

## In a township, far, far away

Gauteng's economic planners have been focused on the metropolitan core for decades, but what if they've been looking in the wrong place to invest?

BY TIANA CLINE



Sometimes it feels like no matter where you drive in Gauteng, there's another shopping mall being built. And they're not just sprouting in major hubs like Sandton, Midrand and Rosebank; there are smaller towns on the outskirts of the city that all have centres anchored by the same five or six national retailers. This isn't a coincidence. Economic planning in South Africa is premised on the concept that growth happens in the metropolitan core, that Johannesburg, Tshwane and Ekurhuleni is where investment is centred, where jobs are created and where people want to live. According to Ngaka Mosiane, a senior researcher

at the Gauteng City-Region Observatory (GCRO), there was an unwritten expectation that the peripheral areas would empty out as people moved toward opportunity. "Those are the sites of innovation, and they attract capital investment and all of that," says Mosiane. "What has actually happened is a direct opposite of that." After 1994, with mining already in decline, the assumption was that people in rural areas and former homelands would migrate toward the metropolitan cores, drawn by jobs and opportunity. The Centre for Development and Enterprise, a business-funded research institute, published



a policy document in 1998 arguing exactly this point, that incentives should pull people toward cities rather than encouraging investment further out. But over the past two decades, in what Mosiane calls the “far periphery”, people have been building substantial homes in townships, villages and areas under traditional authorities, where land is significantly cheaper, and where, in many cases, rates and taxes are not collected. Retail, banking and insurance have followed, setting up in places that conventional economic planning had written off as having little consumer potential. “A significant number of people choose to live in a shack or back room in the centre, but have a mansion back home in the rural areas,” he says. “Living in the city is no longer the aspiration.”

Social grants and access to credit have created stable consumer markets in the far periphery, and business recognised this long before the government did. Shoprite built its model around accessing lower income consumers and their grants, while Capitec extended credit into communities that formal banking had largely ignored. Says Mosiane: “Insurance companies penetrated the burial societies and formalised them.” They adapted their products to how people in these areas actually manage their finances, allowing for flexible payment schedules rather than rigid monthly premiums. What emerged in town after town was a new kind of community hub, somewhere to collect a grant, open a bank account, buy groceries, access services and find work, in areas that economic planning had long written off as having little consumer potential. “Shopping malls, to a large extent, become development centres,” says Mosiane. “For every mining shaft that closes in Rustenburg, there’s a shopping mall that replaces it.”

For Mosiane, the centre and the far periphery aren’t opposing forces, but a connected system. The same people driving the shopping mall boom on the edge are often the ones commuting into Gauteng for work. Money earned in the city flows outward into housing, local retail, fashion and transport in places that planning still treats as secondary. “Think about them as one space,” says Mosiane. “People are living there but still very much connected to the centre.” His maps make the mismatch impossible to ignore, showing

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◦ Ngaka Mosiane, Gauteng  
City-Region Observatory

dense concentrations of people and household investment in places the policy map still treats as peripheral, and forcing uncomfortable questions about where, and for whom, infrastructure, services and capital are being directed.

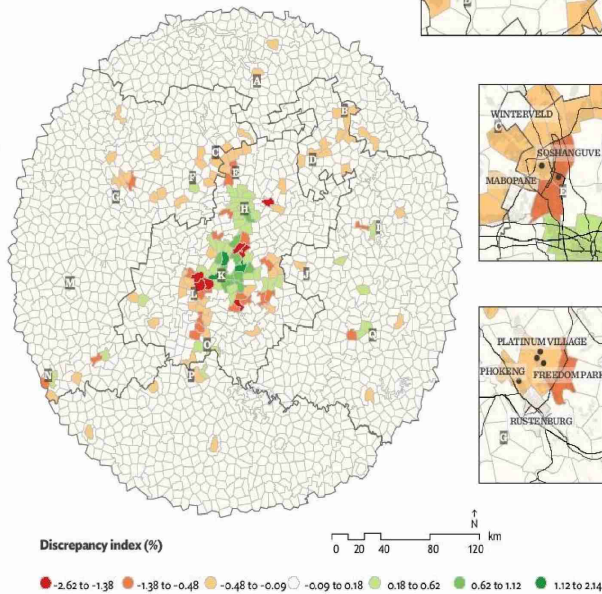
What’s missing is a planning framework that reflects any of this. Infrastructure decisions, transport investment and service delivery still follow a city-centric logic that struggles to justify spending where populations are more dispersed. The proposed Moloto Rail Development Corridor aims to connect Tshwane with rural communities and municipalities in Mpumalanga.

Mosiane says the Treasury declined to fund it because the numbers only worked if people were assumed to be moving toward

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**Share of economy and infrastructure against share of population per mesozone**

- |              |                |               |
|--------------|----------------|---------------|
| A Bela-Bela  | G Rustenburg   | M Ventersdorp |
| B Siyabuswa  | H Pretoria     | N Klerksdorp  |
| C Winterveld | I Emalaheni    | O Vereeniging |
| D KwaMhlanga | J Delmas       | P Sasolburg   |
| E Soshanguve | K Johannesburg | Q Secunda     |
| F Brits      | L Soweto       |               |



**MISMATCH**

Gauteng is broken down into 7x7km polygons. Each measures economic activity against population. Green means relatively high investment per person. This is reversed in red areas. Policy and academic thinking have long treated the metropolitan core as the only real engine of growth, but investment has been moving outward for decades. The connection to the urban core never disappeared, through jobs, commuting and migrant labour, but the periphery developed its own economic logic.

GCR0

**“For every mining shaft that closes in Rustenburg, there’s a shopping mall that replaces it.”**

the city. “The cost-benefit analysis didn’t work,” he says. “You cannot make such huge investments for a small number of people, compared to if you were doing it in the core.” The models still assume inward movement, but the lived economy shows outward investment. Planning decisions are being made on the basis of a population pattern that no longer exists.

The GCR0’s maps simply show where people live, where money is being made and where it’s being spent. What they don’t do is line up with the city-obsessed story that policy-makers and planners have been telling themselves for the past three decades.

“This map has gone against the grain,” says Mosiane. “We were thinking in 1994 that the map will always take this shape, but it represents not just economic activity, but the homes people are building, the malls going up, the investments that nobody in government anticipated.” For businesses and planners still anchoring their strategies around the metropolitan core, the data is telling a different story. The far periphery has been building its own economy for decades, with or without a policy framework that recognises it exists. “Our planning policy has to also be relevant to people,” says Mosiane. “People are taking responsibility in their own hands.”