The Economics of Urban Regeneration in Africa's Financial Capital

JOHANNES

Rapid intervention is needed to save Johannesburg's Inner City from steady decay.
By John Luiz

Africa's financial centre is in serious decline. The dramatic decay of the Johannesburg Inner City, especially in the past decade, contrasts with the extraordinary beginnings of this city. Its impressive initial growth at the turn of the 19th century was unparalleled. However, its rapid deterioration has been equally astonishing and it is in danger of becoming irreversible. Fortunately plans are underway to ensure that this does not happen and the benefits of these plans are already apparent.

The City of Johannesburg has a population of approximately three million people and is the economic core of South Africa, contributing 16% to the national GDP. But the city has been losing its dominance and this loss has been concentrated in the Inner City. The problems of the Inner City reflect the wider socio-economic and political realities of the country as a whole: namely the dichotomy and contradictions of being both First and Third World and the inability to resolve this tension related to identity. This presents enormous challenges to the City Managers.

This paper outlines the rise and fall of the city which was initially built around the gold industry. It begins by briefly describing its startling growth and development and its transformation from a gold producer to manufacturing and finally to Africa's foremost service centre.

This is followed by an account of the metamorphosis of the Inner City from Johannesburg's premier business centre to an African trading centre. This change was accompanied by the mass exodus of businesses from the City Centre to decentralised nodes and the result was decay in the former zone. Lastly, it discusses various strategies for the regeneration of the Johannesburg Inner City.
The development and growth of Johannesburg

The discovery of gold in 1886 precipitated a frenzied gold rush and led to the establishment of Johannesburg. Within the first five years there were 30,000 people in the town and by 1896 the population had crossed the 100,000 benchmark. The relatively large population provided a significant market allowing Johannesburg to become a centre of mass consumption.

The gold boom triggered enormous capital inflows, attracting labour, encouraged trade and led to related developments. Transport nodes developed around the city with extensive rail and road investments linking it with the rest of the country and its harbours.

The Johannesburg economy's dependence on gold began to wane during World War II when industries engaged in the war effort began to diversify. This trend continued after the war, with gold mines becoming less and less important to the city and the gradual closure of many mines in the region as the gold industry shifted to the Orange Free State. By the mid-1940s, the Johannesburg CBD had become the financial and commercial hub of the country housing more of the country's leading company headquarters than any other city in South Africa.

After 1945 there was a steady decline in the number of residents living within the CBD with many of its former residents moving to the Saalrand of Hillbrow just to the north. The physical outward expansion of the CBD had come to an end before the 1940s but the growth continued unabated in an upward direction and soon the city skyline was said to resemble that of Manhattan. The 1920s and 1930s saw the beginnings of skyscrapers in Johannesburg's CBD, primarily housing major banks and mining houses. The massive construction boom culmi-
nated with the Carlton Centre in 1972 (an office block and hotel) which is more than 200m above street level. However, due to shortages of space in the crowded CBD, businesses started to look elsewhere and the slow exodus to Johannesburg's northern suburbs began innocuously at first. This trend has speeded up considerably during the past decade as businesses leave to avoid rising crime and grime. Only a few big businesses have shown their commitment to the Inner City. For example, three of the largest banks have increased their investment there by expanding their headquarters.4

The Inner City also faced the brunt of apartheid pathologies. It is located in the centre of Johannesburg, with Soweto (the largest black township) to the south-west, the manufacturing focus to the east, the elite white suburbs to the north, and now increasingly most businesses in the northern suburbs too. All public transport originates in the Inner City, which thus acts as a vital link between the various regions comprising Johannesburg, in particular linking Soweto with the rest of Johannesburg. The Inner City still sees much through-movement but fewer people see it as a destination.

The gradual erosion of apartheid during the 1980s saw the Inner City and the flatlands of Hillbrow become increasingly more cosmopolitan as these areas became racially more integrated as the authorities gave up enforcing certain aspects of racial segregation.5 Crankshaw and White report that in the mid-1970s only a very small percentage of Inner City residents were black.6

By 1985 the proportion of black tenants was estimated at around 30%, by 1988 it had risen to 46% and by the end of 1991 it stood at 68%.7 By 2001 only a very small percentage of the residents was white.

The central location of the Inner City and the flatlands was particularly attractive to the working black classes who migrated there en masse. The result was a cosmopolitan centre with a mix-match of cultures. It is important to emphasise that although the racial desegregation of Inner City flats has been associated with overcrowding and structural decay, the issue is one of economics and not of race.

North American scholars have attempted to explain why Inner City decay has been accompanied by racial transition and most agree that this is simply because black Inner City residents are usually poor and thus it is fundamentally about the changing class composition of the residential population.8

Landlords start to neglect their properties which leads to a vicious circle of overcrowding and rent boycotts.9 The cycle has a common denominator, namely the age of the apartment buildings. The older buildings need extensive renovations but are located in undesirable areas where property values are low and which financial institutions have red-lined. These apartments attract the poorest residents who are more likely to overcrowd their residences and thus put more strain on the decaying services. Landlords react by withdrawing their maintenance and direct administration of their properties.10

Illegal immigrants from the rest of Africa poured into these regions in the mid-1990s as a result of the police’s inability to control these areas. As crime and grime spread, businesses reacted by following the white residents to the north.

(If should be mentioned that the emerging post-apartheid black elite is as unreceptive to the Inner City as their white counterparts. Big black business has located itself in the northern suburbs too.) For example, only three of the seven largest accounting firms retain their head offices in the Inner City. Likewise, in 1981, seven of the top fifteen advertising agencies were based in the City Centre, but by 1994 there were none.11 Even the Johannesburg Stock Exchange recently moved out of the City Centre.

Although 76% of the top 100 companies have head offices in Gauteng, only 7% are located in the Johannesburg CBD, compared with at least 26% in late 1993.12 The outward migration of residents and businesses has resulted in urban sprawl and the result is that the greater Johannesburg region covers an area exceeding 500 km² — an urban planner’s nightmare.

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Critical challenges face the city and need to be addressed to transform Johannesburg into a world class city:

- Significant change in its economic base
- The rapid growth in urbanisation
- Urban sprawl coupled with spatial inequalities
- Changing nature of the Inner City and the CBD in particular
- Declining levels of municipal service provision and maintenance
- Lack of an extensive public transportation system.14

Manufacturing

The manufacturing sector has been one of the worst affected sectors in the Inner City. Employment losses have resulted from closures and relocations to newer industrial areas in the greater Johannesburg region. The flight of manufacturing away from the Inner City of Johannesburg can be explained by a combination of factors:

- The unsuitable character of the area's multi-storeyed industrial property to the needs of modern industrial processes;
- A lack of investment by developers in new forms of industrial space;
- Growing problems of crime and violence;
- The pull of new industrial townships that have opened in both the inner and outer zones of the Witwatersrand.

The greatest employment losses between 1980 and 1994 occurred in the sectors of clothing, food, fabricated metals and jewellery manufacture (bearing in mind that in 1994, nearly two thirds of the area's manufacturing base were in clothing, printing, textiles and jewellery). In 1980 the Inner City had an estimated 232 clothing factories in the CBD, and nearly 15 000 employees; but by 1999 this was reduced to 111 offering only 9 000 employment opportunities. However, despite this decline, the clothing sector still represents the single largest industrial sector in the Inner City, contributing nearly one-third of manufacturing employment.10 The bulk of the formal production occurs in factories owned by Asian entrepreneurs, most of whom have been in this business for long periods and are therefore well established.

However, there has also been a recent surge of informal clothing manufacturers dominated by black entrepreneurs,
increasingly foreign. The clothing sector is one of the major growth points in the emerging SMME economy of the Inner City.

Jewellery is also an important sector in the Inner City. There are currently attempts to revive the industry through the establishment of Jewel City, a cluster of manufacturing and retail activities. The jewellery sector has been hit by both national and local factors, including negative perceptions of the Inner City, crime levels, and the decline in international tourists visiting the Inner City.17

The retail mix of the Inner City has shifted to serve the African consumer with the departure of many companies to the Northern suburbs (especially to suburban malls) and the fundamentally restructured racial mix of the Inner City working and residential population. General dealers with links to the informal sector have replaced high order retail outlets as a result of the extremely rapid growth of informal traders.18 It is important to note that the retail sector is not collapsing but rather changing and the vacancy pattern remains low.

In 1994 the Inner City comprised 428 wholesaling establishments and this has risen as more retailers shifted towards serving hawkers. More than half of the wholesaling establishments are represented in textiles, footwear and clothing (one fifth), machinery and equipment for industrial and business purposes, precious stones, jewellery and silverware, and books and stationery.

In 1994 there were 1 500 retail establishments in the Inner City. The most prevalent forms of retail activity are general outfitters, dealers in furniture and household appliances, grocers, men’s outfitters, and jewellers. Tourist shoppers from Southern Africa reportedly contributed R1.4 billion to Johannesburg’s retail turnover for export purposes in 1998.19 New research shows that around R10 billion was spent by African retail tourists in the city in 2001, which is double the amount of R4.7 billion for 1998, and the Inner City is the primary beneficiary of this phenomenon.20

Since 1993 there has also been a noticeable rise in the number of black-owned microenterprises establishing within the Inner City. Several pull factors are responsible for this, including enhanced market access, proximity to suppliers, agglomeration benefits, transport facilities, and the availability of space. Disadvantages of the Inner City are high rentals (relative to the townships), excessive competition, hawkers and crime.21

This demonstrates the tremendous changes which have occurred in the nature of businesses active in the Inner City. An enormous number of people still frequent the City Centre and undertake their shopping there but these are now almost exclusively from the lower income groups.

Property market.22

The CBD remains the most important office block area in the country with 3 million m² of office space, representing a R19 billion investment. Much of it faces decay and under-utilisation. The interests of property owners are of critical concern as regards the sustainability of the Inner City as their decision to maintain or abandon property can determine the future of the city.

Aside from the sale of the Carlton Centre (Johannesburg’s tallest skyscraper) to Transnet (a parastatal), which is expected to bring several thousand workers into the area with accompanying spin-offs to adjacent areas, CBD office brokers report that the node is seeing little new activity although enquiries are on the rise. Top CBD gross office rentals achieved for A-grade space are approximately R322/m². In contrast, in the wealthy northern suburbs such as Sandton, A-grade office rentals are twice those of the Johannesburg CBD.

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The latter also has the lowest CBD office rentals when compared to other major South African cities. The Sandton node continues to experience high levels of demand and brokers are starting to report an under-supply of premier office space although a number of new luxurious office blocks are soon to be constructed which will considerably alter the dynamics.
Crime and grime are overwhelmingly the greatest concerns.

The BID areas are clearly working because people went out of their way to single them out as successes. Interestingly, people do not just want a clean, sterile city but want the city buzz. This links up with the need for a cultural strategy which introduces a vibrant street culture; 85% of respondents were of the opinion that there was not enough entertainment in the City Centre. People also lamented the absence of street cafes, bookshops and quality merchandise. They felt that these would lure tourists back.

The overwhelming perception of the Inner City is that it is unsafe: 70% of respondents did not feel safe outdoors although they pointed out that they felt quite safe in the BID areas. Current policing efforts were felt to be inadequate even with the introduction of closed circuit television.

Inadequate lighting, litter and graffiti were also seen as problematic by more than two-thirds of the respondents. Linked to this issue is informal trading and mini-bus taxis, as 90% felt that the relocation of these to designated areas would have a very positive impact on the City Centre. Encouragingly, it appears that people are not against the concept of informal trading and mini-bus taxis, but are anxious about the lack of control regarding this sector. Concern was also expressed about the lack of hygiene associated with food stalls and the latter. There were calls for quotas to be introduced, laws to be enforced, and generally for this sector to be better managed and regulated.

Businesses were asked which single attribute of the City Centre has the most positive effect on their business and similarly what draws most people to the area. Some of the responses include: transport hub, convenience of public transport for both employees and customers, easy highway access, variety of shopping facilities available for people in the township, increased security of late relating to the BIDs, significant foot traffic, and the black trade.

As regards the most negative effect on their business, some responses were: lack of white trade, crime (the most frequent response) and grime, unmanaged informal traders leading to congestion, and taxis and hawkers (second most frequent response).

Almost everyone felt that media coverage of the City Centre did not reflect the reality. The media only focused on the negative and little had been said about the improvements via the BIDs and positive developments like Gandhi Square and the pedestrianisation of Main Street at Anglo American. Lastly, respondents were asked to rank the issues of most importance in relation to the City Centre.

They were in order of importance: safety and security; litter, cleaning and grime; public environment; street and pavement lighting; mini-bus taxis; social issues; and marketing. These priority issues should inform the regeneration plans for the Inner City.

The survey of businesses indicates that although the situation deteriorated dramatically at one stage, it is now starting to turn. Less than a third of respondents felt that the management, cleanliness and orderliness of the City Centre had not improved over the previous year. Again less than a third were not optimistic about the prospects for the Inner City. This indicates that there is
still much goodwill amongst residents and businesses that can be capitalised upon in the regeneration of the area. The steps associated with the BIDS have already borne much fruit and the future plans hold much promise for real development.

The regeneration of the Inner City

Johannesburg has several key competitive advantages which should underlie a strategic framework for the economic development of the city and its Inner City. These include:

- Johannesburg is the economic centre of South Africa and contributes 11% to national GDP;
- It is the financial capital of sub-Saharan Africa with the largest concentration of foreign banks of any city, and houses Africa’s largest stock exchange;
- Greater Johannesburg is the largest city in South Africa with a population of around four million people, surrounded by a densely populated industrial hinterland;
- Johannesburg is a truly international city with a variety of international organisations, multinational corporations and global financial intermediaries;
- It is the prime tourist and shopping destination for South Africa’s 5.2 million annual tourists (4.1 million from Africa); 83% of all tourists who fly into South Africa do so through Johannesburg International Airport and 66% of those spend three days or more in the city;
- Johannesburg has by far the busiest airport on the African continent and services all major international destinations – it is becoming the gateway to sub-Saharan Africa;
- Johannesburg is the provincial capital of Gauteng (the economic powerhouse of South Africa), and hosts the provincial government;
- It is the locus of higher education in Africa with a large number of universities and colleges, both local and international;
- It is widely regarded as the cultural hub of South Africa with a large number of theatres, museums, galleries, dance, drama, instrumental and vocal companies, and other entertainment venues;
- Johannesburg is the most important information technology centre in Africa.

Within Greater Johannesburg, the Inner City represents the city’s most vibrant and cosmopolitan asset – it is the heartland of the city.

The Inner City is the economic pulse of Johannesburg. It is the link between all Johannesburg’s constituent parts and Greater Johannesburg relies on its well-being. A recent report by the Centre for Development and Enterprise in fact implies that too much attention has been focused on the Inner City. However, this underestimates the importance of this area for the well-being of the rest of the city’s economy. Also, the CBD is not being revived at the expense of the northern suburbs.
The Greater Johannesburg Metropolitan Council (GJMC) has long recognised the critical importance of strengthening local economic development in the city, and has included the Inner City as one of its planned Priority Intervention Zones. Furthermore, it acknowledges the need for public sector-led intervention in areas of significant municipal and provincial importance, or where substantial council or provincial assets exist.

Given the importance of economic growth in assisting Johannesburg to achieve its target of attaining 'African world-city status', the city needs a new vehicle (such as an urban development corporation) that can carry out development activities more efficiently and effectively. The Johannesburg Development Agency (JDA) is the city's response to these challenges.

The JDA provides an activity focus for the partnership of stakeholders who have an immediate vested interest in the economic well-being of the city.

These partners include the GJMC, the Gauteng Provincial Government (GPG) and its investment arm Blue IQ, the private business community, the non-governmental organisation sector, and educational and cultural institutions. The City Centre focus will also capitalise on the past three years of building relationships, formulating and implementing projects with the Central Johannesburg Partnership (CJP) and Johannesburg Inner City Business Coalition (JICBC), and facilitate the maintenance of future linkages.

Specifically, the purpose of the JDA is to:

- Promote economic development for the City (in the form of jobs and wealth creation) as its prime objective;
- Use City assets as inputs (especially under-utilised assets, land, property);
- Use City leverage as inputs (especially regulatory powers and finance);
- Create a formal link to the private sector to facilitate the establishment of Public-Private Partnerships;
- Respond to private sector preferences that necessitate the creation of a separate entity for sustained and/or increased partnership and involvement.

By vesting developmental responsibilities for certain projects, areas and sectors in the JDA, the new GJMC core administration will be able to concentrate on getting the basics right — institutionalising the new unity governance structure, and ensuring equitable and improved service delivery across the city.

The raison d'être of an Inner City Urban Development Corporation (UDC) is developmental. There are specific areas where it has the potential to perform better and add more value than other options, namely promotion, co-ordination, customer focus, finance, independence, complex projects and programmes, fast-tracking decisions, asset development and management, and speedier timeframes.

In other words, it can act outside the bureaucratic parameters of the Greater Johannesburg Metropolitan Council (GJMC) and respond more effectively to business needs. There are a number of critical design principles and expectations that should underpin the design of an Inner City UDC: a high performance organisation structured for high productivity; incentivised staffing remuneration; lean 'core' administration supported by technical expertise; flexibility in operations built around a multi-disciplinary team; and tight monitoring and evaluation of activities, projects and programmes against agreed targets and indicators.

As an urban development corporation, the JDA's project development roles will include the following:

Among the various regeneration projects which hold opportunities are the upgrading of the Inner City's railway stations and environs, including development of an inter-modal transport interchange and manufacturing, market and commercial retail opportunities.
Project packaging, facilitation, management and leadership, including formation of public and/or private partnerships for large scale projects;

- Establishing Special Purpose Vehicles (SPVs) and/or associated companies to carry out specific projects, limit risk and meet project financiers' requirements;
- Acting as developer on catalyst projects, to be either sold on or held within the JDA's portfolio to provide income streams;
- Marketing, promotion and communication for projects, sectors and locales;
- Co-ordination of public, private and civil society elements;
- Provision of venture capital and development finance, and taking returns on investment commensurate with risk;
- Acting as an agency on behalf of the GJMC, the Gauteng Provincial Government and other stakeholders to provide transactional and asset management services.

There are two specific projects that are of strategic importance in the revitalisation of the City Centre. The development of the precincts at Constitution Hill and Greater Newtown will be flagship projects of the JDA's programme in terms of their national and international profile, their levels of public and private investment, and their contribution to boosting the confidence and image of the City Centre. Blue IQ, the Gauteng Provincial Government's multi-billion rand infrastructure development vehicle, is a partner in both these initiatives.

**Constitution Hill Precinct**

The Constitution Hill Precinct is located between Braamfontein and Hillbrow (just to the north of the CBD), and comprises up to 95 000 m² of publicly owned land and properties. It hosts important heritage buildings, including the Old Fort, Section 5 ('Native Gaol') and the Women's Prison. Part of the site is to be developed for the new Constitutional Court. A significant proportion of the site has good potential to be developed for commercial office use. The largely vacant historic buildings have to be preserved and given uses that complement and enhance the possibilities of this important site. Given its historical significance it has potential as a tourist site.

Capital finance has been allocated from the Department of Justice for the Court, and the Gauteng Provincial Government for infrastructure. GJMC has programmed a capital allocation for precinct development subject to budget approval.

The JDA will be initially responsible for creating an integrated strategy, programme and development vehicle for the precinct. By structuring the correct development vehicle, the project can accrue the benefits of private sector investment through developing commercial offices in the precinct, increasing the city's rates base, creating jobs and increasing its development impact. Depending on how the project is structured and phased, the private sector development component of the precinct could realise investment of between R240-R400 million. The JDA will then manage the project via the special purpose vehicle until completion.

**Greater Newtown Precinct**

Considerable effort has gone into planning and providing infrastructure to realise the potential of the Greater Newtown precinct. The JDA will initially be responsible for creating a development vehicle for the regeneration of the area and creating a viable cultural and creative industries precinct. This structure will form the channel for capital investment, development of Council and (potentially) privately owned land and properties, urban management, infrastructure development and management, and marketing and promotion. Capital finance has been programmed from the GJMC for public infrastructure and the GPG.

Greater Newtown has an immense role to play in the regeneration of the inner City as the cultural and creative hub of the city. It currently houses the world famous Market Theatre as well as numerous museums and cultural venues. It is in severe disrepair but its strategic location adjacent to the banking and mining houses makes it a pivotal point in the redevelopment of the city.

South Africa is only now becoming aware of the potential role of culture in economic development. Cultural industries have played an important role in urban revitalisation in Europe and America. Cultural industries have also had large multiplier effects which benefit restaurants, retailers and so forth. By way of example, the theatre industry in New York City, centred in Times Square, contributes over $2.3 billion to the economy of NYC and supports over 25 000 jobs. The spin-off effects are immense, with one fifth of New York City's hotel rooms to be found in Times Square, as well as 277 eateries and major retailers.

Key themes or areas for potential cultural tourism in South Africa include ethnic tourism, political tourism, arts and crafts, food and drink, and heritage circuits. Johannesburg is uniquely positioned to exploit all these facets with the Newtown Cultural Precinct representing the focus of such a programme. Ethnic and cultural tourism can be exploited in the area around the Ma-Mai bazaar, while Pageview/Fordsburg offers opportunities in political tourism. The potential for heritage tourism can be found in the numerous Art Deco buildings in the Inner City, gay tourism centred around Braamfontein, and sports tourism around Ellis Park.

The Newtown project also entails a number of mixed-income housing projects to create middle and working-class housing, underpinned by a social housing programme. These projects have proved to be enormously successful with 100% occupancy rates. The JDA wants to see about 5 000 units in the Newtown area within a couple of years. This is an essential element of creating a 24-hour city. Residential vacancy rates are on the way down in many parts of the Inner City and residents have voiced their approval of attempts to clean up the city.

In addition there are various other regeneration projects where the JDA could, in terms of its specific mandate, be responsible for development co-ordination to realise opportunities in:

- Upgrading Faraday Station and environs, including development of an inter-modal transport interchange and manufacturing, market and commercial retail opportunities.
- Upgrading Jeppe Station, with associated transport, market and retail facilities, and linked housing opportunities.
- Supporting the expansion of Jewel City and Garment District, by facilitating integrated development, introduction of a City Improvement District and environmental upgrade. Jewel City comprises 40 000 m² of factory and office space, housing 80% of Gauteng's diamond and jewellery industry.
- Strengthening the Wits-Braamfontein Corridor, a partnership between the University of the Witwatersrand, Braamfontein stakeholders and community, as well as facilitating the establishment of a City Improvement District. The JDA will also support the development of the Wits Cultural Campus to strengthen connections to the Civic Theatre and Constitution...
Hill, and to Greater Newtown. The long-term vision is to create a cultural arc from the constitutional precinct to the immediate north, the civic theatre to the immediate west, the university’s cultural precinct just to the west, the gay heartland adjacent to the university, and then through a new bridge to the Newtown cultural precinct to the south.

These are some of the ambitious plans to reinvigorate the City Centre around. Another important dimension is the intention to extend the BID areas to cover the entire JDA geographical area. To ensure success it is essential that the JDA set clearly defined performance criteria against the goals outlined by the Founding Shareholders:

1. To create jobs, development and housing opportunities in the City Centre;
2. To increase the rates base of the City Centre;
3. To boost Johannesburg’s image as a place to live, invest and visit through national and international recognition of the transformation of the City Centre;
4. To respond to and realise the aspirations of the whole population of Johannesburg as regards the quality of services and opportunities provided to them in the City Centre.

It is critical to continually monitor what progress is being made towards achieving the vision of urban renewal. A clear set of relevant key performance indicators will be utilised in the setting of performance targets for the JDA. These indicators are in line with the goals outlined by the Founding Shareholders. The management of the JDA will be accountable to ensure it fulfils its founding goals and vision and needs to keep these key performance indicators in mind throughout its operation.

Conclusion

The African renaissance is heavily dependent on South Africa’s development performance, which cannot happen without Johannesburg’s success, and this is unlikely without the regeneration of the Inner City. The decay of the Inner City has been dramatic and rapid and the intervention needs to be likewise. There are many international examples of cities which have faced the same predicament as that of Johannesburg and which have, with concerted effort, becoming thriving centres again. However, this cannot happen without substantial intervention because it appears that the market has dismissed the Inner City.

The regeneration plans outlined are not intended to deny the city’s ‘Africaness’ but rather to make sure that it is a flourishing, well-managed, 24-hour centre. This in fact necessitates that we exploit and market its very ‘Africaness’. Johannesburg has the potential to be Africa’s great city and the JDA will be the custodian of this vision.

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Notes & references

2. Johannesburg was often referred to as ‘Little New York’ and the ‘Wonder of the Empire’. Ibid.
3. The construction boom is partly accounted for by the increasing isolation of the South African economy as a result of the growing unrest in the country following the riots at Sharpville. The government resorted to increasing foreign exchange controls as well as import and export controls. This meant that there were few avenues available for investment. This saw the rise of very diversified conglomerates which were the main investors in the construction boom.
4. Unfortunately these same banks have red-lined these areas and are reluctant to make loans for property in the Inner City.
5. Already by the late 1970s landlords in the Inner City were finding it difficult to fill their apartments with white residents and many apartments stood vacant. In fact in 1985 it was estimated that there was a surplus of 20 405 dwellings for whites in Johannesburg whilst a tremendous backlog existed for blacks. Landlords, in an attempt to remain solvent, started forcing laws prohibiting black residents in white areas and the Inner City became a mixed area. Cited in O’Crakshaw and C. White, Racial desegregation and Inner City decay in Johannesburg, International Journal of Urban and Regional Research, vol 19, no 4, 1993, p 629.
7. This is partly accounted for by the lack of adequate housing in the townships and the large influx of migrants from the rest of Africa.
9. There are 35 000 residential apartments in Central Johannesburg which used to be for an occupancy of 60 000, but in 1995, the same number of apartments accommodated 110 000 people as a result of overcrowding. AL Mabel, 'Impact of change of economic activity on planning for the environmental regeneration of central Johannesburg: A case study of a Third World metropolis', MSc in Development Planning, University of the Witwatersrand, 1999, p 27.
14. There has been much written about the nature and definition of world cities. This lies beyond the scope of this paper but suffice it to say that Johannesburg was initially classified as a world class city of secondary status by one of the foremost experts on the subject, John Friedmann, who subsequently withdrew his classification. The result was that no city in Africa qualified for world city status. See P. Knox and P. Taylor, World Cities in a World System, Cambridge: Cambridge University Press, 1993, P. Lo and Y. Yeung, Globalization and the World of Large Cities, Tokyo: United Nations University Press, 1998.
15. This session is based upon Tomlinson and Rogerson 1999.
18. Trade liberalisation has been the catalyst for this trend as it has led to a flood of cheap clothing imports which is aimed primarily at the informal market.