JOHANNESBURG MATTERS

FIXING SOUTH AFRICA'S GROWTH ENGINE

6

Joburg Needs Faster Growth



JOHANNESBURG MATTERS

FIXING SOUTH AFRICA'S GROWTH ENGINE

About CDE

The Centre for Development and Enterprise (CDE) is an independent policy research and advocacy organisation. It is South Africa's leading development think tank, focusing on critical development issues and their relationship to economic growth and democratic consolidation. Through examining South African realities and international experience, coupled with high-level forums, workshops and roundtables, CDE formulates practical policy proposals outlining ways in which South Africa can tackle major social and economic challenges. CDE has a special focus on the role of business and markets in development.

Johannesburg Matters: Fixing South Africa's Growth Engine

Series editor: Ann Bernstein

Reports in the **Johannesburg Matters** series are based on commissioned research, intensive internal research and wide-ranging consultations with experts and stakeholders. This document and the other reports in the series are available from CDE and can be downloaded from **www.cde.org.za**.

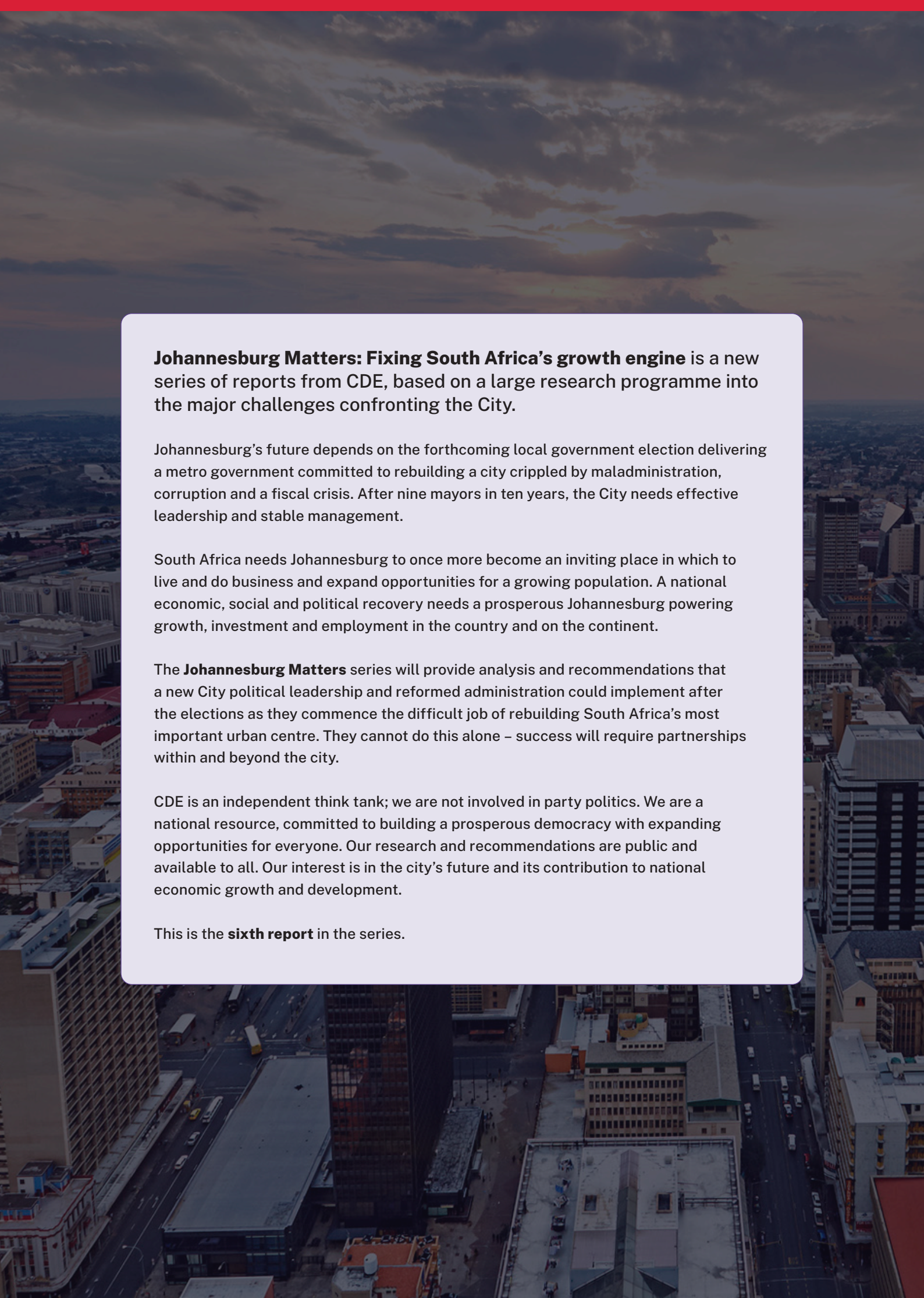
Report Six: Joburg Needs Faster Growth has been written by a CDE team under the leadership of executive director, Ann Bernstein, and research director, Stefan Schirmer. CDE acknowledges with gratitude the assistance and support of a wide range of experts and business leaders who commented on versions of this report.

Research and analysis for this report were prepared by PricewaterhouseCoopers Inc. (PwC) for CDE. CDE supplemented this with its own research and analysis. The views, conclusions and recommendations in this report are those of CDE.

CDE

Photo credit: Allan Baxter, Getty Images

October 2026



Johannesburg Matters: Fixing South Africa's growth engine is a new series of reports from CDE, based on a large research programme into the major challenges confronting the City.

Johannesburg's future depends on the forthcoming local government election delivering a metro government committed to rebuilding a city crippled by maladministration, corruption and a fiscal crisis. After nine mayors in ten years, the City needs effective leadership and stable management.

South Africa needs Johannesburg to once more become an inviting place in which to live and do business and expand opportunities for a growing population. A national economic, social and political recovery needs a prosperous Johannesburg powering growth, investment and employment in the country and on the continent.

The **Johannesburg Matters** series will provide analysis and recommendations that a new City political leadership and reformed administration could implement after the elections as they commence the difficult job of rebuilding South Africa's most important urban centre. They cannot do this alone – success will require partnerships within and beyond the city.

CDE is an independent think tank; we are not involved in party politics. We are a national resource, committed to building a prosperous democracy with expanding opportunities for everyone. Our research and recommendations are public and available to all. Our interest is in the city's future and its contribution to national economic growth and development.

This is the **sixth report** in the series.

Joburg Needs Faster Growth

Introduction

Johannesburg is South Africa's most important economic centre, home to the country's largest concentration of businesses and financial institutions. What happens to Johannesburg matters not only for its residents but also for the whole country. Yet over the past decade, the city's decline has increasingly undermined its economic potential. Failures in municipal government have made Johannesburg a difficult place in which to do business, invest, find employment and build a secure family life.

Getting Johannesburg growing again is essential. Economic growth is needed to generate the revenue that the municipality requires to repair and expand infrastructure, improve services and stabilise its finances. Without faster growth, Johannesburg cannot create the jobs needed to expand opportunities for its residents. And without a growing Johannesburg economy, growth prospects for the country as a whole are hamstrung.

> **"Reviving Johannesburg's economy is essential to the city's recovery and South Africa's economic future. Growth matters for the millions of people who live in Johannesburg and those who might move there in search of better opportunities."**

What should a new administration do to achieve economic growth faster than the inadequate 1 per cent a year recorded over the past 11 years? Faced with multiple crises and limited resources, a new administration will need to make difficult choices about what to prioritise. There is no alternative but for the City to start by fixing the basics. Restoring reliable services, beginning to reduce the City's massive infrastructure backlog, rebuilding municipal institutions, combating corruption and stabilising its finances must be the priorities. Businesses and investors need a city that works. Until Johannesburg restores its basic functions, municipal failure will continue to constrain investment, business expansion and job creation.

Despite its deterioration, Johannesburg still has considerable economic strengths, including a large corporate sector, deep financial markets, skilled and enterprising residents, several universities and training institutions, and a growing working-age population. These provide a strong foundation on which to build.

Reviving Johannesburg's economy is essential to the city's recovery and South Africa's economic future. Growth matters for the millions of people who live in Johannesburg and those who might move there in search of better opportunities.

This report describes the current picture and sets out what a reforming administration should do to get Johannesburg's economy growing again if it were to come into office after the local government elections.

Johannesburg's economy

Joburg residents are getting poorer. The city's economy has barely grown for more than a decade, and when population growth is taken into consideration, average per capita GDP in the city has fallen from R99 858 in 2013 to R95 737 in 2023 (in real terms). This is a 4.1 per cent deterioration over a decade. [1]

Employment has performed even worse. By the second quarter of 2026, the city's official unemployment rate had reached 35.9 per cent, the highest of any metro and above the national rate of 33.6 per cent. During the one-year period ending in June 2026, Johannesburg lost approximately 90 000 jobs, while Cape Town added 57 000.[2]

A longer-term assessment of formal employment creation in Johannesburg, covering the period 2014 to 2024, reveals that full-time employment in Johannesburg grew by only 11.5 per cent, compared with 13.6 per cent nationally.[3]

In inflation-adjusted terms, private and public investment in Johannesburg is significantly less now than a decade ago. Gross fixed capital formation in constant prices fell from about R95.4 billion in 2014 to R79.2 billion in 2024.[4] This is an indication of rising infrastructure backlogs and a slowdown in construction.

Despite this poor performance, Johannesburg retains considerable economic assets. It is home to 70 per cent of South Africa's major corporate head offices, banks and asset managers, alongside a large professional services sector.[5] The Johannesburg Stock Exchange is by far the largest in Africa.[6] The Gauteng City Region, in which Johannesburg is situated, is home to Africa's leading science and technology cluster.[7] Its universities, research institutions, skilled workforce and digital infrastructure provide a strong base for innovation and the development of new businesses.

The city has a diverse economy, ranging from major financial and professional services firms to manufacturers, retailers, logistics companies and informal enterprises. Finance, real estate and business services have come to dominate Johannesburg's economic composition over the last decade, rising from 35.6 per cent of Johannesburg's gross value added (GVA) in 2014 to 41.1 per cent in 2024.[8] The manufacturing sector, by contrast, has continued to decline, falling from 15.1 per cent to 12.7 per cent of the city's GVA over the same period.[9] This is particularly troubling in a city that desperately needs to create more jobs.

> **"Johannesburg is the epicentre of Gauteng, connecting South Africa's major industrial and commercial centres through extensive road, rail and logistics networks, with links to the country's ports, neighbouring countries and international markets."**

Mining of the Witwatersrand reef, which was once central to the area's economic identity, now contributes less than 1 per cent of GVA. Between 2014 and 2024, formal mining employment declined by over 15 per cent to only 18 725 full-time employees.[10] The historic mining belt (mainly along the southern and western edges of the city), is a region in decline, although illegal miners or 'Zama Zamas' operating in dangerous conditions, continue to extract some wealth from beneath the city's surface.[11]

Economic activity and people are unevenly distributed across Johannesburg. For instance, the affluent Rosebank-Sandton corridor hosts up to 15 000 jobs per square kilometre, with under 1 000 working-age people per square kilometre living there. In stark contrast, Soweto has less than 500 jobs per square kilometre, but up to more than 40 000 working-age people per square kilometre.[12]

Businesses in the northern commercial centres (regions A, B and E, see map below) draw on skills from those regions and on other workers from townships and peripheral areas, while logistics, manufacturing and trading activities depend on infrastructure and transport networks across

the city. The informal economy provides livelihoods for large numbers of residents, particularly in townships, informal settlements and the inner city. These businesses face many of the same challenges as larger firms but have fewer resources to cope with municipal failures like unreliable services and poor infrastructure.

Johannesburg has significant links to the outside world. The Globalization and World Cities Research Network ranks Johannesburg as a "very important world city that links major economic regions and states into the world economy", placing it alongside cities such as Boston, Berlin, Houston and Dublin.[13]

> **"The City can do much more to make Johannesburg a better place in which to operate a business, invest and create jobs."**

Johannesburg is the epicentre of Gauteng, connecting South Africa's major industrial and commercial centres through extensive road, rail and logistics networks, with links to the country's ports, neighbouring countries and international markets.

Johannesburg has also been described as an important and expanding inland port for cross-border trade. Research conducted in 2017 estimated that cross-border shoppers spent more than R10 billion annually in the inner city, especially, but not exclusively, along Jeppe Street, purchasing goods for resale in markets elsewhere on the continent.[14]

MAP OF JOHANNESBURG SHOWING THE SEVEN REGIONS OF THE CITY

Region A	Diepsloot, Kya Sands, Dainfern, Midrand, Lanseria, Fourways
Region B	Randburg, Rosebank, Emmarentia, Greenside, Melville, Mayfair, Northcliff, Rosebank, Parktown, Parktown North
Region C	Roodepoort, Constantia Kloof, Northgate, Florida, Bram Fischerville
Region D	Doorkop, Soweto, Dobsonville, Protea Glen
Region E	Alexandra, Wynberg, Sandton, Orange Grove, Houghton
Region F	Inner City, Johannesburg South
Region G	Orange Farm, Weilers Farm, Ennerdale, Lenasia, Eldorado Park, Protea South



Source: Pikitup, 2015

Johannesburg's growth prospects are shaped by the challenges facing South Africa as a whole. After fifteen years of lacklustre growth of around 1 per cent per annum, the national economy contracted by 0.2 per cent in the second quarter of 2026, following growth of just 0.4 per cent in the previous quarter.[15] The national economy has been negatively affected by deteriorating freight rail and ports, while high electricity costs, political and policy uncertainty continue to discourage investment. Fiscal stabilisation has limited government's ability to invest in infrastructure and other priorities, though some of those constraints may be softening now.[16] These and other national and global headwinds holding back the South African economy are serious challenges, largely beyond the control of a new municipal administration.

However, Johannesburg does have economic strengths on which to build. The City cannot resolve the country's wider economic problems, but it can do much more to make Johannesburg a better place in which to operate a business, invest and create jobs.

The City's current approach to growth is wrong

Johannesburg needs substantially more private investment if it is to create jobs and restore economic growth. Unfortunately, rather than focusing on actions designed to attract such investment, the current Johannesburg administration has proposed a growth strategy that looks to the state to reshape the economy via grand plans and expensive, ribbon-cutting projects.

Such strategies unrealistically assume a City with the money and administrative capacity to implement ambitious ideas. For example, Johannesburg's recently tabled and approved *Economic Growth Strategy* (September 2026) consists largely of an overly ambitious programme that fails to consider the City's glaring capacity constraints.

> **"New administration must focus almost all its energy and capacity on the multiple and complex challenge of restoring basic governance in the city."**

The City proposes to identify industries it wants to grow and develop new economic clusters and direct investment towards particular areas of Johannesburg. The strategy proposes almost 30 projects, with an estimated total cost of R111.47 billion over five years. These include a R1.5 billion international convention centre in Lanseria, a R2.14 billion film and clothing cluster, and a R546 million biodiesel production plant. The City expects private investors and donors to provide 98 per cent of the funding.

Even if the money could be raised, these projects would require considerable capacity to plan, coordinate and oversee. Yet the strategy itself explicitly recognises that its ambitious programme of new economic development projects can only be implemented successfully by a City with substantially more resources and administrative capacity than Johannesburg currently has. It nevertheless presents its plans as realistic and implementable.

Similarly wrong-headed are various provincial and City initiatives to promote small and/or township businesses.[17] A provincial example is the Gauteng Township Economic Development Act – signed in 2022 but not yet in force – which seeks to provide 'targeted government assistance,' to create township enterprise zones and to launch a R250 million Township Enterprise Fund.[18] The City's version of this is the Johannesburg Township Economies By-Law, gazetted in late 2025. It requires township businesses to register with the City by 17 January 2027, for reasons that are difficult to comprehend. The stated aim is 'to support township enterprises', but the approach creates new obstacles for the very businesses it is meant to help. It also singles out vaguely defined 'township enterprises' for special treatment, rather than creating a more open, dynamic city in which all firms will have a better chance to prosper.

Johannesburg needs a different approach.

CDE Recommendations

CDE's recommendations for how to accelerate growth in Johannesburg are built on three propositions. First, that positive change in the city will only take place if a determined, stable, reform-oriented political leadership emerges out of the 4 November elections. Second, that this new

administration must focus almost all its energy and capacity on the multiple and complex challenge of restoring basic governance in the city. Third, that work on a new economic vision and strategy for South Africa's leading business city should begin at the same time.

1. Johannesburg must fix the basics first

CDE's **Johannesburg Matters** reports (see the five previous reports, **here**) have set out the extent of the governance crisis across the city and offered carefully considered recommendations on how to tackle the looming threat of bankruptcy, the leadership and capacity problems across the administration, the dysfunction of the major City utilities, and the rampant corruption undermining service delivery and any concept of value for money.

This section explains why fixing these basic functions must be at the centre of any workable growth strategy for Johannesburg.

The City has little capacity to do anything else

A new administration will inherit a municipality in a precarious financial position, municipal entities that are not functioning properly, years of underinvestment and deteriorating infrastructure, a fractured relationship between residents and the City, and criminal networks that have profited from dysfunction and its perpetuation. Each of these challenges is deeply entrenched. They will require the City's new administration to focus on the essential task of making the city function. Doing so will demand almost all of the new leadership's capacity and resources, leaving very little for anything else. Diverting resources from these vitally important reform efforts will undermine the possibilities for turning Johannesburg around within a reasonable time.

Turning a doom loop into an upward spiral

Johannesburg's finances are currently trapped in a downward spiral (see CDE reports Joburg's Broken Budget **here**, and Powering Joburg's Turnaround **here**). Failing services drive away paying customers, reduce municipal revenue and leave the City with less money to maintain its infrastructure. As services deteriorate further, more customers leave, revenue falls and the City's financial position worsens.

Take City Power as an example. City Power is trapped in a doom loop. It cannot generate enough cash to maintain a decaying network, so maintenance is deferred, the network fails more often, losses climb, customers find alternatives and there is even less cash than before. Its internal overdraft with the City had reached about R19.1 billion by March 2026; its own estimate of the infrastructure backlog is R44.25 billion. The utility is no longer managing its assets. It is managing their decline.

A focus on fixing these challenges in Johannesburg Water, Pikitup, City Power and other trading entities will reverse this process. Reliable services, together with better billing and revenue collection, would help the City retain paying customers and increase its revenue. This would give the City more resources to maintain infrastructure and improve services. As services improve, more customers would be encouraged to stay and pay, strengthening revenue and allowing the City to make further improvements. In that context, businesses would be encouraged to expand, and new investors would be attracted to the city, raising the growth rate and improving the City's finances further. Growth begets growth and change starts to accelerate.

CDE 2026

Growth won't happen in a city in accelerating decline

Johannesburg's economy cannot grow while the city's dysfunction continues and worsens. When roads deteriorate, transport costs rise and supply chains become less efficient. When electricity and water systems fail, firms incur additional costs to maintain operations and absorb production losses. Municipal dysfunction therefore acts as an implicit tax on economic activity, raising costs while services deteriorate, making it difficult for businesses to survive, let alone expand.

In 2026, Dickon Hall Foods, until recently based in Southdale, closed its Johannesburg factory and transferred production to the Western Cape. This followed a period in which repeated water outages had disrupted production and contributed to a R17 million shortfall in expected profits.[19] In Selby, prolonged water shortages have left factories unable to operate and hundreds of factory workers without permanent or full-time work. Calgan Recliners, a furniture manufacturer in the area, employing between 700 and 800 people, spent more than R2 million on water storage to retain its insurance cover, money that could otherwise have been invested in expanding the business.[20]

> **"Johannesburg's economy cannot grow while the city's dysfunction continues and worsens. When roads deteriorate, transport costs rise and supply chains become less efficient. When electricity and water systems fail, firms incur additional costs to maintain operations and absorb production losses."**

Another example is the inner city. Despite its considerable potential, it has been left to deteriorate on many fronts: public safety has collapsed; buildings are unsafe, overcrowded and often hijacked by criminals; and services have failed. The head of the Johannesburg Property Owners and Managers Association warns that, in the inner city, prolonged electricity and water outages are undermining years of private investment in buying and renovating buildings. In one building, vacancy rates reportedly rose from 3 to 20 per cent in a couple of months, while another building reportedly lost 20 tenants in just one month.[21]

As a prominent civil society leader put it recently, in light of deteriorating roads, failing traffic lights and unreliable water and electricity supplies, "it's going to be very difficult for anybody to convince investors that it is viable to invest in Johannesburg in the long run".[22]

Municipal failure has particularly severe consequences for smaller businesses with limited resources and access to credit, which are often unable to compensate for unreliable services. This makes the City's restoration of services and infrastructure in poorer areas critically important.

Johannesburg cannot expect to retain the businesses and entrepreneurs it has, let alone attract the investment and the skills it needs, while conditions continue to deteriorate. You have to stop falling, before you can grow.

Fixing the basics will accelerate growth

Restoring reliable basic services would do more than prevent further economic decline. It would jumpstart growth by allowing Johannesburg's existing economy to become more productive and create new opportunities for businesses and workers.

One of the most immediate benefits would be higher productivity. Instead of losing an average of 20.6 hours every three months to power outages, the equivalent of two and a half working days, businesses would be able to operate with fewer disruptions, increasing production and serving more customers.[23] They would also spend less money compensating for municipal failures through generators, solar power systems and water storage facilities. These resources could instead be invested in expanding operations and employing more people.

Reliable services would make it easier to establish new businesses. Established companies may be able to afford to compensate for municipal failure (although ultimately these new costs are passed on to consumers), but the same is not true of smaller businesses and start-ups. The additional costs of unreliable services can prevent potentially viable enterprises from getting off the ground, particularly where access to capital is limited. A functioning municipality would lower these barriers and create more opportunities for entrepreneurship and employment.

Reliable electricity, water, and roads would reduce the time and money households spend dealing with these failures. This would improve living conditions, increase productivity and free up household income for other goods and services, allowing for more economic activity. The benefits would be greatest for poorer households, which cannot outsource municipal failure.

Better-functioning neighbourhoods would become more attractive places to live, work and invest, encouraging property development, small businesses and entrepreneurship. This would increase property values and help Johannesburg attract and retain skilled workers. Businesses and skilled people have choices about where to locate, and Johannesburg must compete with other cities to attract them.

> **"Restoring reliable basic services would do more than prevent further economic decline. It would jumpstart growth by allowing Johannesburg's existing economy to become more productive and create new opportunities for businesses and workers."**

These improvements would reinforce one another. As businesses become more profitable and expand, they create jobs, increase demand for goods and services, and generate opportunities for other businesses. This would encourage further investment, as businesses are more likely to invest in areas where others are already doing well. That investment creates more jobs and opportunities, encouraging further growth. A focus on turning around municipal failure will therefore lead to an upward growth spiral, jumpstarting Johannesburg's economy and setting it onto a path out of the doldrums in which it is currently trapped.

2. Other pressing challenges affect growth

A new administration must prioritise restoring basic services and rooting out corruption. Fixing all of this will take time and involve complicated political choices and dealing with the inevitable pushback from vested interests.

Of course, Johannesburg has a number of other major challenges that also affect the City's growth prospects.

Crime

High levels of crime have a debilitating effect on Johannesburg's economy. They increase the cost of doing business, discourage investment and make the city a less attractive place to live, work and visit. In many parts of the city, it will be extremely challenging to attract businesses, investors and skilled residents back until criminal activities are brought under control and the rule of law begins to be restored.

The Johannesburg Metropolitan Police Department, which has limited policing powers, mostly relating to traffic enforcement and municipal by-laws, is riddled with corruption. Rooting this out and building a credible and reliable institution will take time. On the other hand, tackling serious and organised crime depends largely on the South African Police Service, whose own failures have been brought into sharp focus by the Madlanga Commission. The City will need help in making significant progress on this front.

Housing shortages and sprawl

Providing adequate, well-located housing, particularly for low-income households, is a major challenge in all South African metros. And yet, it is vital if the city's economy is to expand.

Johannesburg needs to upgrade informal settlements, encourage and support greater densification in many parts of the city and especially old inner suburbs from Yeoville to Troyeville, which have been allowed to deteriorate badly. Getting the right mix of ownership and rental options as well as incremental upgrading is essential.

Turning the inner city away from neglect, criminality and decline into a vibrant investment opportunity is a big part of Johannesburg's challenge. The inner city, despite its considerable potential, has been left to deteriorate on a grand scale. The City's 2025/26 Integrated Development Plan describes an area struggling with deteriorating infrastructure, crime, hijacked buildings and urban decline.

> **"Turning the inner city away from neglect, criminality and decline into a vibrant investment opportunity is a big part of Johannesburg's challenge."**

National government is in the throes of moving away from an unaffordable housing policy and funding towards a different approach, hopefully involving more rental, more densification and effective upgrading options and faster distribution of title deeds to poorer people. But this is not yet an accepted new and robust policy with strong implementation and support for metro housing development. The private sector – from banks to specialised institutions and fintechs – can play a greater/significant role in different kinds of housing supply if the national government creates the right environment, rule of law, funding mechanisms, and incentives, and if the City does the same.

Affordability is a critical concern and links back to the importance of faster growth and expanding employment.

One of the main advantages of cities is that they bring people, businesses and jobs closer together. Yet many Johannesburg residents live far from the areas where employment is concentrated and face high transport costs to reach them. This limits their access to jobs and makes it harder for businesses to draw on the city's full labour force. Providing affordable housing options closer to areas where economic activities are concentrated will benefit businesses and poorer residents.

Better, cheaper transport links

More efficient and affordable public transport is a similarly critical ingredient in making the city a better place in which to do business. Long commutes and high transport costs act as a large implicit tax on the incomes of low-wage workers, which, in turn, puts upward pressure on wages in the city. Fixing public transport will require investment and coordination across national, provincial and local government. Buses are the key, in the view of Harvard's leading urbanist Ed Glaeser, but in Gauteng rail is also important. There are no quick-fix solutions. In time, the City will need to make difficult decisions about existing services, like the future of the struggling Rea Vaya system, while exploring other approaches to improving transport across the region, including ways to improve and lower the cost of privately owned minibus taxis. All of which is easier to promise than to deliver.

Planning for the city's future

The past decade in which Johannesburg has had nine mayors and eight coalition governments has undermined whatever planning was taking place. A city that fails to plan for the future cannot be successful. Investors are looking for places where infrastructure is expanding, where land use, construction and institutions anticipate tomorrow's needs rather than merely responding to today's

pressures. The importance of such planning will become even more pressing if Johannesburg succeeds in restoring basic services and attracting new investment. A growing economy and population will increase demand for housing, transport and infrastructure, and the City must plan ahead for this growth rather than allow existing infrastructure to be overwhelmed. The investments made today must therefore take account of Johannesburg's future needs.

> **"A growing economy and population will increase demand for housing, transport and infrastructure, and the City must plan ahead for this growth rather than allow existing infrastructure to be overwhelmed."**

Summary: The hard truth is that important and pressing as these critical challenges are, they have to wait until Johannesburg has got the basics of city government working effectively. The mayor and a new team cannot do it all, will have a great deal on their plate and these other challenges facing the city are not easy or simple. They will all require a functioning, far less corrupt, financially sound and well-led city to deal with their complexity.

The city should get to these issues as soon as possible but from the day after the November elections the new government must be ruthlessly focused on its priorities.

3. Johannesburg needs a growth strategy

South Africa has had to spend much of the past decade fixing what was broken. It has devoted much less energy to developing a clear, robust and realistic strategy for future growth, including for the role of large metros and, in particular, its most important city.

For now, Johannesburg must devote all its energies and resources to restoring what's been broken in the city: its institutions, infrastructure and services. This is essential to economic recovery, but the City also needs to consider how it will grow over the next generation.

What will drive future investment, employment and prosperity?

Johannesburg owes its origins to what was once the world's largest gold reef. The phenomenal expansion in mining supported the development of a manufacturing sector and deep capital markets that fuelled growth in the twentieth century. Today, mining is in decline, and manufacturing is struggling to survive. Much of this is because of national policy failures that have created a wholly uncompetitive environment for these two sectors. Services now drive the city's economy, but growth remains too slow and too skill-intensive for this to lead to rapid employment growth. This challenge is compounded by failures in the country's skills and education systems.

Geography presents further challenges. Johannesburg is one of the world's largest cities without a location on a coast or major navigable waterway and faces significant challenges from environmental change. It is far from the largest global markets, and situated in a region that, while growing, has limited purchasing power.

Yet Johannesburg also has significant strengths. These include our substantial business sector, deep financial markets, leading universities and a population with innovative entrepreneurs and numerous workers with industrial experience.

How can Johannesburg build on these strengths through a growth strategy that encourages enterprise, attracts investment and opens opportunities? And how can it develop that strategy while its new administration concentrates on restoring basic government functions?

CDE proposes that the new mayor appoint a Task Force to develop an economic vision for the city, supported by practical proposals for implementation. It should be appointed as soon as possible and report within one year. Its proposals need to be ambitious and inspiring enough to shape the future, while being realistic about resources, institutions and capabilities.

The Task Force should be small, five to eight leaders who are drawn from across society, supported by a modest secretariat and funded from the City's current economic development allocation. It should commission research on Johannesburg's growth prospects and consult with businesses of all sizes (and levels of formality) about both their opportunities and the challenges that they face. It should assess whether new institutions are needed, but all proposals should be tested for their likely costs and benefits, as well as their feasibility.

> **"The new mayor should appoint a Task Force to develop an economic vision for the city, supported by practical proposals for implementation. It should be appointed as soon as possible and report within one year."**

Some of the important issues the Task Force will need to explore, will include:

- **How can the city build on its strengths?** What would have to be true for it to once again become a leading centre for mining, finance and technology? Can the manufacturing sector grow again and what is required for that to happen? Are there un-exploited opportunities to expand tourism? Can the city become the professional services hub for the continent? These (and others) are all open questions that need to be asked, and they are all in need of rigorous assessment.
- **How can the city support growth in employment?** Johannesburg needs both labour-intensive businesses that can employ people with limited qualifications and highly skilled firms at the forefront of technology and innovation. What conditions would help each to grow?
- **How can Johannesburg attract more investment**? What prevents firms from investing, and would new institutions help address those obstacles? The Task Force should distinguish problems requiring better municipal performance from those needing a different institutional response.
- **Can the city lead the way through experiments?** The country is making far too little progress on deregulating, eliminating the 'red tape' that holds back growth. Why not start with Johannesburg? The country's policy on Special Economic Zones (SEZs) is flailing and there is now a shift to more involvement of the private sector. Why not propose letting Johannesburg lead the way with more privately run SEZs, some with exclusions from existing legal obligations on business to test whether this would raise employment growth rates? Can more be made of the innovation hub around Wits University?
- **How to move large companies interested in helping Johannesburg away from small projects to a more fundamental contribution?** A possible model is the Columbus partnership, in Ohio, USA, which created a successful and stable business-government partnership at the city level.[24] Assessments suggest it was based on the strengths of both partners, digitisation of the city and other joint activities and facilitated an expansion of local, USA and international investment, which helped turn around a city that had been in decline.
- **Can Johannesburg build a stronger coalition for national economic reforms essential for the city's success?** If the City of Johannesburg worked with the leading companies and business organisations headquartered in the city, could they together help push national and provincial government to enact reforms more quickly?

The focus on fixing what is broken is the right priority for the next government and administration of Johannesburg. This challenging process ought to be accompanied by serious thinking about the city's future and how to build a more dynamic economy that is an essential prerequisite for faster and more inclusive growth.

CDE's proposed Task Force for Johannesburg's economic future could be an important contribution that helps the mayor decide on an economic growth strategy and helps bind the city behind ambitious proposals for action and a new vision of hope for all residents.

Concluding thoughts

Economic transformation on the scale required in Johannesburg will take time. It will demand a strong, pragmatic administration committed to reform. Much can be achieved by taking decisive first steps away from the current malaise. This is, in any case, an essential foundation for future growth.

However, for that to happen, politics in Johannesburg must become more stable, and the right people need to take up critical leadership positions. Patronage networks and criminal syndicates need to be disrupted and destroyed. Much will also depend on how provincial and national government support any reform initiatives that emerge in Johannesburg over the next few years.

CDE is proposing three critical priorities for faster growth.

- First and foremost, getting the most fundamental functions of the city's government fixed.
- Second, we are acknowledging there are other pressing issues of vital importance in the city and suggesting that these must get on the priority agenda as soon as the basics of the city are on the road to sustainable recovery.
- Our third proposal is that while the new government is seized with these demanding challenges, the mayor should appoint a Task Force of leaders from across the city to produce an economic vision and strategic proposals for action to drive Johannesburg's economy to much higher levels of growth and employment.

Johannesburg was once known as the place of gold, a centre whose lustre attracted entrepreneurs, investment and workers from throughout the country, across the region and far beyond. If the city's leadership can get it working again, Johannesburg could once again become the shining city on the reef, creating wealth by unleashing talent, ideas and hope, not just for all its residents, but for the whole of South Africa and the region.

Endnotes

1 Note on data: Most regional data is produced by Quantec, a reputable data company, that produces useful, methodologically coherent estimates. However, it is impossible to check the methods used to produce the data, as Quantec sees their methods are proprietary. In order to ensure data accuracy, our research drew on multiple datasets and a triangulated evidence base to produce a picture of the Johannesburg economy, but relying on Quantec for many of the regional insights in this report is difficult to avoid. Gauteng Provincial Treasury, 'Gauteng Economic Review and Outlook', Johannesburg: Gauteng Provincial Government, (2025).

2 Statistics South Africa, 'Quarterly Labour Force Survey Quarter 2: 2026', (11 August 2026).

3 Spatial Economic Activity Data South Africa [SAED SA], 'Cities economic outlook 2026: Cities in flux: Pathways of stress, adjustment and renewal', (2026). Note that SAED SA data rely on SARS tax data which are derived from administrative forms submitted by firms that employ workers. This very valuable data source only captures formal firms and their full-time employees.

4 Quantec EasyData, 'Johannesburg Metropolitan Economic Database', Pretoria: Quantec, (2026).

5 Business Leadership South Africa, 'BLSA's CEO Weekly Newsletter – Johannesburg is not poor. It is badly managed. That must change.', (28 June 2026).

6 Daba Finance. 'The Biggest Stock Markets in Africa in 2026 by Market Cap', (12 June 2026).

7 World Intellectual Property Organization, 'Global Innovation Index 2024: Sustaining the Rise of Top-Notch African Innovation Clusters', (2024).

8 Quantec EasyData, 'Johannesburg Metropolitan Economic Database', Pretoria: Quantec, (2026).

9 Quantec EasyData, 'Johannesburg Metropolitan Economic Database', Pretoria: Quantec, (2026).

10 SAED SA, 'Spatial Tax Data Dashboard', (2025).

11 Alan Martin, 'Uncovered: The dark world of the Zama Zamas', ENACT, (2019).

12 Talent Ndlovu, 'Chapter 7: Still far from work: Spatial mismatch in Gauteng cities', in 'Cities in flux: Pathways of stress, adjustment and renewal', Parktown: SEAD-SA, (2026).

13 Globalization and World Cities Research Network (GaWC), 'The World According to GaWC 2024', Loughborough University, (2024).

14 Tanya Zack, 'The Chaos Precinct: Johannesburg as a Port City', Johannesburg: Jacana Media, (2025).

15 Statistics South Africa, 'Gross domestic product: Quarter ended June 2026', (8 September 2026).

16 Stella Mapenzauswa, 'Treasury cuts 2026 growth forecast but says economy shows resilience', Business Day, (21 October 2026).

17 Gauteng Township Economic Development Act, (2022).

18 Sizwe Sama Yende, 'Township economy is our new gold – Lesufi', City Press, (21 February 2023).

19 Monica Mark, 'Businesses grow desperate in broke Johannesburg', Financial Times, (15 August 2026).

20 Naledi Mashishi, 'Hundreds of jobs at risk as Selby businesses struggle through Joburg's water crisis', Daily Maverick, (14 April 2026).

21 Anna Cox, 'Property owners spend millions on diesel as Joburg CBD power outages drive away tenants', Daily Maverick, (8 October 2026).

22 Adele Shevel, 'Signs of glitter in tatty old City of Gold', Financial Mail, (17 April 2025).

23 City Power, 'Quarter 3 Final Report FY2025/26', (May 2026).

24 Ian Cameron and Quynh Nguyen, 'Rust to Riches: Cleveland's Stall vs. Columbus's Success', Case Western Reserve University Journal of Economics, (May 2024).

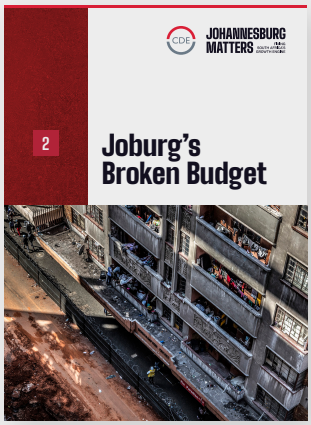
CDE's work on cities (1996 to 2023)

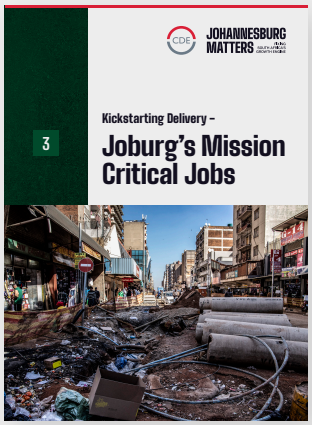
- **South Africa's future will be decided in our cities, 2023**
- **Building Better Cities: A new approach to housing and urban development, 2020**
- **Urban management in the 21st century: Ten insights from Professor Ed Glaeser, 2019**
- **Agenda 2019: Creating cities of hope, 2019**
- **The Growth Agenda: Cities, 2016**
- **Cities: Pathways to prosperity, 2015**
- **Cities of Hope: Young people and opportunity in South Africa's cities, 2014**
- **The new urban paradigm: A radical departure in city management, 2003**
- **Johannesburg: Africa's World City: A challenge to action, 2002**
- **Pretoria: From apartheid's model city to an African rising star? 1998**
- **Atlanta, USA: Racial transition, business and economic growth, 1997**
- **The East Rand: Can South Africa's workshop be revived? 1997**
- **Durban: South Africa's global competitor? 1996**
- **Cities and the global economy: New challenges for South Africa, 1996**

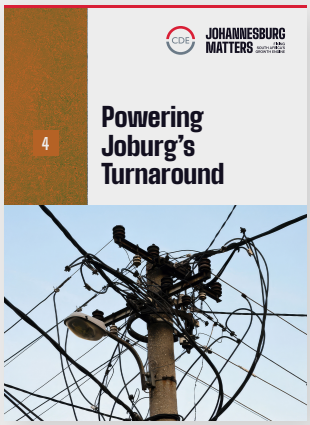
JOHANNESBURG MATTERS

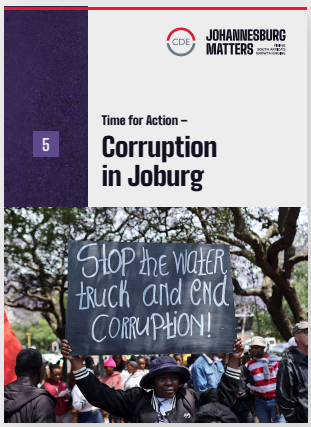
FIXING SOUTH AFRICA'S GROWTH ENGINE

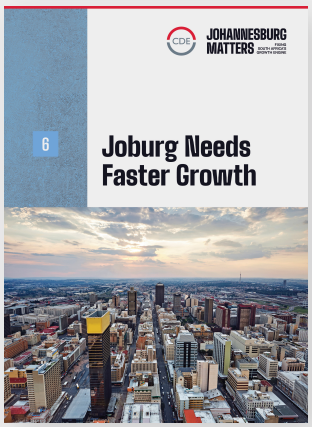












CDE Advisory Board

S Ridley (chairman), A Bernstein (executive director), A Ball, B Figaji, N Froneman, I Liddle, M Lijane, I Mkhabela, D Mminele, M Nkosi, S Nkosi, W Sihlobo, F Titi, Z Vilakazi
CDE Patron: L Dippenaar

The Centre for Development and Enterprise
5 Eton Road, Parktown, Johannesburg 2193, South Africa | PO Box 72445, Parkview, 2122
Tel +27 11 482 5140 | info@cde.org.za | www.cde.org.za