southern areas. In the process, the apartheid urban form was intensified.

2.3.2 Suburbs as Growing Areas

By the mid-1990s, the exodus of business from the inner cities of Johannesburg and Pretoria to the suburbs was widespread. Many suburbs became enclosed neighbourhoods by fencing in residential areas and closing off public roads, and “large luxury security villages or estates, such as golfing or country estates and other large, mainly residential, security areas” mushroomed rapidly (Landman 2004). Decentralised nodes in well-established suburban areas such as Sandton, Randburg and Midrand expanded (Landman 2004). Malls and shopping centres such as Melrose Arch, Montecasino, and Cresta, offering retail opportunities, employment, and recreation, developed in the northern suburbs, particularly in close proximity to highways. These ‘edge cities’ grew along with private car ownership, and provided the functions of former CBDs at convenient, decentralised locations.

The South African Cities Network report (SACN 2010) points out that the shopping centres developed before 1990 were mostly fairly small local convenience centres with a supermarket and up to 25 other stores, or neighbourhood centres with a few specialised stores. After 1990, there was a move towards establishing large malls with a major supermarket, national clothing stores, restaurants and other services, serving a suburban community of between 8500 and 17,800 households. The SACN report (2010) notes that regional centres with between 150 and 250 stores including hypermarkets, entertainment services and a greater choice of clothing stores and other services became part of the mix after 1994. Retail resources in the northern suburbs in areas such as Rosebank, Randburg, Cresta and Killarney expanded rapidly, as did the four ‘city entrance malls’ (Northgate, Southgate, Eastgate and Westgate) established during the apartheid era.

2.3.3 Government Interventions During the Mandela Era

2.3.3.1 Inner City Interventions

In Johannesburg and Pretoria, urban regeneration programmes focused on a number of inner city precincts, such as the city improvement districts (CIDs) established by the Central Johannesburg Partnership (CJP) in 1992 (CJP 2001), in the quest for urban revitalisation. These CIDs, included Gandhi Square, Bank City, and the Seven Building project, contributed to the safety and security of the inner city, and collected an estimated “R91 million [in] levies from property owners annually for the provision of supplementary services to the public space” (JHB CID Forum 2016). Suburban areas such as Rosebank and Sandton also put together urban development frameworks that included guidelines on public space, land-use management and municipal infrastructure investment, as well as private sector investment (Finweek 2007).

2.3.3.2 Townships—Public Works Programmes

In the 1990s, government focus on the inner city of Johannesburg overshadowed township development. For almost a decade, public investment went primarily into improvements of road networks and transport infrastructure. One notable exception during the Mandela era was the presidential project targeting a few townships that had been particularly affected by violence, such as Kathorus (Zack 2004).¹ The projects were in the form of socio-political interventions rather than urban projects aligned with official urban plans. The shopping centres and businesses that sprang up in and around townships, were developed mostly by residents themselves, close to their homes. The economy of the townships was not diversified beyond formal and informal retail, and therefore, they remained marginalised areas. With such a poor local economic base and a high dependency on northern areas of the city for basic commodities, services and employment, there was little impetus for economic and social development (Turok 2012).

2.3.3.3 RDP Upgrading in Peri-Urban Areas

The economic challenges of the poor in the city were intensified by the fact that the RDP housing scheme focused primarily on the periphery of the province. Turok (2012) points out that most of the RDP houses has been built on the outskirts of cities, where land is cheaper, and at low densities that inhibit the provision of public transport and other services. This has reduced people's chances of launching homebased enterprises, and the lower asset value of such housing restricts the likelihood of transferring the house to someone else when circumstances change and people wish to move on. He argues that, although the housing scheme extended formalisation of title deeds to the poor, it is not too emotive to say that RDP housing has "fixed" or "trapped" people in isolated places that perpetuate disadvantage through exclusion from jobs and amenities (2012, p. 33). It has also contributed considerably to urban sprawl in the region, which has seen its morphological footprint extent southwards to areas like Evaton, Sebokeng, and Sharpeville; northwards to Ga-Rankuwa and Hammanskraal, for example; and eastwards to areas such as Benoni, Daveyton, and Springs. The region is therefore still characterised by an economically inefficient, sparse and fragmented urban morphology analogous to its form during the apartheid era (Figs. 2.2, 2.3 and 2.4).

In spite of the GEAR macro-economic policy changes instituted in 1996, South Africa's economic performance was generally disappointing. Chikulo (2003) observed that the anticipated 6% GDP growth rate remained illusory nationally. The economy grew by only 3.3%, and by 1998, it was actually contracting at 0.3%. Instead of creating 200,000 jobs, in the first 18 months of GEAR's existence,

¹Kathorus is an agglomeration of three geographically-adjacent black townships on the southern edge of the East Rand conurbation: Katlehong, Thokoza and Vosloorus.

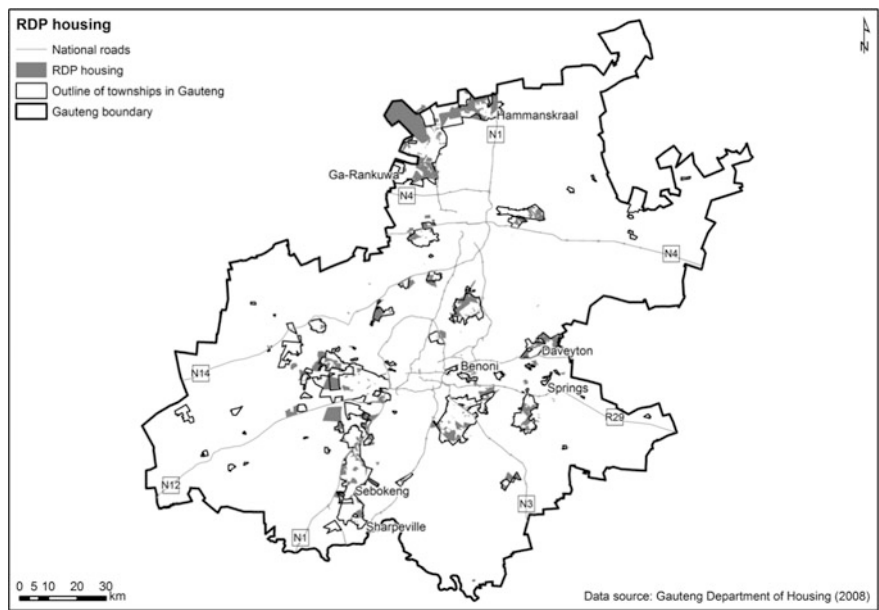


Fig. 2.2 The distribution of RDP housing in the GCR. *Source* GDH (2008)

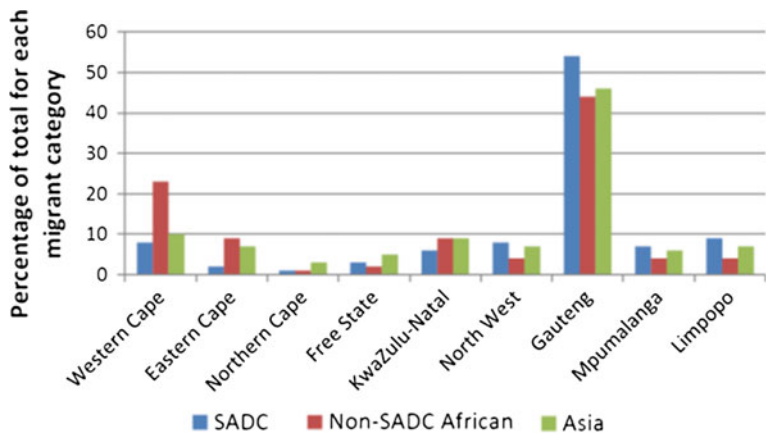


Fig. 2.3 Number of people in Gauteng born in other provinces by municipality, 2001. *Note* SADC Southern African Development Community. *Source* StatsSA (2012)

80,000 jobs were in fact lost. It was estimated that the economy actually shed 350,000 jobs after the inauguration of GEAR in 1996, and a total of 500,000 jobs in the period 1994–1999 (ibid). The general economic conditions in the country affected the growth of the province and the objectives of GEAR, as did external events such as the East Asian crisis in 1998 (Hanival and Maia 2008). From 1996 to



Fig. 2.4 The Blue IQ projects in the Gauteng region. *Source* GGDA (2012)

2001, the average annual growth rate was 4.3%, and although this was an improvement from 1994 (Harrison 2013), the gap between the poor and the rich was growing faster in this region than in the other large cities, both in absolute and in relative terms.

The lack of delivery from GEAR, especially in Gauteng, was attributed to the shift from manufacturing jobs to the service-oriented sector in the second half of the 1990s. Mining's share of GDP was 11% in 1994, but this declined steadily over the next 20 years to about 5% in 2012 (Ncube et al. 2012). The manufacturing sector also declined. Constituting 19% of total output in 1994, it was only 17% in real GDP by 2012 (Haroon et al. 2014) because the mining and manufacturing sector (as a major employers) faced major adjustments from the rapid trade liberalisation of the South African economy and (Hanival and Maia 2008). In addition, the rise of banking, unit trusts, and hedge funds, etc. in the services sector was promoting speculative investment, which contributed to the growth of joblessness in the region's economy.

According to the population census of 2001, "employment in the manufacturing sector fell from about 200,000 in 1980 to 110,000 in 2001. By contrast, employment over the same period in the community, personal and social services sector grew from about 255,000 to about 267,000. Similarly, employment in the commercial sector grew from about 169,000 to 178,000 over the same period" (Crankshaw 2008 p. 1696). There were therefore fewer jobs for the unskilled and

low-skilled labour force in Gauteng, while growth in the economy was located largely in the services sector. Since the majority of job seekers were low-skilled, very few could readily be absorbed into the area's economy. Jobs in the old industrial zones were declining, and in suburban centres jobs were largely in the areas of knowledge, information and image production, as well as banking, retail, and food and restaurant services.

The population of the GCR is not distributed evenly across the region. Rather, "it is concentrated in three of the six municipalities: City of Johannesburg (37%), Ekurhuleni (26%) and City of Tshwane (22%). Sedibeng, West Rand, and Metsweding together host only 14% of the Gauteng population" (Landau and Gindrey 2008, p. 5). Old small towns, such as Benoni, Brakpan, Cullinan, and Springs, along with the industrial sites of bigger cities, declined as more jobs were located in *post-industrial* centres (for example, shopping complexes, office parks, and science parks, among others). Invariably, there is a disconnection between the creativity-intensive occupational sectors located in the new centres of consumption in suburban areas and the large low-skilled labour force living in black townships and informal settlements. The region's economy, therefore, has the challenge of dealing with the negative consequences of industrial and occupational clustering, which is leaving a substantial part of the workforce behind.

2.4 The Mbeki Administration: Modernising the Economy

In line with GEAR, President Thabo Mbeki introduced the concept of an 'African renaissance' to the South African development scene in 1999. The emphasis was "on the need to advance developmental agendas that would bring Africa to a position of competitor in the global world economy" (Mbeki 2000, p. 77). Mbeki identified the African renaissance with "a new 'unionised proletariat class' that is ... involved in ownership and enterprise management" and with ... "the emergence of a large urban professional and entrepreneurial middle class that is property-owning and is an active participant in the development of small and medium enterprises" (Mbeki 2000, p. 77). Local public sector entrepreneurship was promulgated as the facilitator for cities seeking to undertake economic and political restructuring. In the City of Johannesburg, in 2000, the neoliberal accentuations were galvanised through the development a long-term plan known as *iGoli 2010*. This plan aimed at transforming the city into a globally-competitive "World Class African City" (Allan et al. 2001, p. 147). In pursuit of this vision, the city also launched an *iGoli 2030* plan, which had strong neo-liberal overtones, as part of a globally competitive quest (Tomlinson et al. 2003; Murray 2008).

Urban development continued to be promoted through the establishment of precincts—City Improvement Districts (CIDs) and Urban Development Zones (UDZ)—as well as through the creation of themed spaces that influenced the revitalisation of inner city Johannesburg. The establishment of the Urban Development Zone tax incentive [as found in section 13*quat* of the Income Tax Act

58 of 1962 (the Act)], brought leveraging influence to inner city redevelopment and attracted investment to the inner city. The Johannesburg Development Agency (JDA) facilitated the revitalising of Constitution Hill, Newtown, and Faraday Station, upgraded Main Street to make it more pedestrian-friendly, reconstructed and renovated the Drill Hall, and developed the Fashion District. It has also supported regeneration in Jeppestown and Braamfontein. Public spaces received a ‘face-lift’, and the improvements created a liveable city where children play and adults mingle.

Overall, the region experienced urban growth, especially in the main metropolitan centres. Mubiwa and Annegarn (2013) point out that between 1991 and 2001, the greatest urban development took place in Johannesburg where the proportion of urban land cover/use to total municipal area increased by 8.5%. Urban land cover/use in Tshwane increased by 7.5%, followed by Ekurhuleni with a 5.7% increase. Emfuleni also saw significant growth with a 5% increase. Urban development was less than 3% in the remaining municipalities of Gauteng. Between 2001 and 2009, the highest level of urban development was 6.4% in Ekurhuleni, followed by 6.2% in Johannesburg. Urban development was also significant in Tshwane at 4.7%. However, Johannesburg remained the most urbanised municipality with 56% built-up area in 2009, followed by Ekurhuleni and Tshwane with built-up areas of 44 and 35%, respectively. A 20% of the land in Emfuleni was urbanised by 2009, while approximately 12% of land use in Mogale was urban (OECD 2011).

The 2007 StatsSA Community Survey showed that 70% of households lived in formal dwellings, compared to 65% in 1996 and 68% in 2001. The percentage of households with access to piped water grew from 84% in 2001 to 88% in 2007. The use of electricity as the main energy source for lighting increased from 57% in 1996 to 80% in 2007. There were also considerable improvements in access to refuse removal and sanitation services (StatsSA 2007). The population increased from 44.8 million in 2001 (StatsSA 2003) to 48.5 million in 2007 (StatsSA 2007). The highest rates of population increase were recorded in the Western Cape and Gauteng provinces (StatsSA 2007). Krugell et al. (2010, p. 1) observed that, at the time they were writing, “access to basic services had improved across the board: approximately 80% of households used electricity for lighting, 88% of the population enjoyed access to piped water, and 60% of households had access to a flush toilet.” Typically, the urban provinces of Gauteng and the Western Cape were above the national average in all these aspects.

The Gauteng region has attracted far larger numbers of migrants than other areas of South Africa. These migrants are from various parts of the world, but most are from elsewhere on the African continent, particularly Somalia and the DRC. Gauteng is “the economic gateway for transnational migrants with approximately half of all foreign-born individuals in South Africa living in this province” (Van der Byl 2014, p. 15). The “net migration gain, (i.e. the difference between arrivals and departures from the province) was 418,000 between October 2001 and February 2007. This translates into an annual gain of approximately 78,000 migrants” (Landau and Gindrey 2008, p. 7).

Simkins (2010) notes that net migration into Gauteng accounted for 31% of the population increase between 1991 and 1996, and 20% between 1996 and 2001. Between 2001 and 2007, 40% of the population increase in the region was made up of net migration. A total of 781,701 immigrants came into the region: 42,385 to Sedibeng; 18,073 to Motsweding; 43,246 to the West Rand; 177,107 to Ekurhuleni; 275,027 to Johannesburg; and 225,863 to Tshwane (Simkins 2010).

Across the region, there has been a burst of afro-style, afro-beat, afro-chic, afro-deli aesthetics and other examples of African hybrid modernities across the urban commercial scene. These include radio stations (such as Kaya FM which is oriented towards the black middle class), African cultural villages in the peri-urban areas of Gauteng, African restaurants (e.g. Moyo, Lekgotla, Shisanyama, among others), and African medicine crossing over into the commercial healthcare space. A number of African style and design icons have emerged, such as Sun Goddess, Strangelove, Stoned Cherrie, Mzansi, and Loxion Kulca which present a nuanced range of African and cosmopolitan aesthetics: “the garments and styles they design and produce comprise a range of modern day hybridized identity options in which African and cosmopolitan aesthetics are fused” (Farber 2010, p. 129). Nuttall observed how the Y-generation at the Rosebank Mall engaged in “innovative stylization involving a remix or blend of different cultures” (2004, p. 431). There is a sense that the main urban centres are becoming increasingly cosmopolitan.

The commercial strategy of Chinese entrepreneurs shifted from single isolated shops, or shops in small groups scattered throughout the region, towards bigger agglomerations, particularly following renewed immigration from China after the dawn of the democratic era in South Africa in 1994, and the establishment of diplomatic relations between South Africa and China in 1998. These migrants create close networks that assert Chinese economic and cultural presence in the region, and which are an adaptive tactic characterised by mutual support, based on family and village origins. Chinese culture, traditions and history influence the way business is done. More than twenty large new Chinese-owned commercial centres have developed across Johannesburg, invariably bearing names such as China City, China Town, China Mart, China Mall, China Plaza, Dragon City and China Cash & Carry (Dittgen 2015).

‘Chinatowns’ are commonly viewed as ethnic settlements or communities within a larger society. Some scholars have used the terms ‘enclave’ or ‘enclosure’ to describe this form of settlement (see Lee 2009; Park 2010; Dittgen and Large 2012; and Mohan 2013). Rose Hum Lee’s (1949) early study viewed Chinatowns in the US as ‘ghettos’ of Chinese communities within non-Chinese communities, having no independent economic structure since they were attached symbiotically to a larger economic, political, and social base. Chinatowns are now viewed through a much more nuanced lens. Dittgen argues that “Chinese activities are closely related to their respective domestic economy to which they are linked by flows of various kinds” (2015, p. 47). Consequently, “they oscillate between an isolated enclave and a connected economic ‘graft’” (2015, p. 47). Some scholars take a broader approach towards the way that Chinese associations in South Africa strengthen connections to the homeland (Huynh 2015). Cheung draws attention to China’s strategic

approach to advancing the “Made in China” agenda, in which the state acts as a “transnational actor and culture ... representing the state’s new role as the factory of the world and [advancing] national political interests” (2009, p. 2). He claims that the soft power approach is a unique and particular brand of Chinese capitalism and a unique form of diasporic diplomacy within the global capitalistic system in which China is a major global power.

These commercial centres have been highly empowering for local low-income earners. Shops in these developments sell a wide range of cheap, bulk-priced household products, imported directly from China. Many offer a tempting variety of state of the art merchandise, services and entertainment. The centres are usually located in areas convenient for warehousing and distribution, but these frequently also have easy access to transport networks, for example, China Mart, close to central Johannesburg, is situated near the M2 highway and so is conveniently accessible for low-income customers. The influx of people stimulates business for taxi owners and other transport services. The malls have become a major source of commodities and materials for trading in the region and beyond. China Mall in Crown Mines is a hub where many Chinese small business owners come to purchase goods in bulk for stores in other areas of Johannesburg, and many of these malls are the source of goods for cross-border traders with businesses in other parts of SADC region. These centres provide employment for hundreds of job seekers who might previously have looked for jobs as farm or domestic workers, but who are now finding work as shop assistants.

2.4.1 Government Interventions During the Mbeki Era

President Thabo Mbeki promoted Johannesburg as ‘an African city’, and at the launch of the inner city Urban Renewal Strategy in 1997, the city was positioned as the “Golden Heartbeat of Africa” in 1997 (Amirtahmasebi et al. 2016, p. 7). However, the increase in foreign immigrants to the region, combined with low economic growth, raised xenophobic sentiments among South Africans feeling marginalised because of lack of skills and joblessness. In order to foster economic inclusion, the government developed the Accelerated and Shared Growth Initiative for South Africa (AsgiSA) in 2006, which grew out of the 2003 Growth and Development Summit, and the 2004 Micro-economic Reform Strategy (MERS), which had been mandated to halve poverty and unemployment by 2014. AsgiSA was a broad framework designed to accelerate economic growth to an average of 4.5% between 2005 and 2009, and to raise this to a sustainable 6% average annual rate between 2010 and 2014 (O’Malley 2006). Skills shortages across numerous professional categories were identified as key factors constraining economic growth, and consequently, a skills empowerment arm of AsgiSA, the Joint Initiative for Priority Skills Acquisition (JIPSA), was launched in 2006. The JIPSA strategy aimed to broaden the training pipeline, train people more effectively and to higher standards and retain people in skilled employment.

The notion of a developmental state began to find its way into policy discourse. The government launched the Black Economic Empowerment (BEE) programme in order to address the huge racial economic inequality inherited from the apartheid past. According to Sartorius and Botha (2008), BEE contributed to a gradual increase in the black middle class, and ownership of capital on the Johannesburg Stock Exchange (JSE) had grown to 4% by 2008 as a result of direct intervention through BEE industry charters and legislative measures. The black middle class had numbered 3,616,504 in 2000 (Garcia-Rivero et al. 2003, p. 17), and Southall observed that “the middle class as a whole increased considerably in size, from 8.8% of the population (around 3,571,350) in 1994 to 11.9% (around 5,333,550)” in 2004 (2004, p. 527). The emergence of the black middle class, often signified by the neologism ‘afropolitanism’, boosted private sector development in the province considerably (Mbembe 2005).

In his state of the nation address in 2001, President Mbeki announced the Alexandra Renewal Project (ARP), worth 1.2 billion Rand, to empower the poor and alleviate poverty in the township (Sinwell 2005). The ARP was to commence the following year under the leadership of the Department of Housing, with resources drawn from all three spheres of government (Roefs et al. 2003).

Also in 2001, the Gauteng Provincial Government (GPG) officially launched the Blue IQ initiative and embarked on an energetic drive to get an initial group of eleven mega projects off the ground. These included the development of City Deep Transport Logistics Hub, Constitution Hill, Cradle of Humankind, Dinokeng, the Gautrain, Johannesburg International Airport, the Innovation Hub, Newtown Regeneration, Wadeville–Alrode Industrial Corridor, Kliptown Regeneration, and Gauteng Automotive Quarter. Blue IQ sought to “develop world-class infrastructure, implement marketing and investment strategies, reduce bureaucratic red tape for investors and suppliers, and encourage skills training and resource building in the areas of technology” (Maharaj 2001). Blue IQ was intended to boost job creation and enhance the competitive potential of Gauteng in the global economy (Rogerson 2004). In May 2002, the GPG announced an increased budgetary allocation for the Blue IQ initiative of R3.5 billion over a period of five years.

The Expanded Public Works Programme (EPWP), launched in May 2004, was to be central to creating employment opportunities for the poor. Integrated and co-ordinated labour-intensive methods for delivery of public sector infrastructure projects and service provision was emphasized. The Business Trust of South Africa committed R100 million for management support at all levels of government over the period 2005–2010 (Hanival and Maia 2008). The EPWP was relatively successful, creating more than 301,000 job opportunities by June 2006, and surpassing its employment creation targets in at least four sectors (Hanival and Maia 2008). A series of support systems were put in place by the Department of Trade and Industrial, mainly for SMEs. Nationally, the number of employed people grew from 2.7 million in 1995 to 4.88 million people in 2014 (Thulo 2015). There was also a sharp rise in the ratio of household to disposable income, from approximately 54% in 2004 to almost 80% in 2007 (Hanival and Maia 2008). However, a large portion of household spending was financed by credit.

2.4.2 *Suburban Growth Through Retail Malls*

Retail space in Gauteng, which was already greater than the retail area of the rest of the country, increased from 3,062,929 m² in 2002 to 8,545,522 m² in 2010 (GPT 2012). The number of retail centres increased from 111 to 634 during this period, and by 2012, 45% of the country's shopping centres were to be found in Gauteng (GPT 2012). "Of the eight 'super' regional shopping centres in the country, four are located in Gauteng: Sandton City, Menlyn, Eastgate and Westgate. These centres house a range of retailers, from large retail chains like Pick'n Pay to small, specialised fashion stores" (Ibid, p. 29). Gauteng has therefore become a 'shopping magnet': the province's high quality retail centres have played a significant role in attracting large numbers of people from other provinces and the SADC region to Gauteng, and they are now a focus for urban tourism. In addition to providing shopping opportunities, they are sites for various kinds of social activity and 'consumer socialisation'—"the process by which people acquire skills, knowledge and attitudes relevant to their functioning as consumers in the market place" (Ward 1974, p. 2).

2.4.3 *Township Economies*

New private investments have been largely occurring in and around the northern suburbs, avoiding poorer areas in the south of the region. There has been some limited retail development and niche tourism in the popular townships,² but the formal office and industrial development has hardly occurred. This arises from the fact that industrial development in or near townships is still perceived as high-risk by investors (Turok 2012). In 2009, an economic analysis of Johannesburg reported that Soweto contributed only 4% of Johannesburg's GVA, despite having around 40% of the population, and between 2006 and 2010, only 3% of the rezoning applications in Johannesburg were for Soweto (City of Johannesburg 2009).

Turok (2012) argues that the townships have not attracted much private investment from domestic (South African) capital because they start from a very low economic base. Financiers, developers, investors, market researchers, property managers and leasing companies are strong players in the economy, but they tend to focus on affluent consumers and highly-skilled workers (Turok 2012). There is a huge challenge attracting, nurturing and developing more value-added activities in townships. He points out that electricity and water supply are occasionally less reliable than elsewhere because network capacity is limited and unauthorised

²These include the Chris Hani Baragwanath node; Cooling Towers, Orlando; Walter Sisulu Freedom Square, Kliptown; Regina Mundi Church, Rockville; Credo Mutwa Cultural Village, Oppenheimer Tower, and Morris Isaacson School, Jabavu; Hector Pieterse Museum, Orlando West; and Vilakazi Street, Orlando West.

connections make them more vulnerable to failure (Turok 2012). Also, places such as Soweto, Katlehong, and Alexandra are perceived to have higher levels of crime and violence, and this stigmatisation has contributed to the difficulty of attracting business into townships and worsened their socio-economic isolation and distress.

In the 2000s, the realization that the purchasing power of upwardly-mobile, black, middle-class households was increasing, stimulated mall development in the townships. The City of Johannesburg developed the Soweto Retail Strategy in 2007 to support the expansion of the retail sector, and as a result of the surge in mall developments such as Protea Glen, Jabulani, Maponya, and Dobsonville, there were over 50 township malls in Soweto and further afield in Gauteng by 2009, including in Alexandra, Tembisa, Daveyton, Kagiso and Temba townships (City of Johannesburg 2009).

The effect that these malls have on small formal and informal township retailers is debatable. Some studies suggest they have a strong negative impact (Ligthelm 2010). Small local businesses are disconnected from the value chain represented by the malls, and the skills transfer is narrow and occupation-specific rather than business oriented. However, this must be balanced against the advantages these malls bring to township consumers, including a wider choice in terms of price and range of products. In many townships there is evidence of novel forms of investment, ranging from branches of Chinese and American multinational retailers inside or adjacent to malls (Turok 2012), and networked Somali, Ethiopian and Pakistani micro-enterprises. A growing number of Asian immigrants are entering the informal *spaza* sector, which tends “to provide good service (long opening hours, a fairly good supply of products), but they undercut the local traders who are being driven out” by low investment and limited skills (Atkinson 2008, p. 17).

Some townships benefited from the Neighbourhood Development Partnership Grant (NDPG) established in 2006 by the Department of Trade and Industry to support community infrastructure and services in townships. The NDPG provides a conditional grant to municipalities, through the Division of Revenue Act (DoRA), 2007, administered by the Neighbourhood Development Programme (NDP) Unit. A total of 12 hubs have been initiated in Gauteng townships, out of a total 26 countrywide, as shown below in Table 2.1.

Many of these areas were selected as a result of spatial targeting, because they were considered to be lagging behind more favoured areas. The development of these hubs has been one of the main urban strategies adopted to drive township economies towards success in the global market. These strategies are essentially dominated by a growth-first ethos that gives primacy to the accumulation of capital within the townships. The development of these hubs is therefore subject to the logics of capital as manifest under the neoliberal imperatives. As a result, the development of service industries in the hubs has focused on high-skilled jobs and neglected job creation for unskilled and low-skilled people in the townships. Some of the hubs remain essentially theoretical and methodological schemes of township economic development, without a connection to the cultural milieu of local entrepreneurs. They are narrowly concentrated and only create new points of growth in specific focal areas, preventing marginalized populations in other areas

Table 2.1 Hubs in Gauteng townships funded by the neighbourhood development partnership grant

Municipality	Township	Hub
City of Johannesburg	Diepsloot	Diepsloot (future hub)
City of Johannesburg	Soweto/Meadowlands	Jabulani Mall area
City of Tshwane	Atteridgeville	Saulsville Station
City of Tshwane	Ga-Rankuwa	Ga-Rankuwa Hospital
City of Tshwane	Hammanskraal	Hammanskraal Station
City of Tshwane	Mabopane	Mabopane/Soshanguve Station
City of Tshwane	Mamelodi	Denneboom Station
Ekurhuleni	Daveyton	Daveyton/Etswatwa
Ekurhuleni	Kwa-Thema	Kwa-Thema/Tsakane/Duduza
Ekurhuleni	Tembisa	Intersection of 2nd October/Andrew Mapheto Drive
Ekurhuleni	Vosloorus	Katlehong/Thokoza/Vosloorus
Emfuleni	Evaton	Sebokeng (Intersection of K53/Moshoeshoe and K178 (Boy Louw)

Source Urban Hubs (2014)

from engaging meaningfully with and within these spaces. Inevitably, these strategies reinforce and reproduce the socio-spatial exclusion of poor township residents, and create new forms of socio-economic inequality.

2.4.4 Small Towns in the Region

Many of the smaller towns in the region—for example, Westonaria, Randfontein, Mogale City, Bronkhorstspuit, Brakpan, Kempton Park, Heidelberg, Meyerton, Vereeniging, Everton, and Fochville—have suffered economic decline as a result of the loss of industrial jobs. Many of these towns with populations of between 100,000 and 600,000 (Atkinson 2004) were previously dominated by one type of industry, one large company, or one single manufacturing plant. The economic ups and downs of these companies therefore reflected in the urban development of the towns that were dependent on them: when the companies slumped in response to local or global challenges in mining and manufacturing, for example, in steel production, population declines were clearly discernible in the affected towns. Atkinson (2004) observed that, in many small towns, white people, who could

usually rely on formal employment in the past, are increasing turning to unregistered survivalist and informal businesses such as *spaza* shops (the phenomenon of ‘white *spazas*’), which were previously only owned and operated by black and coloured people.

Atkinson (2004) observes that many informal entrepreneurs are operating in the agricultural sector, on municipal land or commonage, and an increasing number are in the legal or illegal alcohol trade. Some of the informal businesses are in the taxi sector, operating long-distance routes to nearby larger towns or cities (Atkinson 2004). She points out that the local retail market in many small towns is limited and often dominated by one or more established (often white-owned) enterprises, so shoppers use public or private transport to shop in larger towns, causing a leakage of purchasing power, which is very damaging to the small towns (Ibid.).

Nevertheless, retail opportunities in small and peripheral towns continue to exist, as a function of lower rents and land prices. The choice of location is motivated by the availability of cheaper labour, transport access to cities, and limited skills sets of local business owners. The growing prevalence of immigrant shop owners and Somalia, Ethiopian, Pakistani and Chinese businesses and micro-enterprises, derives from the relatively more open economy and the strengthened multilateral and bilateral agreements, motivated not only by economic considerations, but also by greater political cultural, and traditional links with other countries. These businesses frequently focus on the sale of clothing, agricultural products, and food, or the production of petty commodities. Pawn shops are another choice for owners in small towns. These businesses compete intensely with each other and therefore susceptible to the vagaries of price and transport costs, and vulnerable to availability and market condition of goods.

2.4.5 Development in Peri-Urban Areas

Peri-urban areas benefit from the middle class’s desire to experience the countryside ideal. Entrepreneurs have responded to this over the past two decades by commodifying the culture of the countryside and its associated rural heritage, through the creation of hotels, resorts, bed and breakfast establishments, cultural leisure destinations and shopping villages in places such as the Magaliesberg, Hartbeespoort Dam, Vaal Dam, Rietvlei Dam and Dinokeng. These areas and others on the periphery of the province have developed notable clusters of economic tourism industries, representing significant investment. Touristic activities offer adventure, in the form of trails, thrills and safaris, as well as leisure and relaxation far from congestion, noise and the other ills associated with overcrowding in the city. Businesses in country areas often specialize in providing handcrafted products from the local or regional heritage. These economic activities sometimes overlap the tourism and agriculture sectors, for example, safari lodges and game farms, and thereby benefit both.

These clusters tend to draw related retail and industrial activities such as petrol stations, regional shopping complexes, and arts and craft industries, to their proximity, for example, ‘ultra city’ developments, that provide filling stations along major highways, become zones of economic opportunity that also attract food and other commercial services.

The attraction of these areas derives from landscape, place and locality, premised on the perceived pleasant, but often intangible characteristics that serve psychological rather than physical needs. They are accessible mostly only to a relatively affluent population. The racialized entrepreneurship of this industry remains disconcertingly problematic. Acutely concerning is that these tourism enterprises are almost exclusively “owned by white individuals or white-owned corporates” (Atkinson 2004, p. 30) While the high investment levels often generate significant financial benefits for the entrepreneurs involved in this commodification of landscape, they are mainly white—“it is very difficult for black entrepreneurs to break into this sophisticated market” (Ibid.). Travel and other costs to larger centres are prohibitive for many small-scale black entrepreneurs and they can seldom access the necessary business support. Most up-market lodges use urban-based intermediary purchasers, for the sake of convenience, quality and reliability (Rogerson 2012). Such investments sometimes contribute to the irrevocable change, and even destruction, of the amenity environment previously created by the local community. The participation of local black residents in the ‘commodification dynamic’ is not always positive, since in many cases there is no skills transfer, little share-holding and a lack of advancement of community entrepreneurship in general.

2.4.6 Transport Development in the Region

The pattern of spatial development in the province has tended, overall, to create areas of separate rather than mixed land use, with a noticeable tendency toward urban sprawl. The population is concentrated in the urban areas along the M1, M2, N1, N3, N4, and N17 road arterials in the central part of the province. There are areas of intense economic activities, such as in Johannesburg, Pretoria and the Vaal region, but there is a misalignment between economic intensity and population density—the population is concentrated in black townships such as Soweto, Alexandra, Tembisa, Mamelodi, Saulsville, Chris Hani, Thokoza, and Vosloorus, a fair distance away from centres of work.

The RDP model delivered housing to communities far from commercial centres where work opportunities could be found, and sometimes also far away from the existing major townships, so these locations produced inflexible and unsustainable environments, rather than vibrant places where people can access the opportunities and amenities they require to thrive. These spatial patterns have perpetuated, or at worst, increased, the large distances for most people between work and home. The costs of mobility for the low-income people are extremely high and transport

constitutes a major component of the budget for them—and the levels of congestion associated with public transport are growing, as are its consequent damaging environmental impacts.

There has been a compelling case, therefore, for promoting efficient public transport connections between the large low-income settlements, and the areas of employment and private investment. In 2002, the Rapid Rail Link to connect Pretoria, Johannesburg, and Johannesburg International Airport (JIA, now OR Tambo International Airport) was announced as one of eleven Spatial Development Initiatives (SDIs) (GDPTRW 2002, p. 1–1). The purpose of the ‘Gautrain’, as it soon became known, was to develop a public transportation system that would optimize land use and minimise traffic congestion, pollution, and the danger to commuters of traffic accidents. Two spines were built: the west–east spine has a commuter service linking Sandton to the East Rand (through Rhodesfield, in Kempton Park) as well as an airline passenger service between Sandton and the city’s international airport. The south–north spine links the Johannesburg and Pretoria CBDs.

In 2007, the province launched the Gauteng Freeway Improvement Project (GFIP), the country’s largest road scheme, which aimed “to upgrade and expand the provincial road network through freeway widening, building new roads, upgrading interchanges, installing traffic-management systems (cameras and electronic signs) and an automated toll system” (Turok 2012, p. 35). A joint proposal by national and provincial departments of transport, Gauteng municipalities, and the parastatal SANRAL, indicated that initial construction costs for 359 km of freeway would be R6.3 billion, excluding VAT, together with a new freeway construction costs of R60 million per kilometre, and the widening of existing roads of R20 million per kilometre, both figures excluding VAT (The Star 2012).

In the same year, the National Cabinet approved the Bus Rapid Transit (BRT) scheme as a road-based component of the Public Transport Strategy (SACN 2011). This was to be funded by national government, but delivered by the metros. It was designed to be more transformative and scale-able. It had modern buses running on dedicated lanes along the middle of main roads (Van Ryneveld 2010). The City of Johannesburg’s BRT system, named Rea Vaya, was operational from October 2013. The buses provide residents of Soweto and the southern parts of Johannesburg with direct access to the inner city and surrounding areas. The routes run from Soweto through Noordgesig, New Canada, Pennyville, Bosmont, Coronationville, Newclare, Westbury, Westdene, Melville, Auckland Park and Parktown, to the CBD. The Tshwane BRT system, named A Re Yeng, started operating in 2014 (SA Yearbook 2014). The R2.6-billion project, part of the city’s revitalisation project, consists of 80 km of bus lines and about 340 buses, some of which are powered by gas, serving 62 bus stops. It runs from Mabopane through Pretoria CBD, past Menlyn, and on to Mamelodi (City of Tshwane 2014).

Turok (2012) considers new forms of public transport to offer the prospect of restructuring the city according to transit-oriented development (TOD) strategies. He noted that there were strong investment interests in the development of the

Gautrain precincts, but it is not clear what impact the BRT systems are having on investment decisions in the property market.

Turok (2012) argues that while the new road, bus and train routes have opened up extraordinary possibilities for new centralities, changed perceptions of space, and other prospects for profitable property development in zones that would otherwise have been remote, the transport responses to urban sprawl have been piecemeal and perhaps even counterproductive. While these systems reduce the cost of travel in a highly fragmented urban system, and, in the long run, shopping centres, office parks and other developments spring from the reshaping of space by transport systems, these systems ultimately maintain unsustainable land-use and settlement patterns (Ibid). Addressing the huge inequalities in the region, and creating employment through stimulation of growth in the economy, requires new strategies for the building of inclusive cities and society.

2.5 The Zuma Era: Focusing on Transformation, Modernisation and Re-Industrialisation (TMR)

The Zuma administration largely continued the Mbeki era's economic policies. Although there was a significant sustained average annual growth rate of 5% after 2004 (Hanival and Maia 2008), the Zuma government made a decision to deal with the needs of disadvantaged groups through social safety nets such as improved public service delivery of low-cost housing, water and electricity. Towards the end of 2010, a New Growth Path (NGP) was introduced. This signalled greater commitment to tackling unemployment, poverty and inequality, promising a more active, interventionist approach to economic policy, and much greater investment in economic and social infrastructure (Turok 2012). The priority in the NGP was the identification of 'job drivers' for the creation of 'decent' jobs. Public investments were directed at infrastructure development, improving value chains in agriculture and mining, investing in a green economy, and encouraging light manufacturing sectors, tourism and other high level services. The government planned to expand employment to the tune of five million jobs by 2020 through high GDP growth rates, and improve the employment intensity of growth, which had decline significantly over the preceding decade from 0.8 to 0.67 (Republic of South Africa 2010).

The planning of this administration has been more structured than its predecessors, with greater strategic emphasis being placed on particularly crucial sectors of the economy such as education, health, rural development, and the ocean economy. President Zuma called for a genuine paradigm shift from housing to human settlements at a meeting of the coordinating council of the three spheres of government (DoH 2004). He asserted that the "concept of human settlements is not just about building houses. We have to change apartheid spatial patterns and ensure that low income households in rural or urban areas have easy access to economic

centres. They must also have access to social amenities and key services such as water, electricity, recreational facilities, schools, clinics and a host of others” (Zuma 2010).

For the first time, particular emphasis was placed on rural development. Since 2007, the Department of Rural Development and Land Reform has worked on policies, plans and programmes aimed at improving rural communities’ access to the land reform and restitution grants that have traditionally assisted them. Recently, the rural development programme introduced Agri-parks in all of South Africa’s 44 District Municipalities, intended to kick-start economic transformation for these rural regions (DRDLR, n.d.). An Agri-park is a networked innovation system of agro-production, processing, logistics, marketing, training and extension services. In Gauteng (as at 2016), Agri-parks have been established in Rietkuil (Sedibeng) and Brandvlei (Randfontein, on the West Rand) (Ibid.).

2.5.1 Urban Growth Under the Zuma Administration

The development of the Maboneng and Braamfontein precincts in Johannesburg are some of the notable recent achievements in the inner city. With the addition of these urban economic instruments, Johannesburg’s inner city, a vibrant district with a unique character, can legitimately claim to be the cultural capital of the country. It has an array of cultural venues and a wide range of creative and cultural industries. In the northern suburbs, Rosebank, Sandton and Midrand have significant residential investments and are the fastest-growing employment centres. They have buzzing suburbs with restaurant and shop-lined avenues that cater for the dining and homeware needs of the fashionable.

The townships in the south, and pockets in the northern parts of the province, are still marginal spaces, economically. Townships such as Boipatong, Diepsloot, Winnie Mandela, and Tembisa, have large populations and little or no industrial activity. Bekkersdal, Daveyton, Mohlakeng, Orange Farm, Refilwe, and Zithobeni are isolated and burdened with informal settlements. Braamfischerville, Lufhereng (Doornkop) and Protea Glen in Johannesburg, and Atteridgeville, Ekangala, Mamelodi, Mabopane, and Ga-Rankuwa, in Pretoria, continue to grow and expand the township footprint away from the core areas of the city. Ekurhuleni lacks a dominant centre because of the many townships—Daveyton, Etwatwa, Tsakane, and Wattville—that sprawl across the municipality. Tshwane takes on a “squashed ‘S’-shaped built-up area due to the major displaced townships of Soshanguve and Mamelodi located far away from the main economic centre of Pretoria” (Turok 2012, p. 27). These patterns of growth have huge implications for the region.

According to Mubiwa and Annegarn (2013), Gauteng urban areas, increased from 12.6% in 1991, to 15.96% in 2001, and 18.35% in 2009 when expressed as a percentage of the total Gauteng land area. Between 2001 and 2009, the highest growth was strong ribbon development along the N1–Midrand corridor and in Temba, Kekana, Diepsloot, Tembisa, Randburg, Fourways, Thokoza, and

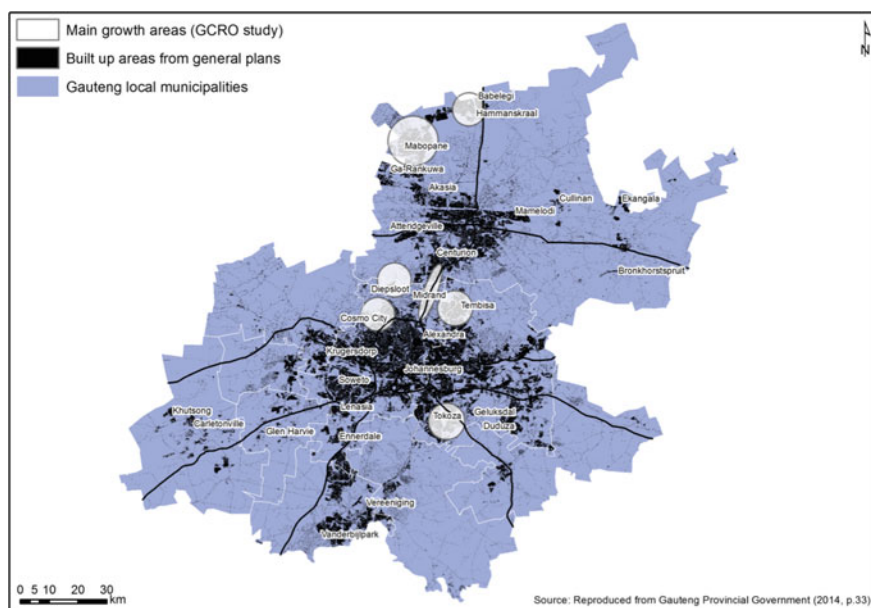


Fig. 2.5 Growth areas in the Gauteng region between 2001 and 2009

Katlehong as well as in Brits, Ga-Rankuwa, Soshanguve, and Mabopane in the north-west of Tshwane (see Fig. 2.5). The percentage of cultivated land remained relatively constant during this time, but a great loss of woodland areas was experienced (GPG 2014).

Distortions of the urban footprint have been exacerbated by poor state-led housing projects and weak strategic spatial planning of the public-sector that has allowed the private development of space in unsustainable forms on the urban periphery. A fragmented public transport system and the shift of jobs away from mining and industry to tertiary activities have also been significant. The urban built-up area has increased in the region, but as an unsustainable, inequitable and inefficient spatial development trend. The Gauteng City-Region Observatory (GCRO) developed a map that shows the urban footprint from 1991 to 2009 (Fig. 2.6).

As of 2015, 0.42% of economic activity in Gauteng was in agriculture, forestry and fishing; 2.72% in mining and quarrying; 15.89% in manufacturing; 2.15% in electricity, gas and water; 3.72% in construction; 13.74% in wholesale, retail and motor trade, catering and accommodation; 10.14% in transport, storage and communication; 26.71% in finance, real estate and business services; 19.24% in personal service; and 5.26% in general government services (Bouwer 2011).

The population of Gauteng grew from 7.6 million people in 1996 to 9.2 million in 2001, and is currently estimated at 12.2 million people (GPG 2014). This significant increase can be attributed primarily to labour migration. The population of

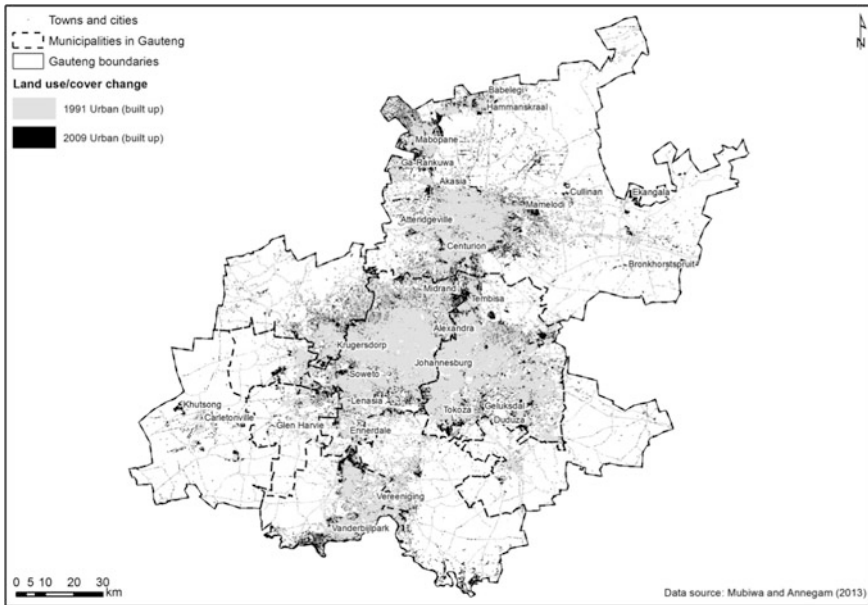


Fig. 2.6 Urban land use/cover growth change in the GCR, 1991–2009

the region is projected to grow as follows: to 15,271,429 in 2021; 18,328,571 in 2031; 21,385,714 in 2041; 24,442,857 in 2051; and 25,665,714 in 2051 (GPG 2014).

2.5.2 *The Gauteng Global City-Region*

The growth of the region has led to it becoming a global city-region. A global city region is a city region, generally considered to be an important node in the global economic system, where the linkages that bind the city have a direct and tangible effect on global affairs through socio-economic means (Sassen 2003). The Gauteng City-Region is “an integrated cluster of cities, towns and urban nodes that together make up the economic heartland of South Africa” (GCRO, n.d.). The GCR concept is aimed at enhancing the global competitiveness of the provincial economy. It includes the cities of Johannesburg, South Africa’s financial capital, and Pretoria, the country’s administrative capital. “It also includes commercial, industrial and mining centres such as Germiston, Springs, Alberton, Boksburg, Benoni, Vereeniging, Vanderbijlpark, Krugersdorp, Randfontein and Westonaria. Beyond the boundaries of the Gauteng province is a wider urban region of smaller centres and population concentrations”. (GCRO 2014). Gauteng is the country’s centre for trade within southern Africa and beyond, and it is recognised as the “international

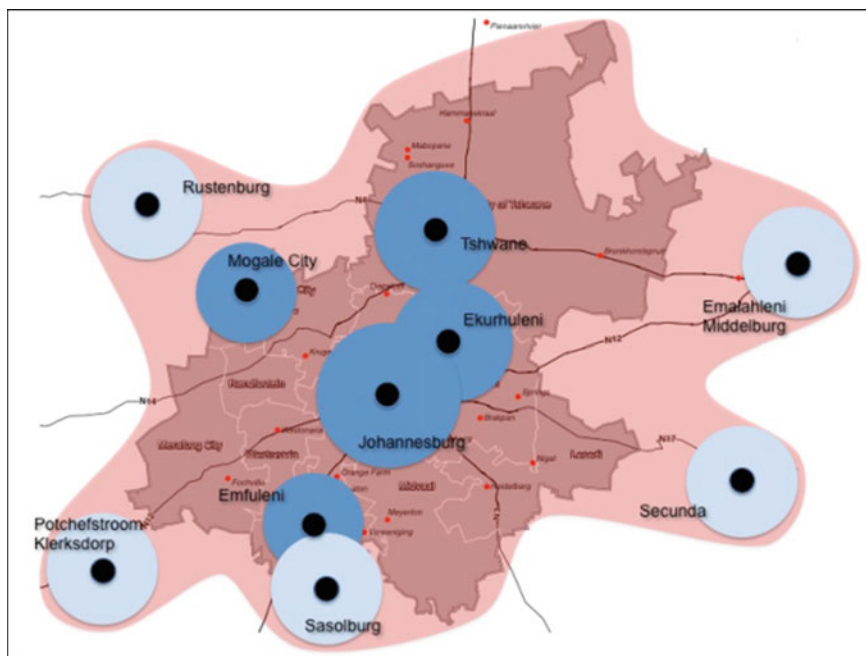


Fig. 2.7 The Gauteng global city-region. *Source* GPG (2014)

migrant gateway to South Africa”, with international migrants making up an estimated 13% of the population (GPG 2014) (Fig. 2.7).

Allen and Cochrane consider regions to be the “product of networked flows and relations fixed in a more or less provisional manner” (2007, p. 1163). They are a political construction but emerge as coherent and collaborative entities that have to compete, cooperate and learn. The Gauteng provincial government used area-based measures and introduced a range of geographically-focused policies and programmes that, in many instances, utilised area-based initiatives (ABIs) to tackle the problems of deprived and disadvantaged communities. Governments frequently adopt area-based approaches as an indirect way of reaching the individuals that the initiatives are intended to support (Todes 2013). Urban mega-projects linked to the new emphasis on reindustrialisation, urban competitiveness and urban entrepreneurialism, have been used in this way by the Gauteng provincial administration as a means of spatial targeting. Mega-projects are adopted to support urban regeneration initiatives to reposition declining economies to capture new or growing economic niches. They are being developed *de novo* both as prestige projects, but also to lay the basis for new forms of economic development (UN-Habitat 2009).

In Gauteng, developments such as sports stadia (e.g., FNB stadium); high-tech industries (e.g. Innovation hub); new satellite cities (e.g. Modderfontein City, Vaal River City, and Rietfontein); major enclave developments (e.g. Steyn City);

shopping malls (e.g. Greenstone Mall) and enterprise zones (e.g. at O.R. Tambo International Airport) are being promoted. Some of these projects, such as the R84-billion-smart-city developed in Modderfontein by Chinese firm Shanghai Zendai, demonstrate China's substantial economic investment in South Africa. Mega-projects are critical to the building and maintenance of infrastructure, although such large projects too often develop problems with regard to either budget or time, or both (see, for example the Salvador Metro in Brazil). In one influential study, Flyvbjerg (2014), a well-known expert, has estimated that nine out of ten such projects go over budget. Rail projects, for example, go over budget by an average of 44.7%, and their demand is overestimated by 51.4%.

An interesting development is the mega-projects proposed for targeted corridors around the Gauteng City Region region. The region's space economy will be configured into five development corridors, with distinct industries and different comparative advantages: These are the Central, Eastern, Northern, Western and Southern development corridors (SAnews 2015) (see Fig. 2.8).

The process of corridor development in the city region must take into account that planning and organisation should consider the territory beyond its individual bounds and take into account "spaces of flows" (Castells 1996) that link the city to regional economies. However, spaces of flows in Gauteng are not viewed as a set of connections that go beyond the national boundaries, irrespective of the interconnected of the region to the rest of the SADC sub-region. The cardinal determinants for the location of investments in areas such as the identified corridors are the instantaneous interests of the private sector, rather than public spatial plans. It remains to be seen, therefore whether public interests will be able attract investors into the corridor areas. Considering that the infrastructure required is both physical (electric cables, cell phones and broadband transmitters, roads, buildings, water and sewerage pipes) and social, or what David Harvey calls a "human-resource complex" (2006, p. 399) that includes administration, research, ideological functions,

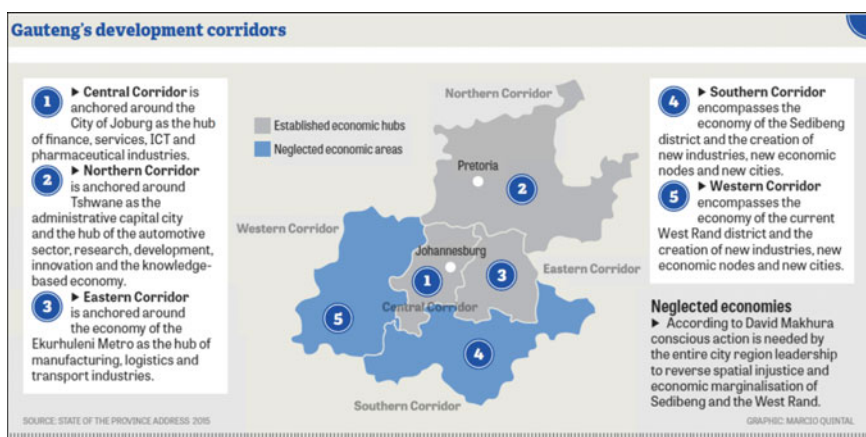


Fig. 2.8 Gauteng's proposed economic development corridors. Source Tau (2015)

education and so on, the importance of understanding corridors not merely in terms of their economic aspects, but also in terms their social, political and economic totality is essential to avoid heightening of economic duality and social division.

2.5.3 Policies for Urban Management in the Province

Spatially targeted programs have been developed to emphasise the role of government approaches in policy making and service delivery. Reddel (2002, pp. 51–52) highlights a number of features of recent spatial targeting resulting from increasing social polarisation, regional disparities and the need for integration of social economic and environmental issues. Issues of social capital, social inclusion, community engagement and capacity building, as well as integration are some of the imperatives of the new spatial ‘agenda’ (Reddel 2002). In supporting targeted programmes, a number of policy documents have been produced for managing growth in the region since 2004, as shown on the Table 2.2.

Such an impressive relay of policies has provided the region with a clear sense of direction and purpose in various sectors. However, these policies, both individually and as a whole, can be criticised for looking inward too much. They make too few connections to the external environment, given the region’s links to the continental sub-region. This silo mentality flies in the face of solutions for issues such as crime, pollution, disease, access to technology, and xenophobia that need to be coordinated between various regional stakeholders beyond the national boundary, in order to make the region a success. Some of these challenges are bound to surpass the mandate of the existing regional institutions set up to deal with them.

Nevertheless, the growth management approaches emanating from the policies listed above promoted ‘smart growth’ in the province as part of a spatial transformation plan. “Smart growth provides a framework for informed decisions about how and where cities grow,” and it provides a solution to the impacts deriving from highly dispersed development patterns that many urban areas have to address (GPG 2014, p. 61). The building of a smart province is predicated on the development of smart cities. Smart cities are oriented toward creating urban environments with e-governance, e-products, e-services, wireless city, sensor signalising, and networked communication. In the 2010 study by Harrison et al., a smart city is described as an instrumented, interconnected, and intelligent city. It is a city that connects “the physical infrastructure, the IT infrastructure, the social infrastructure, and the business infrastructure to leverage the collective intelligence of the city” (IT Web 2015).

Various initiatives have been designed by the province and the cities to create ‘smartness’. In 2014, Gauteng took “a step towards implementing its ‘smart province’ strategy with an extensive R1.2 billion broadband project designed to promote greater government efficiency, stimulate innovation and knowledge creation, and lay the foundation for higher levels of economic growth” (Odendaal 2014, 6th June). In 2015, the City of Johannesburg announced it would prioritise smart city

Table 2.2 Gauteng provincial strategies for managing urban growth

Year	Provincial strategies	Main aims
2004	Global City-Region	To develop Gauteng into an integrated and globally competitive region making sure economic activities of different parts complement each other in consolidating the GCR as the economic hub of Africa
2006	Gauteng Global City-Region Perspective	To present a common vision for the province and the integration, alignment and harmonisation of the internal functioning of Gauteng
2006	Gauteng Strategy for Sustainable Development	To provide a strategy to deal with economic (poverty and unemployment; global competitiveness); social (population growth, health issues, socio-economic sustainability); and, ecological concerns (environmental deterioration) in an equitable manner
2007	Gauteng Spatial Development Perspective	To provide a common platform for planning and investment in the province
2009	Gauteng Employment Growth and Development Strategy, 2009–2014	To outline the strategic priorities and programmes for the provincial government for the five year term of office ending in 2014
2011	Gauteng Spatial Development Framework	To steer all spatial development in Gauteng according to the vision and objectives set out for the province
2011	Gauteng 25-Year Integrated Transport Master Plan	To enable the Department of Roads and Transport to regulate, plan and develop an efficient and well integrated transport system
2012	Gauteng Climate Change Response Strategy and Action Plan	To address sustainable energy supply, transportation, industrial and agricultural activities, and urban development and infrastructure
2012	Gauteng Vision 2055	To present the critical steps for developing a prosperous and socially inclusive Gauteng City-Region
2014	Regional Industrial Development Strategy (RIDS)	To enable all regions to build their industrial economies based on local competitive advantages and opportunities
2015	GCR e-Governance Strategy 2015–2020	To support the realisation of the modernisation of the public service in terms of the TMR; to roll out broadband networks to transform and make services available to all the citizenry of GCR

initiatives as it seeks to “bridge the digital divide”, and would rollout free internet and wi-fi access in libraries across the city (City of Johannesburg 2015).

The Gauteng Provincial Government established a new Department of e-Government in 2015, to stimulate the province’s knowledge-based economy,

improve service delivery and modernise the public service (GPG 2015a, b). Free wi-fi is being provided in all core sites and Thusong Service Centres, and the implementation of e-learning, smart schools, and biometric systems is underway. Spatial transformation is one of the pillars of the Gauteng City-Region's ten-pillar programme of transformation, modernisation and reindustrialisation, and the creation of smart cities is part of that initiative. The Provincial Government is aiming for Gauteng "to become a seamlessly integrated, economically inclusive, socially cohesive and locally competitive province" (Kilian 2015, 24th November).

2.6 Concluding Remarks

As described in Sect. 2.2, the GCR has urban landscapes that can be loosely divided into nine historical formations: old small town landscapes, metropolitan landscapes, suburban landscapes, gated community landscapes, black township landscapes, informal settlement landscapes, RDP landscapes, peri-urban landscapes, African village landscapes, and mega-project landscapes. Over the three national administrations, these landscapes have shifted and morphed, generating new forms of mutation, deletion or insertion, within themselves and with other landscapes.

The imminent introduction of *corridor development* will create other landscapes that will affect the region's character. The term corridor is not clearly defined and seems to be viewed only as an object of physical development. While the setting up of the corridors seeks to promote Gauteng's development agenda by mobilising economic development and positioning the province as a globally competitive city-region, the province's logic is not necessarily theoretically coherent or empirically grounded. Sometimes the scheme appears to be a process and at other times a deliberate policy. While the immediate economic and physical aspects of the corridors are well articulated, the various elements—economics, sociology, anthropology, political science—at different geographical scales and in diverse historical contexts, remain obscure. This scheme will potentially create new landscapes where, yet again, people reside only temporarily, without a sense of territorial attachment, a sense of belonging, or active economic citizenship.

Growth in the region is still shaped by the location and form of investments in the original old towns of the region and their transport infrastructure. The spatial targeting by all three post-apartheid administrations with development along corridors, nodes, spines, and transport infrastructure still owing much to apartheid planning, has extended the apartheid spatial form.

Dependence on cars contributes to urban sprawl and the destruction of prime farm land and natural landscapes. Car emissions and other traffic-related impacts such as noise, neighbourhood severance, visual intrusion, and gridlock that grips the city for many hours every day, have negative environmental, human and social impacts (Kenworthy and Laube 1996). Problems, such as isolation, lack of

community, and transport difficulties, especially for the young, old, poor, and disabled, are directly attributable to car-dependent development patterns.

Many of the challenges for transport planning still exist in the post-apartheid era because investment in transit-oriented development in higher-density, mixed-use areas is still largely driven by the profit motive. State power over land-use planning is frequently superseded by private sector interests. Beall and Fox (2009) observe that despite major shifts in development thinking, the menu of proposed policy remedies has done little to stem the ultimately 'laissez-faire' nature of urban growth. Harrison and Oranje argue that "most of the spatial plans/frameworks that have been produced over the past decade have been poorly grounded in a real understanding of development processes and imperatives" and "it is not surprising that there is a growing disjuncture between the spatial patterns of planners as captured in their planning frameworks and patterns of investment in the urban environment" (2002, p. 28).

Part of the challenge stems from the fact that all urban administrations have endeavoured to promote urban growth by focusing largely on issues of land use in relation to urban economic expansion. But such economic expansion is separate from the diverse sociological aspects that shape urban spaces. Therefore, many of the policy proposals advanced by them are antithetical to democratic ideals, both in their design and application. They individualize, objectify, and control people, often through their reliance on economic imperatives. Singly and in combination, they perpetuate social inequalities, obfuscate social contexts through their lack of transparency, and prevent people becoming fully aware of the functioning of their systems, and of their rights. Closed technical designs and management by technical experts or institutional agents, compound the gap between human needs and sheer spatial change. This disjuncture suggests that planners have succeeded in promoting growth in the province to such an extent that state intervention has itself become a means of supporting market rationality for shaping spatial growth. Without a means of countering these tendencies, the factors responsible for creating inequalities are bound to create a region that is perpetually grappling with the problem of building 'inclusive' cities.

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