

URBAN ECONOMY



Keeping Joburg moving

Johannesburg's transport networks, infrastructure, and finances are under severe pressure. Yet the city's economic weight and considerable institutional assets mean that **restoring its performance** could deliver benefits far beyond its boundaries.

By Ebrahim Moolla

A working traffic light does not make headlines. Neither does a repaired water pipe, a reliable bus route, or a municipal account paid on time.

Yet these ordinary systems create the predictability on which a successful city depends. When they work, employees reach their jobs, deliveries arrive on schedule, businesses can plan and investors can make decisions with greater confidence. When they become unreliable, costs accumulate across the economy.

That is the concern raised in *Joburg in Jeopardy*, the first report in the Centre for Development and Enterprise's new Johannesburg Matters series. "Johannesburg is the one municipality whose failure would make national success impossible," says CDE executive director Ann Bernstein, who argues that the city's performance has become a matter of national economic importance.

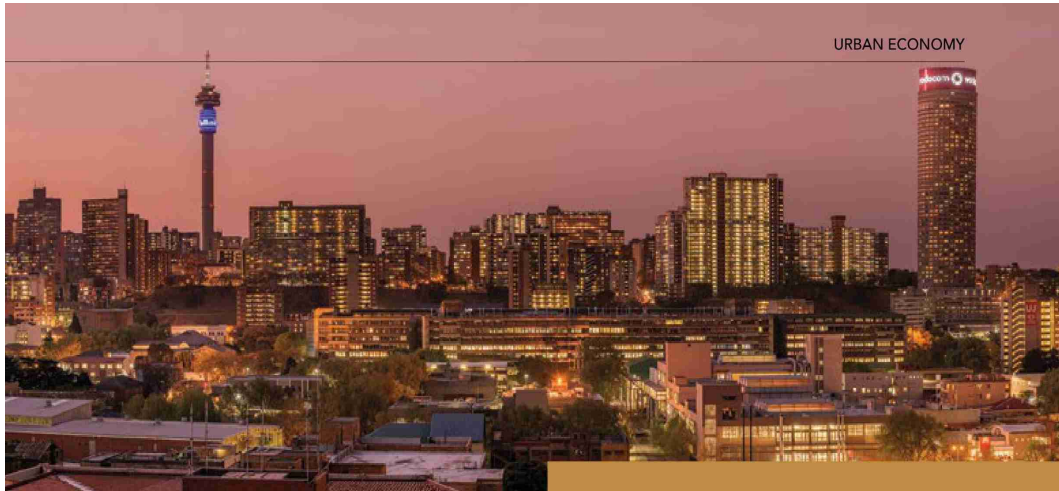
The report is deliberately urgent, but not an argument that Johannesburg is beyond repair. Its extraordinary concentration of businesses, financial expertise, educational institutions, entrepreneurs and working-age residents gives it a substantial platform from which to recover.

The question is whether its government can again provide the basic conditions that allow those strengths to translate into growth and opportunity.

An economy with national reach

According to CDE, Johannesburg hosts 70% of South African company head offices. Approximately 1.91 million people are employed in the city, representing about 11% of the country's jobs.

Johannesburg is also an exceptionally important



source of public revenue. CDE calculates that the city generates 21.8% of the personal income tax collected nationally, while Gauteng as a whole contributes approximately 47%.

These figures help explain why improving Johannesburg matters beyond its municipal boundaries. More reliable infrastructure would reduce operating costs for businesses, support property development and make it easier for employers to connect with workers across the city.

Johannesburg is not a single, uniform economy. It extends across more than 1 600km² and contains numerous commercial centres, including Sandton, Rosebank, Midrand, Fourways, Randburg and Roodepoort. This distribution has given the city a degree of resilience even as its traditional centre has deteriorated.

Businesses and households have also proved highly adaptable, investing in solar power, water storage, private security and alternative working arrangements to keep economic activity going. But that adaptation comes at a price. Money spent compensating for unreliable public services cannot be invested elsewhere, and lower-income households and smaller businesses have far less capacity to make private provision.

Improving municipal performance would therefore do more than remove daily inconvenience. It would release resources currently being spent on managing uncertainty.

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Friction in the network

Transport offers one of the clearest illustrations of the relationship between city services and economic opportunity.

Johannesburg's residential areas are frequently located far from its main employment centres. Roads and public transport are therefore essential economic infrastructure, determining how easily people can reach jobs and how efficiently goods can move through the city.

CDE puts Johannesburg's road-maintenance backlog at R90 billion and its bridge-maintenance backlog at a further R37 billion. Between July and December 2025, residents reported 23 572 potholes to the Johannesburg Roads Agency, an average of almost 3 900 a month. In the final quarter of that year, approximately 55% of the city's traffic lights experienced faults.

Each disruption adds friction. Unpredictable journeys complicate logistics, increase vehicle costs and reduce the productive time available to businesses and workers.

For lower-income residents, the effects are particularly pronounced. The report, drawing on Gauteng City-Region Observatory research, says the average Johannesburg household spends 29% of its income on transport. In townships and peripheral areas, the proportion can exceed 40%.

This reflects the persistent distance between where many people can afford to live and where jobs are concentrated. In the Rosebank-Sandton corridor, CDE notes, there are as many as 15 000 jobs per square kilometre. Parts of Soweto have fewer than 500 jobs per square kilometre despite accommodating a much greater concentration of working-age residents. The city's own unemployment rate, 35.9% in the second quarter of 2026, reflects how much of that mismatch remains unresolved.

Public transport should help close this distance. Rea Vaya was created to provide a more integrated alternative, but the bus rapid-transit system has experienced financial pressure, missed targets, payment disputes and the suspension of some feeder services.

Restoring these connections could have a direct economic effect. More reliable and affordable transport would expand the range of jobs residents can reach, give employers access to a larger labour pool and reduce the amount of household income consumed by commuting.

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Pressure across the system

The transport challenge forms part of a wider infrastructure problem.

Johannesburg Water has identified an infrastructure-renewal backlog of R26.6 billion. The utility replaces between 60km and 70km of pipe annually across a network extending more than 12 500km. CDE argues that the present replacement rate is insufficient to keep pace with the ageing network. Around 45% of the water pumped into that network generates no revenue for the city, lost to leaks and illegal connections.

The electricity infrastructure backlog is estimated at R44 billion. Between July and December 2025,

Johannesburg recorded 54 132 power outages, including 105 high-voltage failures, with cable theft and vandalism accounting for approximately one-fifth of those outages. Separately, CDE estimates that nearly 30% of the electricity distributed across the city is lost to theft and faulty metering, revenue that never reaches the utility at all.

Addressing these backlogs will require substantial financial and administrative reform as much as engineering expertise. According to figures cited in the report, Johannesburg owes creditors R25.2 billion but holds only R3.9 billion in cash and cash equivalents. More than 80% of its municipal debtors' book is reportedly considered irrecoverable.

Eliminating every backlog at once isn't realistic. What matters is credible priorities, reliable revenue collection and a long-term maintenance programme capable of preventing further deterioration.

Visible improvement may begin with relatively unglamorous measures. Fixing billing problems, protecting essential infrastructure from theft, repairing high-impact routes and directing capital spending towards maintenance would do more than any new flagship project.

Creating the conditions for recovery

CDE identifies political instability as a central cause of Johannesburg's difficulties. Since 2016, the city has had nine mayors and eight coalition administrations, with no mayor completing a full five-year term.

Political stability would not automatically produce competent government; a stable administration can still tolerate poor appointments or pursue the wrong priorities. But repeated changes in leadership make sustained planning extremely difficult, rewriting strategies, contesting appointments, and leaving long-term programmes vulnerable to short-term political bargaining.

CDE argues that recovery will require stable and capable leadership following the local elections, together with a rebuilding of the municipal administration. It also calls for greater involvement from national government and partnerships with business, universities and civic organisations.

The City has not directly addressed CDE's findings. Mayor Dada Morero has, however, pushed back on the broader narrative of infrastructure collapse, arguing in June that framing the city's problems as an inevitable crisis obscures deliberate efforts to undermine it, while ANC figures have pointed to the DA-led coalition that governed Johannesburg from 2016 as the source of much of the current dysfunction. Independent voices have largely sided with CDE's assessment. Business Leadership South Africa chief executive Busi Mavuso raised similar concerns in June, after the City missed a payment deadline on its debt to Eskom, pointing to chronic late payment of suppliers and a pattern of under-collecting the revenue the City itself has budgeted for.

Johannesburg has a strong base from which to build such partnerships. Its private sector contains deep financial, managerial, and technical expertise, while community organisations already play important roles in maintaining public spaces and improving neighbourhoods.

These partnerships cannot replace accountable local government. Their value lies in combining outside expertise and resources with a municipal administration able to set priorities, implement agreements and account for public money.

Recovery here will not come from a single project or political term. It will show up as consistency, infrastructure maintained before it fails, revenue collected reliably, and journeys across the city that residents and businesses can actually plan around.

Johannesburg remains South Africa's largest commercial centre and one of its most important concentrations of people, capital and enterprise, which is exactly why its difficulties carry consequences far beyond its own borders. ■

