

THE RECONFIGURATION OF THE GAUTENG CITY REGION

DRAFT DISCUSSION PAPER

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ABSTRACT

The city region is a fairly new concept that has recently entered the South African arena. The city–region is mainly driven by the Gauteng Provincial Government whose purpose is to align the space economy with some of its key strategic initiatives. However, there have been growing debates in the country on whether or not to increase the scale of local government with the motivation being that of eliminating dysfunctional municipalities and duplication of city capacities related to two-tier systems. The Municipal Demarcation Board (MDB) has also entered these debates calling for the reconfiguration of the current Gauteng City Region (GCR) with the Board hoping for a GCR that will merge the City of Johannesburg, the City of Ekurhuleni and the City of Tshwane into one unicity/city region. This discussion paper examines the debate for the reconfiguration of the Gauteng City Region that has been brought forward by the Municipal Demarcation Board. The debates are organised into seven themes: dysfunctional municipalities, service levels and different wage scales, municipal service costs, accessibility and accountability, public consultation, governance and, legislation and policy. These themes raise important issues as well as the advantages and disadvantages of reconfiguring the Gauteng City region.

The analysis outlines the intricate nature of these debates on the reconfiguration of the GCR. Amalgamating as a means of correcting financial mismanagement should be avoided as it can be compared with giving a patient a wrong pill which will only do more damage than good. When a single-tier municipality is created by amalgamating different municipalities, the variance in the service levels prevailing before the creation of the amalgamated government often persists. The amalgamation of three metropolitan municipalities alluded to in order to form a city region could decrease access and accountability (because of its large dominion and bureaucracy). Public participation does not guarantee that the final decision made by the MDB will satisfy all parties affected by it. The form of governance that would be ideal and achievable for the proposed GCR remains a topic that would need further intensive research on.

1 INTRODUCTION

The city region (CR) concept is a fairly new concept and even though other parts of the world have started to implement this model, the concept itself has only recently entered the South African antenna¹ (Greenberg, 2010b). The city region concept became prominent in South Africa in the early 2000's when the former Gauteng Premier Mbhazima championed the proposal for a city region in Gauteng (the Gauteng City Region), Mbhazima received unfavourable backing from the metropolitan mayors who were of the belief that the structure of coordination would negatively affect their domain (EPROP Commercial Property News, 2006; Harrison, 2019). The city region concept is in line with the National Spatial Development Plan² and had been under discussion at the municipal and provincial spheres of government (EPROP Commercial Property News, 2006). Initially, talks around the Gauteng City Region (GCR) were centred on internationally circulating views of internationally competitive city-regions; in the democratic era this dialogue has been jarred with political demands for reallocation and equal opportunities in a society, over time the notion was reframed to denote a space that actors of governance liaise in, in order to attain inclusive development (Harrison, 2019). The notion has been for municipalities to keep their autonomy but work closely on issues of mutual interest such as economic development and transport planning (Greenberg, 2010b).

The city–region is mainly driven by the Gauteng Provincial Government whose purpose is to align the space economy with some of its key strategic initiatives (Mkhize, 2021). The idea of the Gauteng City Region (GCR) is for Gauteng to be a fast-growing and vibrant city region, which through improved planning and administration will become more spatially coherent, economically competitive, socially inclusive, environmentally sustainable and more functionally integrated, notably through better collaboration between spheres of government and government divisions (Greenberg, 2010a). It should be noted that poor intergovernmental co-ordination has nothing to

¹ The city region concept emerged in South Africa in the early 2000s, as a result of a rebirth of the world-wide debate about world cities, global cities and viable cities (Greenberg, 2010a).

² Which recognises city regions and their role as leading agglomerates and calls for formal structures that will result in collaboration and synchronisation of development plans and a system of governance for city regions (Financial and Fiscal Commission , 2020).

do with the work of the (MDB), anything that has to do with co-operation between the three (3) spheres of government, integrated development planning and service provision can be strengthened through improved intergovernmental structures.

The geographic scope of the Gauteng city region has been a subject of debate by politicians such as the Gauteng MEC³, Lebogang Maile and the Gauteng Provincial Government; who consider the city region to be a mechanism that assists in accelerating not only spatial transformation, but also socio-economic development in the country. With that being said, this discussion paper discusses the debate that has been brought forward by the MDB for the proposal of a reconfiguration of the Gauteng City Region. This is mainly a qualitative study that has used content analysis as a primary analytic tool. A desktop survey was used to analyse various documents on city regions and the Gauteng city region respectively. Results presented in this paper are mainly based on interviews carried out with a Board member, officials from the MDB and a GPG official. Identities of participants from the MDB have been made anonymous and the Board member and officials are referred to as participants from the MDB in this paper. The original goal was to interview two officials from the GPG, a Board member and two MDB officials but unfortunately efforts to secure the participation of the second GPG official did not succeed. Before delving into a discussion about the GCR it is important to have a firm understanding of what the city region is and what it entails, this is discussed in the following section of this paper.

2 THE “CITY REGION” CONCEPT

Although the concept of the “city region” has become commercialised in academia and policy circles, city regions do not have a single accepted definition (Parr, 2005). The concept is often used without it being clearly defined, and is often mingled or confused with other analogous or corresponding concepts, such as those of “global cities”, “world cities”, “functional urban regions”, “region states” and “regional economies” (Rodríguez-Pose, 2008). As a result, there are various definitions of “city region” which differ vastly and consist of a host of different factors. A core city which is functionally linked to a hinterland is the least common attribute of almost all definitions of a city

³ Please read more on this in the 2019 Budget Speech by the Gauteng Member of the Executive Council (MEC) for Human Settlements, Urban Planning and CoGTA Lebogang Maile

region. The landscape of those ties vary from one definition to the next but usually include a grouping of economic, travel-to-work, retail catchment, housing market and marketing factors (Davoudi, 2003). A city region's culture and social dominion are even included by some authors as essential elements (Davoudi, 2003). Put simply, city-regions are extended urban areas where neighbouring local government areas spatially merge to yield functional economic areas (Hodson, *et al.*, 2020).

Although an urban area's boundaries do not need to match existing administrative boundaries, the functional area of an urban area may overlap certain territorial divisions of regional or local governments in the erratic circumstance of a perfect match (Rodríguez-Pose, 2008). In other circumstances, city regions can exist entirely within the boundaries of existing administrative divisions, or they can increase significantly beyond those divisions (Bennett, 1997), this is seen in the GCR in the manner in which the CR boundaries have extended beyond Gauteng over time. Lastly, city regional boundaries do not remain fixed in time and are affected by changes in functional interconnections between the city centre and its surroundings (Scott, 2001).

3 THE GAUTENG CITY REGION

The Gauteng city region is made up of an interconnected collection of municipalities, conurbations and city hubs that collectively make up the fiscal nucleus of the country (Gauteng City-Region Observatory, 2015) and is often conceptualised broadly as incorporating smaller centres in Gauteng and beyond⁴ (see Figure 1). The GCR is geographically poly-centric in shape and is anchored by 3 large metros which are Johannesburg (South Africa's financial and provincial capital), Ekurhuleni (the city that houses the aerotropolis) and Tshwane (South Africa's administrative capital) (Wray, 2010). Irrespective of the exact magnitude of the city region, its administrative and economic core is the 3 metros of Gauteng (Greenberg, 2010a). As seen in Figure 1, the core of the city region is the Gauteng province. The GCR is often referred to as an economic hub because it contributes 50% of the country's economic output; with various areas focused on manufacturing, innovation or trade, financial and business services working in an organised manner to institute a functionally integrated urban economy and single labour market (Wray, 2010).

⁴ These include Mogale City, Sedibeng, Rustenburg, Witbank/Middelburg/Secunda and Potchefstroom/Klerksdorp.



Figure 1: The stretched-out view of the GCR. (Source: Wray, 2011).

The Gauteng city region is cosmopolitan in character which is mainly attributed to the fact that it attracts migrants from the country’s rural areas and urban centres, as well as immigrants from Africa; it is the country’s centre of exports to Southern Africa and beyond (Mkhize, 2021; Wray,2010).

4 A CALL FOR THE RECONFIGURATION OF THE GCR

There have been growing debates in the country on whether or not to increase the scale of local government with advocates of a Gauteng City Region being government authorities in this case, the Gauteng provincial government; with their motivation being that of eliminating dysfunctional municipalities and duplication of city capacities related to two-tier systems (Slack & Bird, 2013). The MDB has also entered these debates calling for the reconfiguration of the current Gauteng City Region with the Board hoping for a GCR that will merge the City of Johannesburg, the City of Ekurhuleni and the City of Tshwane into one unicity/city region see Figure 2. The intention is to make sure that municipalities will not only acquire economies of scale, but that they will also

be able to coordinate service delivery over the whole geographically enlarged region as well as portion costs equally and decrease spillovers of service delivery across local boundaries (Slack & Bird, 2013).

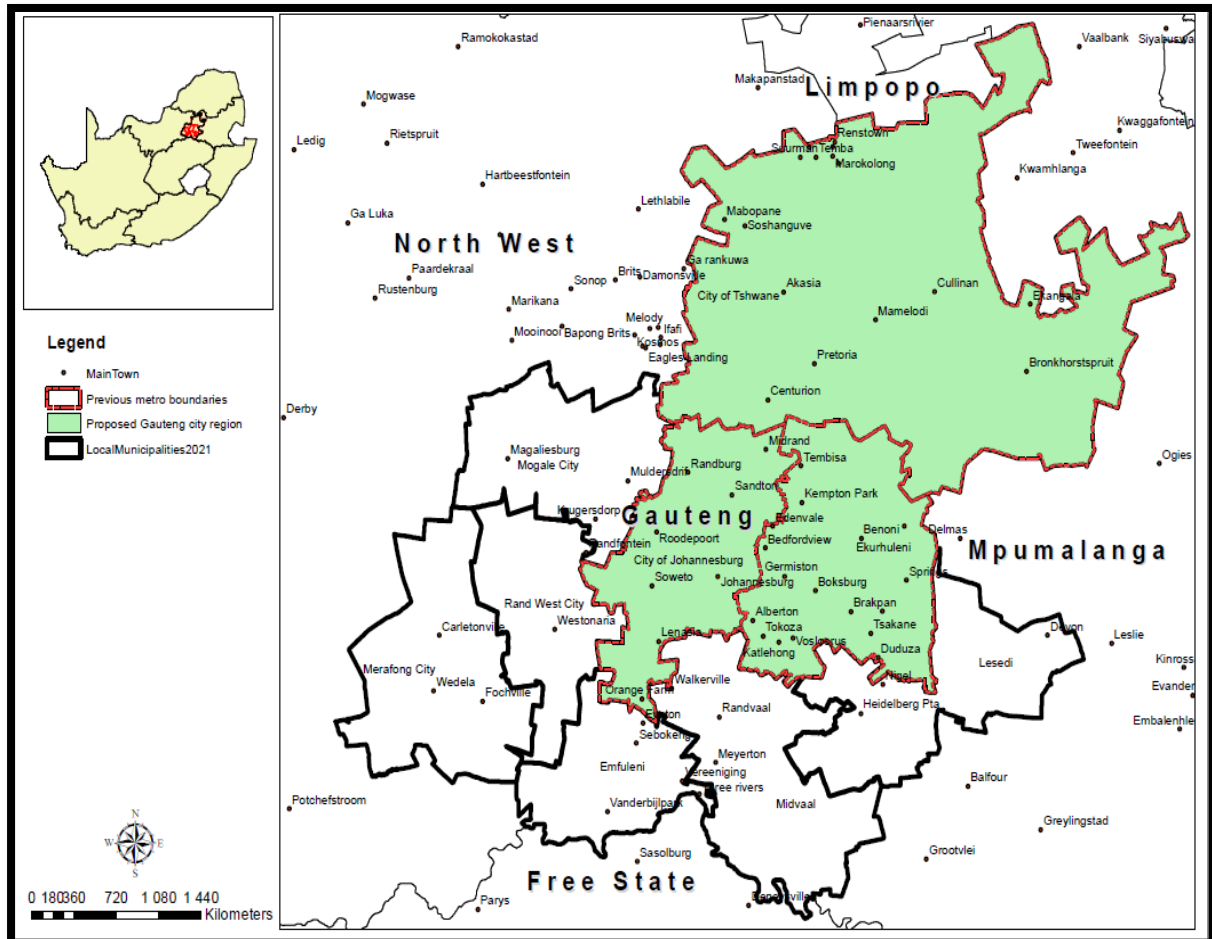


Figure 2: Proposed Reconfigured GCR. (Source: MDB, 2021).

The suitable governance structure for the proposed GCR will depend on the responsiveness, efficiency and accountability against the economies of scale, externalities and the ability to provide and coordinate services. Merged one tier governments have in the past been strongly favoured by Bahl and Linn (1992) who have stated that they offered more fiscal capacity, improved service management, stronger liability, efficient decision-making and maximum effectiveness; which all are envisaged to be the reality of the proposed GCR.

It should be noted that since the municipal jurisdiction will be too big and bureaucratic, the large scale proposed GCR could lessen access and accountability. The merger of

one tier municipalities is not very common globally. However, in Brazil, bigger and wealthier municipalities fear being subjugated by poorer municipalities. In Switzerland and the United States of America, there is little or no concern in the consolidation of municipalities because of the importance placed on local autonomy. Such fears often become a hindrance to the successful operation of city regions (Slack & Chattopadhyay, 2013). However, there are a few cases of countries that have overcome these fears, some have turned out to be successful city-regions and some have not, a classic example is the consolidation that occurred in Toronto in 1998 which is discussed in this paper.

5 THE NEED FOR THE PROPOSED GAUTENG CITY REGION

The Gauteng City region concept has been influenced by the global trend of “less government is better government” and the need for equality, justice, standardisation, restructuring, and economic stability. The expected benefits of the city region are difficult to quantify given the current developmental challenges the country is faced with (Reddy, 2008). However, there has been a call for a “Gauteng City region” which will be made up of three metros, the City of Ekurhuleni, the City of Tshwane and the City of Johannesburg into one unicity region respectively, based on two main claims. Primarily, that the current inter-governmental structures (national, provincial and local) are not sufficient to manage new economic, social and ecological dynamics. It will become challenging to govern the local affairs of residents without bearing in mind the practical connections and interdependence with other municipalities in awe of transport systems, spatial planning, service infrastructure, housing location, economic development and environmental management to mention a few (City of Johannesburg, 2006 as cited in Greenberg 2010b:21). Furthermore, it is necessary for governance to increase its base for it to be able to combine numerous important decision makers, especially the private sector with its economic executive powers (Greenberg, 2010b).

The Gauteng city region will be a collaborative initiative between the province and the selected municipalities in order to enhance intergovernmental relations, service delivery, transportation and infrastructural development thereby ensuring greater co-operation, integration and alignment (Reddy, 2008). The aim of the GCR is to introduce another level of co-ordination that soars between metropolitan/district and provincial sphere of government with its main focus being on functional geographies.

It calls for a flexible governance which allows the crossing of administrative boundaries while holding authority. The fragmentation in economic development across the province and co-ordination mechanisms that need to surpass municipal boundaries to be operational are again proof that the proposed GCR could be a necessary mechanism to remedy the current economic and spatial status quo (Greenberg, 2010a).

6 INTERNATIONAL EXPERIENCES

The past has a way of creating a retrogressive outlook. Instead of decreasing the charm of cities globalisation has heightened them (Kantor & Savitch, 2010). Cities that were regarded as being big have become global with lively central business districts that connect them to all parts of the world. Because cities, towns and adjacent rural areas cannot escape each other, they have grown closer; which has resulted in the formation of city regions (Kantor & Savitch, 2010). There are no perfectly formed city regions as a result, the configuration of city regions across various governmental jurisdictions has over the years presented perplexing challenges of coordination and governance to mention a few (Harrison, 2021). Thus, this section discusses three case studies from the two different worlds (developed and developing worlds), discussions are on how these city regions were formed, the challenges faced and successes experienced in these city regions; these are the City of Toronto, the Greater Manchester City region and The Case of China.

6.1 Unified City of Toronto

The horizontal merging of municipalities through amalgamation to one tier is uncommon globally. However, in 1998 the new unified City of Toronto was created, and it consisted of an upper-tier (metropolitan) government and six local area municipalities consolidated into a single tier city (Slack & Bird, 2013). The merger was met with opposition from local municipalities, citizen organisations, opposition parties in the provincial legislature and from within the ruling party itself (Slack & Bird, 2013). Opposing citizen organisations felt that the amalgamation would result in the loss of local identity and decreased access to local government. Thus, municipalities that are not in Toronto were worried that the consolidation of metropolitan municipalities would cause increased schism within the region. The government structure of the single tier

was simplified and consisted of a mayor, 44⁵ councillors elected in wards (constituencies) with the council having authority to make decisions, 32 community councils were created to deal with local issues concerning the community and neighbourhood (Slack & Bird, 2013). Furthermore, the City of Toronto was recognised as a municipality whose powers were to provide services to its citizens, manage its finances and establish accountability officers for the city as set out in the City of Toronto Act, 2006. The city's governance model currently depends on a balance between the City Council (composed of the mayor and councillors)⁶; the Public service (the staff of the city and most agencies)⁷ and the Public who play an important role in ensuring effective decision making (City of Toronto, 2018). The city is required by provincial law to have accountability officers⁸ responsible for providing council and the public with objective and independent oversight to guarantee the accountability and transparency of city governance (City of Toronto, 2018). The amalgamated City of Toronto was too small to address regional issues prevalent in the city (these include the coordination of economic development, land use planning and transportation) and it was too big to be reactive to local residents; suggesting according to Slack & Bird (2013) that bigger is not always better as governance challenges in Toronto worsened.

The formation of the new unified City of Toronto did not lead to savings by the municipality, other savings as a percentage of the total municipal budget were negligible, more so with the downloading of services and infrastructural bottlenecks over the years (Reddy, 2008). Even though the single-tier structure may have fortified the city managerially and politically, it may have led to the suppression of Toronto residents' and non-governmental associations' voices in metropolitan government, all in the core of a progressively bureaucratic province (Reddy, 2008; Slack & Bird, 2013). The new unified City of Toronto also resulted in cost-cutting, greater municipal service costs, and the enactment of an undisputed regional vision for Toronto became very challenging (Slack & Bird, 2013). Thus, indicating as stated by Tindal (1996) that there

⁵ The number of wards was reduced from 44 to 25 wards in 2018, which is in line with the City's efficiency agenda but undermines democracy see <https://www.cbc.ca/news/canada/toronto/doug-ford-supreme-court-ward-ruling-1.6194241>.

⁶ Whose responsibility is to directly oversee the city's services and to indirectly oversee services delivered through its agencies and corporations which include the Toronto Public Library, Toronto Community Housing, Toronto Transit Commission (TTC) and the Toronto Police Service.

⁷ The public service is responsible for the objectives, professional advice to council and its agencies and corporations and implements council's decisions.

⁸ The accountability officers include the Auditor General, the Integrity Commissioner, Ombudsman, lobbyist registry and an Open and Closed Meetings Investigator

are usually robust mounting burdens on costs following a merger. Affirming that amalgamating municipalities with dissimilar service levels and dissimilar wage scales usually leads to an upsurge in expenditures.

6.2 The Greater Manchester City Region

The Greater Manchester City Region (GMCR) also referred to as Manchester City Region (situated in the United Kingdom) officially came into being in April 2011. Restoring official municipal governing structures in London began with the election of a national Labour government in 1997, which resulted in the setting up of the role of Mayor and an elected assembly in 1999 in Greater London (Travers, 2004). In the early 2000's the state strategy prioritised the expansion of a regional plan for England through regional development agencies. During this time, the city centre development was further strengthened through the publication of the Manchester Independent Economic Review in 2009 (McKillop et al., 2009). This was followed by a hardening⁹ of governing structures in Greater Manchester. In the 2009 United Kingdom (UK) budget announcement, Greater Manchester (GM) was given statutory city-region status; and the formation of the Manchester and the Greater Manchester Combined Authority in 2011 resulted which sort to redefine associations within the centre and Greater Manchester (Pike et al., 2016). Regionalisation of powers to the Greater Manchester city region and the advancement of the GM with a pan-city-region linked north of England (considered the Northern Powerhouse) were perceived as means of linking these spaces to global circuits of trade and investment.

In 2012, the City Deal¹⁰ resulted in restricted set of resolution making powers and funding agreed with central government. Which was followed by an agreement between the UK central government and the leaders of the 10 GM local authorities on a package of regionalised measures which comprised of more planning powers, additional duties for local transport, housing development and skills and further education, which would be controlled by a mayor for GM elected in the 2017 elections

⁹ Hard governance is operated through rules that arise from treaties, directives and regulations (Trubek et al., 2005).

¹⁰ The City Deal is a model that was initially developed to decide if city regions could realise a better infrastructure and economic outcome by acting collaboratively and by engaging with central government and each other (various city regions) to do so (KPMG, 2014).

(Hodson, et al., 2020). The prominent Manchester City has done well in creating inventive and viable frameworks of metropolitan administration that have empowered it to catch the advantages of current examples of monetary change. Rescaling to city-region in Manchester meant building harder governing structures, producing new and re-scaled duties in areas such as transport, that produced the potential to disrupt the main soft¹¹ form of governing in Greater Manchester (Hodson, et al., 2020). It should be noted though that fragmented development and inequalities in the core of the city region were not key matters because policy makers were of the assumption that through public transportation, problems would be decreased by bringing society closer to their places of employment (Folkman, et al., 2016)

The experimentation of state rescaling in GM initially resulted in the eradication of hard metropolitan governing and institutional structures which occurred in 1986; and resulted in the further research by state actors, different forms of sub-national spaces and by decision makers in GM with soft city regional structures (Hodson, et al., 2020). This was followed by another shift back to harder structures, with the purpose of altering the culture of governing. These harder structures seem to disrupt the pre-existing soft structures in ways that need to be well understood through the new city regional draft plan of 2016. On the economic side, GM is best placed to benefit from the advantages of agglomeration and increase its growth (Greater Manchester City Association , 2014). GM has been largely effective in managing the transition to a post-industrial knowledge concentrated economy and has been able to benefit from the positive accumulation effects arising from its size, compactness and range to reinvent itself and unlock this development potential (Emmerich, et al., 2013)

6.3 The Case of China

The concept of urban clusters¹² (chengshiqun) which has been in existent in Chinese geography for many years has recently re-emerged in China. It has been adopted in government policies in order to form stronger coalitions for regional competitiveness or to remedy the over population in large central cities. As a result, in 2014, the newly

¹¹ Soft governance refers to the 'in-between spaces' of governance that exist outside, alongside or 'in-between' statutory scales of government, it involves the use of non-binding rules that are expected to produce effects in practice (Trubek et al., 2005; Hodson et al., 2020).

¹² Urban clusters refer to a city region

elected Chinese president Xi Jinping championed the idea of a regional approach (also known as urban cluster) to the upcoming development of Beijing in the capital region, Jing-Jin-Ji, which resulted in a lot of attention in city-region governance (Wu, 2016). In China there is Jing-Jin-Ji, the Yangtze River Delta (YRD) and the Pearl River Delta (PRD) which are a cluster of mega city-regions located adjacent to each other, they are also referred to as areas of a metropolitan interlocking region (MIR) with interlocking city regions. The Chinese state was concerned with regional inequalities and as a result formed city-regions in an effort for the Chinese economic decentralisation and the effort to reverse this trend which resulted in a shift to expanding cities as drivers for national development (Wu, 2016).

Urban entrepreneurialism shaped the city region, in that the rapid growth into the entire municipal territory purely meant that the central city would be closely connected with its outer areas and suburban regions to form the metropolitan area. Thus, from 2001 Shanghai began producing a new city-region plan to develop one city and nine new towns, which resulted in rapid suburban industrial development. At large, the development of city-regions in China has come about because of issues of fragmented land use, urban sprawl, environmental degradation and redundant production capacities (Wu, 2016). Resulting in strengthened monitoring control over urban development with the drafting of a new urban and rural spatial development plan for the Beijing-Tianjin-Hebei region with a particular focus on sustainability (Wu, 2016). The process of metropolitanisation and the entrepreneurial local government have also largely been enabled by administrative annexation which has inflated the tax base of the central city, allowing the central city to gather financial resources together from neighbouring regions to introduce mega development projects (Ma, 2005). This process has also assisted in linking various jurisdictional units in a region and to merge their governance (Wu, 2016). While spatial plans and policies to improve intercity coordination have become a priority on the governments agenda as a way to develop mega city regions in China (Yeh and Xu, 2010).

7 DISCUSSION ON THE STATUS QUO OF THE GAUTENG CITY REGION

7.1 SPATIAL TRANSFORMATION

Since the dawn of democracy in 1994, South Africa has been grappling with spatial transformation issues (these include spatial inequality, urban sprawl and social exclusion) which was one of the reasons for the formation of the GCR to address spatial transformation issues. When asked during an interview whether the current GCR has been able to address spatial transformation issues a participant from the MDB stated:

We still have challenges when it comes to settlements, the majority of people are still in the so-called Black townships. And majority of white people are still in the so called white, supposed designated places. So those are historical factors, which obviously will take long to be addressed. And I don't even think the intention is to basically address them, except, of course, to allow people to be able to stay in whichever area that they can afford and be willing to settle in.

It is apparent then from the answer given by the participant from the MDB that Gauteng as a whole is still plagued with spatial transformation challenges. Thus, urban spatial structures are an intricate phenomenon producing physical signs of understated relations over an extended period amid different intertwined features (Mubiwa & Annegarn, 2013). Despite the spatial transformation issues Gauteng is plagued with, there has been an ongoing transformation of the land use structure in the Gauteng City region, this has been mainly driven by the implementation of transport (such as the Gautrain and the bus rapid transit) and mobility infrastructure; with examples being the development of the Midrand Industrial and office parks which have been greatly linked with the construction of the N1 highway which links Johannesburg and Pretoria (Mubiwa & Annegarn, 2013).

7.2 ECONOMIC DEVELOPMENT

The GCR accounts for less than one-quarter of the country's population and was reported to have produced 35% of the national economic output in 2015 (Parilla &

Trujillo, 2015). Gauteng is known to be the country's economic hub with Southern Africa and beyond, its economic weight in South Africa and neighbouring countries implies that the GCR has advantages over other parts of the country (GCRO, 2021). Regardless of its expansion over the past 15 years, its increased standard of living and increased labour productivity as compared to the year 2000, the GCR still faces various economic challenges such as: high unemployment, decelerated output development since 2010; increased levels of income inequality, unbalanced growth (for example jobs created that do not match the skills that workers currently possess), and unequal spatial access to economic opportunities (Parilla & Trujillo, 2015). In fact one interview participant from the MDB alluded to the fact that the GCR has not yet addressed the basic issues that will make a region to be a vibrant economic zone. Suggesting that even though a lot of advancement has been made by the government to restructure the economy to address these challenges, there is still a considerable amount of work that still needs to be completed (Everatt, et al., 2011).

The economy of Gauteng is primarily dominated by the tertiary sector which continues to grow in relative size. However, primary industry production in the Gauteng economy has been declining and only accounts for 13% of the output in the country. Even though the primary sector is small in size, it remains significant in Gauteng as it has strong downstream sectoral links (Everatt, et al., 2011). Gauteng is marked with urban sprawl and fragmentation which have over the years made it hard to achieve sustainability and inclusion, while the urban poor are spatially sidelined and have to travel long distances to places of employment and entertainment (de Visser, 2019). As a result, households end up spending an excessive quantity of their monthly income, about 21% on transport (de Visser, 2019). The economic challenges still emanating in the GCR suggest that the GCR has fallen short in terms of achieving its goal of addressing fragmentation in economic development and coordination mechanisms across the country, this has been mainly due to the inherent past apartheid spatial planning which has left a cynical imprint on the region.

8 DELVING INTO THE RECONFIGURATION OF THE GCR

8.1 Dysfunctional municipalities

Well-functioning municipalities have been described as municipalities that are categorised by stability, a functional council and oversight structures, with regular expenditure of the capital budget, clean audit results and good financial management (Mkhize, 2018). As discussed earlier in this paper, Greater Manchester has succeeded in the management of the transition to a post-industrial knowledge intensive economy and has benefited greatly from the positive agglomeration effects arising from its size, density and diversity to reinvent itself (Emmerich, et al., 2013). The amalgamated City of Toronto on the other hand was too small to address regional issues such as land use planning, transportation and the coordination of economic development which were prevalent in the city. The City of Toronto post-merger did not result in savings by the municipality, more so with the downloading of services and infrastructural backlogs over the years (see section 6.1). Thus, increasing or decreasing the scale of local government has become a huge debate in South Africa, with the inspiration being that of eliminating dysfunctional municipalities and duplication of municipal functions associated with two-tier systems (Slack & Bird, 2013).

It should be noted though that one third of municipalities in South Africa are dysfunctional and are incapable of fulfilling their constitutional duties (Ncube & Monnakgotla, 2016). During an interview a participant from the MDB stated that increasing the scale of local government would eliminate dysfunctional municipalities. Even though COGTA seeks to correct dysfunctionality and financial unviability through the amalgamation of some municipalities, this does not seem to have succeeded. Amalgamating municipalities that are at risk of being dysfunctional may actually worsen the problem. For example in 2015, the MEC requested that the Naledi municipality (a dysfunctional rural municipality) be incorporated into Mangaung metropolitan municipality (a municipality characterized by poor revenue collection, a large deficit and an increasing reliance on government transfers just before the merger). The minister sought to improve the financial viability of the new municipality.

Various community and political organisations supported the amalgamation; even during public consultation meetings, most community members in Naledi supported the merger of their municipality into Mangaung and were of the view that it would lead to improved service delivery and infrastructure (Dube & Radikonyana, 2020). However, officials interviewed in Mangaung felt that incorporating Naledi into Mangaung would not improve service delivery in a metro that was already struggling, they argued that this would ruralise Mangaung, which would result in challenges in providing services to geographically dispersed communities (Dube & Radikonyana, 2020). It can be deduced from the above evidence that the merger between Naledi and Mangaung municipalities did not result in the envisaged results, that of a viable municipality, instead in 2018, two years post-merger, National Treasury recognised Mangaung as a financially distressed municipality, suggesting once again that bigger is not always better. Thus, amalgamating as a means of correcting financial mismanagement should be avoided as it can be compared with giving a patient a wrong pill which will only do more damage than good. However, much can be learnt from the case of Greater Manchester on municipal viability post amalgamation.

8.2 SERVICE LEVELS AND DIFFERENT WAGE SCALES

According to Slack and Bird (2013, p.29) “The answer to the question ‘Is bigger better?’ is not a simple yes or no. It is possible that the creation of larger cities through mergers will enable some smaller municipalities (at least those in proximity) to reap some economies of scale. It is unlikely, however, that any such gains are to be achieved in large cities such as Toronto”. The previous City of New York and the previous Borough of East York faced deteriorating tax bases and scanty levels of service; the amalgamation of these municipalities resulted in an increase in the level of services for citizens in these two municipalities and led to augmented equity within the previous metropolitan area (Slack & Bird, 2013). Suggesting that amalgamating municipalities with different service levels and different wage scales results in an upsurge in expenditures. According to Slack and Bird, (2013), wages and remunerations usually align up to the level of the previous municipality with the highest expenditures, this upward synchronisation of incomes commonly overshadows any cost savings. When asked whether the proposed GCR would result in an upsurge in expenditures a participant from the MDB stated:

You see what I'm trying to say is if you just take these cities and say now they'll be under one administration, those problems will still exist...so I'm saying the complexity will be so high that these systems may even just collapse and nobody knows how to bring them together.

Suggesting then that when a single-tier municipality is created by amalgamating different municipalities, usually the variance in the service levels prevailing before the creation of the amalgamated government persist. It is only natural that after amalgamation employees in the newly formed city region will want to be paid similar wages and receive similar benefits, the reality is, no one will be willing to take a salary cut. Another interview participant from the MDB however, suggested that the above mentioned problems will need to be addressed before the amalgamations occur; *“there will need to be an agreement in terms of let's say, practically parity levels and so forth, because you would not want to immediately upgrade the working conditions everything in terms of your employment contract and so on.”*

Although amalgamations of municipalities are often projected to improve the performance of the newly created municipality, they are highly susceptible to increased social costs. For example the level of services to the citizens might be poorly affected due to an increase in congestion (Reingewertz, 2010). On the one hand, the reconfiguration of the GCR might result in reduced competition between them leading to ineffectiveness (Reingewertz, 2010). On the other hand though, an agreement in parity levels prior to the amalgamation of the three municipalities envisaged to form the reconfigured GCR could result in improved performance.

8.3 MUNICIPAL SERVICE COSTS

Municipal amalgamations are believed to promote economies of scale. Dollery and Fleming (2006) argue that bigger municipalities may or can have more negotiating authority vis-à-vis externals (such as private suppliers of inputs). Pitlik and Wirth (2012) further state that the duplication of municipal services can be avoided which would decrease fixed expenditures while keeping service levels persistent. During an interview, when asked whether the formation of the proposed GCR could lead to decreased municipal service costs the participant from the MDB said:

Of course, Yes, I think so. Because we're using economies of scale. It's quite surprising that you'll find that even if there are standard rates, for instance, let's say to build a road a kilometer, it will cost X amount. But given the issue that we don't have equal and equitable experience, in terms of municipalities, you'll find that in some of the municipalities, smaller municipalities, simply because of those skills, and experiences, and so forth, they might even be overcharged. It is easier in those areas for government to be a price taker than a price giver or a negotiator, price negotiator but in the core centers, in other words, more developed centers. And so it is easier for people, the officials and so on, to be able to negotiate the prices, or even give their prices rather than in those smaller areas. Yes, I think, using the economies of scale, in terms also of bulk procurement and so on it makes it easier to lower the prices of the items that will be utilized.

The above statement is in line with the point made by Dollery and Fleming's argument that a larger municipality will have more negotiating powers and is able to reduce the purchasing price as compared to a smaller municipality that is not able to achieve the aforementioned. Even though mergers are instigated to produce economies of scale, one needs to keep in mind that increasing the scale of local government may result in diseconomies; as unit costs may increase after amalgamation of municipalities owing to increased coordination and transaction costs (Blesse & Baskaran, 2013). This is in line with the GPG officials comment:

Yeah, it's a scientific process. Therefore, that question to answer it might need a bit of science in this way... So in a way for me, we will look at efficiencies in each of the cities and take the best out of those and then convert that into the original into the urban region city or unicity.

Thus, some studies advocate for minor effects or even diseconomies of scale after amalgamations of municipalities and others show extensive reductions (Blesse & Baskaran, 2013). However, cost savings after the creation of the new City of Toronto were fairly small, since the three largest expenditures which are transit, policing and welfare assistance were already metro responsibilities before the 1998 amalgamation (Slack & Bird, 2013). The above mentioned services only accounted for 70% of the total upper-tier and lower-tier expenditures joined. Probable cost

savings were limited to 30% of the total budget of the new City of Toronto. There was evidence of some savings from the reduction of staff in the new City of Toronto (Slack & Bird, 2013).

In the case of China discussed earlier in this paper (see section 6.3), the process of metropolitanisation and the entrepreneurial local government has resulted in an inflated tax base of the central city, allowing the central city to gather financial resources together from neighbouring regions to introduce mega development projects (Ma, 2005), suggested that amalgamation in China has yielded positive results in increasing the tax base. Whether or not the envisaged GCR will result in decreased municipal service costs can only be known once an intensive research on all three municipalities' (City of Johannesburg, City of Ekurhuleni and City of Tshwane metro's) finances has been carried out.

8.4 ACCESSIBILITY AND ACCOUNTABILITY

Scholars such as Aristotle have argued that smaller units of government are more ideal because they encourage direct citizen participation in decision making (Aristotle, 1959 cited in Kushner & Siegel, 2003). It has been further argued that smaller municipalities are more accessible to the citizens and are better informed than large councils (Dollery & Crase, 2004). Even philosophers such as Montesquieu and Rousseau have in the past argued that smaller is better because smaller municipalities increase the influence of each individual citizen on the decisions made by his or her representative (Kushner & Siegel, 2003). These aforementioned philosophers further argued that a republic should be small in size, territorially, otherwise it can easily cease to exist. In a large municipality/republic prosperities increase, there is little self-control, the collections are too large to be put in the hands of the citizen and interests become particularized (Kushner & Siegel, 2003). When asked during an interview whether the proposed GCR will increase or decrease access and accountability within the proposed municipal jurisdiction a participant from the MDB's said:

Of course, I think it will increase accountability in the sense that now the areas will be having more powers and functions and there will be no excuse that we are relying on central government on service delivery matters and so forth. They will have to deliver on their own and in that regard. The

communities will be linking up directly with people who will be having more powers, functions and by assumption, of course, more resources.

On the other hand in the Greater Manchester city region, the mayor is the single point of accountability and represents the whole Greater Manchester. The Greater Manchester Combined Authority's council meets every month at different sites across the region and meetings are open to the community and are broadcast. This suggests that regardless of its size and density (being a bigger municipality) access and accountability in the Greater Manchester city region is largely available to its citizens as the organisation's plans and decisions are all publicly available and the most important decisions are taken after public debate (Àrea Metropolitana de Barcelona, 2018). It should be noted though that the effectiveness of amalgamated one-tier government realising accountability in practice remains a matter of debate. Even though the City of Toronto was required by provincial law to have accountability officers who were also responsible for addressing access and accountability in the city region, the city region was too big to be reactive to local residents. Community councils in the City of Toronto were intended to improve citizen access and participation; provide a forum for local concerns and provide access to citizens (Slack & Bird, 2013). However, community councils in reality operate mainly as local planning committees rather than as forums in which wider community matters can be addressed. The literature suggests that large municipalities are less accountable and transparent, are more complex than smaller municipalities; are less easily monitored by voters who have less contact with elected representatives (Dollery & Crase, 2004). The amalgamation of three metropolitan municipalities in order to form a city region could decrease access and accountability (because of its large dominion and bureaucracy), this however does remain an issue for debate as in a city region such as Greater Manchester, access and accountability seems to have been achieved.

8.5 PUBLIC CONSULTATION

Public consultation (also referred to as public participation in this discussion paper) is an important part of municipal boundary change. The process of public participation is outlined in section 26 of the Local Government: Municipal Demarcation Act 27 of 1998. Public consultation is viewed as one of the means of deepening democracy which usually includes the participation of citizens in

decisions that affect them (in this case, the amalgamation of the three metropolitan municipalities to form a unicity) (MDB Research Unit, 2020). Even though the Constitution of the Republic of South Africa and the Local Government: Municipal Demarcation Act 27 of 1998 mandate the MDB to determine municipal boundaries independently, to determine municipal boundaries without the participation of concerned communities would go against the spirit of the same legal framework (Isandla Institute, 2013). In the 2011/12 financial year report, the MDB reported that it had conducted in-depth public consultations with municipalities, provinces, traditional leaders and other stakeholders on possible municipal boundary changes (MDB, 2012). It should be noted though that public participation is not a guarantee that municipal boundary demarcations will not be contested.

A classic example is that of the merger of the Metsimaholo and Ngwathe local municipalities into a metropolitan municipality, despite public participation and legislative criteria having been applied by the MDB; the affected community members were not in agreement with the merger based on service delivery concerns, while political factionalism was also central to the story (Isandla Institute, 2013; Municipal IQ, 2013). In the case of the new unified City of Toronto, citizen organisations opposed the amalgamation of an upper-tier metropolitan government and six local area municipalities because they felt that the amalgamation would result in the loss of local identity and decreased access to local government; and municipalities situated outside of Toronto were worried that the merger of municipalities would lead to increased schism within the region.

Interview participants on the debate of the proposed reconfiguration of the GCR all had a common view when it came to consultation, they all emphasised the importance of consulting community members that are going to be affected first, *“the idea needs to be sold to them and they would need to have a buy in”*. Although this is a good idea, it has not yet yielded fruitful reports in practice from past amalgamation cases in the country. Municipal boundaries cannot be left to the determination of the community only, more so when they soar against the more objective demarcation criteria. In the past, responses of community members have mainly been of a subjective manner and based on narrow sectarian factors, often a declaration of what the people want instead of a more objective criterion. Thus, if

municipal boundary redeterminations where based on public opinion then there would be no need to have a Demarcation Board. As much as public participation is important before making a municipal boundary decision, it does not guarantee that the final decision made by the MDB will satisfy all parties affected by it.

8.6 GOVERNANCE

The city region is not a straightforward site in which to organise governance, which at this scale consists of various large, contested and intertwined issues that ascend as a result of strong interdependencies and cleavages (Scott & Storper, 2014). There is no neat once-off answer to the question of governance which will ultimately result in various ways in which a capacity-building process can be stimulated and sustained (Spatial Economics Research Centre, 2010). When asked what type of governance structure could be appropriate for the proposed GCR, a GPG official stated:

We can even adapt to a notion of a city state. A city state has got a governor, you can take the Singapore approach, take the Beijing approach, and you've got a Beijing Mayor, one zone and many others. That have got one big single government that manages the region. Of course, you can give different responsibilities, depending on who you are. So, you can even agree on sub-regions of the region. It's a mechanism or model you can look at.

The GPG official brought up an interesting case of the Singapore city state governance which is a relatively young city marked with a multi-ethnic population and a long standing history of colonisation; which is similar to that of South Africa's apartheid history. The official also mentioned Beijing as an ideal governance approach for the proposed GCR. It should be noted that Beijing is a centrally administered municipality in China and it has no governmental tier between it and the central government (Chang & Bonavia, 2021). The municipality itself is divided administratively into four urban and six suburban districts and eight counties in the peripheral areas (Xiaolei, 2009). Power in Beijing is held by the Chinese Communist Party (CCP) and the Beijing Municipal People's Congress is guided by the CCP in amassing taxes, forming a budget, insuring administrative order and implementing economic plans (Chang & Bonavia, 2021). The townships and districts in Beijing each have their own mayor. Sub district offices take care of the civil affairs in the

areas and below the urban district level the police stations oversee the population. The residents' committees assist in intervening in disputes, promote sanitation, welfare, family planning and conduct literacy campaigns. Governance is necessary anytime several players come together to accomplish an end, in this instance a thriving unicity made up of the City of Johannesburg, the City of Tshwane and the City of Ekurhuleni metropolitan municipalities. Further investigations and in-depth studies may need to be carried out before an ideal governance structure can be incorporated into the envisaged GCR. This is in line with Harrison's (2008) words that a governance model for a city region requires various negotiations between numerous stakeholders who have a stake in the city-region and its development.

The Greater Manchester City region has been successful in governance through its hard governance structure which operates through rules that form from treaties, directives and regulations (Trubek et al., 2005). GM has also succeeded in managing the shift to a post-industrial knowledge concentrated economy and has been able to profit from the progressive agglomeration effects arising from its size, compactness and variety to reinvent itself and unravel this growth potential (Emmerich, et al., 2013) Whereas, the City of Toronto's governance model, as discussed earlier in this paper, depends on a balance between the City Council (composed of the mayor and councillors); the public service (the staff of the city and most agencies) and the public who play an important role in ensuring effective decision making (City of Toronto, 2018). When considering the debates on the reconfiguration of the GCR valuable lessons can be drawn from the GM and the City of Toronto's governance structures.

Alternative government structures to municipal mergers should also be considered as these can be of great benefit in increasing or maintaining local responsiveness and accountability, the alternatives are as follows:

- ***Special purpose districts***

Special purpose districts are usually used to distribute services that spill over municipal boundaries. It is a type of cooperation between municipalities across the region, this form of alternative to governance is used in countries that have a history of strong and autonomous local governments which can be associated to most South African municipalities (Slack & Bird, 2013). One third of all local governments

in the United States are special districts or school districts. Even though school boards that are responsible for education are voted into power, the boards of other special districts are commonly indirectly controlled by the constituent municipal councils and are liable for the management of services such as water, waste management, economic development, taxing, price setting, transportation and other policy-making (Slack & Bird, 2013).

An advantage of special-purpose districts is that when there is a service spillover, it can be addressed on an individual basis. With the occurrence of spillovers, boundaries are hardly ever the same for each service, special districts that are differently sized could be established such as a region-wide transit district or a hospital district (Slack & Bird, 2013). Other advantages include the delivery of services by professionals whose decision-making is not politically influenced; the provision of services by professional experts and the use of dedicated revenues from user fees to finance capital expenditures (Bahl & Linn, 1992). The salary schedule could be outside the usual public service and thus, higher wages can be offered to attract greater talent (Bahl, 2010).

Special purpose districts also produce various problems such as difficulty in coordinating interrelated activities, this is caused by having too many independent special-purpose bodies. Because citizens find it difficult to understand such bodies due to their proliferation of decision-making, this usually decreases political accountability (Bird, 1995). The absence of a connection between expenditures and revenues decreases accountability, resulting in services being delivered but not necessarily delivered to the correct people in the correct magnitude and qualities (Bird, 1980). Thus, such special-purpose jurisdictions are highly probable to be seized by special-interest groups whose choices tend to increase costs and alter service provision in ways that do not essentially reflect the interests of those the jurisdiction is supposed to serve (Slack & Bird, 2013).

- ***Two-tier model***

The two-tier model is made up of an upper-tier governing body which is usually a district, region or a metropolitan area and two or more lower tier or area municipalities (like cities, villages or towns). In principle, the upper tier governing

body should be responsible for providing regional services, generating externalities, ensures some redistribution and displaying economies of scale; and the lower-tier should be responsible for the provision of services that provide local benefits (Slack & Bird, 2013). In the South African context, the vision of two-tier local government as characterized in the Local Government: White Paper of 1998 is to create a district tier of local government that will ensure a more equitable distribution of services and resources across local municipalities. Redistribution at the upper-tier level is achieved through various tax and spending policies, whereby taxes are levied at even rates across the region, with the contribution of each lower-tier municipality to the upper-tier municipality depending on the size of its tax base.

Two-tier governance structures have important advantages over the one-tier model in terms of efficiency, accountability and local responsiveness. Critics of the two-tier governance structure often argue that costs will increase because of waste and duplication in the provision of services by two levels of government (Slack & Bird, 2013). However, there is little evidence to support this argument. As the provision of various public services can easily be divided among the tiers. In education and health, particularly and costly services can be provided regionally, with services being provided locally. Projects that require major capital (such as infrastructure) can be planned, financed and managed at the regional level, while local connections are dealt with at the local level. Thus, dividing responsibility in this way can increase accountability and responsive of service provision to local preferences. Two-tier structure can however be confusing and less transparent to taxpayers who can rarely tell who is responsible for which services (Slack & Bird, 2013).

An example of a two-tier system is Metro Vancouver in Canada, which is a regional district responsible for delivering a limited range of services (primarily solid waste management, water, sewerage and drainage) to 24 local authorities. Metro Vancouver is governed by three boards: the Greater Vancouver Sewerage and Drainage Board, the Greater Vancouver Regional District Board and the Greater Vancouver Water District Board (Aguñaga, et al., 2015). Metro Vancouver provides regional parks and affordable housing directly to the public. Directors are selected yearly by local councils from the politicians who are elected to local councils in the

Metro region and have a custom of representing their local electorates rather than taking a regional perspective (Slack & Bird, 2013). Metro Vancouver's sources of revenue consist of fee-for-service income in which municipalities pay for the delivery of core services, provincial funding and a small amount from direct taxation (Aguñaga, et al., 2015).

Barcelona on the other hand is a more recent example of a two-tier structure which replaced three metropolitan bodies which are the Metropolitan Entity of Hydraulic Services and Waste Management (EMSHTR), made up of 33 municipalities; the Metropolitan Transport Entity (EMT), made up of 18 municipalities; and the Association of Municipalities of the Metropolitan Area of Barcelona (MMAMB), a voluntary body consisting of 31 municipalities which came into effect in 2011 (United Nations Habitat, 2015). In 2010 the regional parliament passed legislation which greatly modified the governance of Barcelona through the creation of an upper-tier metropolitan government with 36 lower-tier jurisdictions. The metropolitan council is made up of all the mayors of the municipalities plus 90 councillors, the governing committee and the president (United Nations Habitat, 2015). The president is elected by the council from among the mayors. The example of Barcelona confirms that it is possible to move from a chain of special-purpose districts dealing with particular services to a largely based two-tier government structure.

- ***Voluntary Cooperation***

Voluntary cooperation is a means that can be used to provide services across a region without resorting to amalgamation. It is minimal government restructuring where there's a region wide structure based on voluntary cooperation between existing units of local government in the agglomeration with no stable, independent institutional status (Sharpe, 1995). Voluntary cooperation structures are popular partially because they are easy to create politically and can be dismantled easily. Unlike the two-tier system which is imposed from above (by the national or provincial government), the voluntary cooperation model comes from below because municipalities choose to cooperate. Voluntary cooperation differs per country with generally some degree of administrative integration as well as some political linkage, where local governments that are part of the cooperation have some form of representation on the boards. Voluntary cooperation governance can

levy taxes or collect contributions from the municipalities or charge user fees to pay for services (Slack & Bird, 2013).

Municipalities are able to maintain their autonomy with respect to expenditure and tax decisions and at the same time achieve economies of scale in service delivery and address externalities associated with service provision (Sharpe, 1995). The voluntary model only works well when policy-makers in the different local governments have the same objectives. Voluntary cooperation involves negotiating and some municipalities may not have much with which to bargain. A set back with this structure of governance is that the numerous problems faced by the metropolitan areas (these include sprawl, fiscal disparities and global competition) would require a governance structure that has a permanent institutional status (Slack & Bird, 2013).

In Geneva, voluntary cooperation which ranges to local governments in neighbouring France tends to be purpose-oriented, directed at services such as electricity, energy supply and waste disposal. Political representation is indirect because decision-making bodies for these cooperative schemes are made up of delegates of the member communes (Kübler & Rochat 2013). This approach to dealing with intermunicipal externalities is seen in Switzerland as the most pragmatic way of addressing the metropolitan challenges (Kübler & Rochat 2013). Voluntary cooperation may be effective in achieving coordination and efficiencies for particular services but they do not result in area-wide coordination. They are looked upon as a second-best solutions to reorganisation that can result in an impenetrable jungle of ad hoc commissions and complex arrangements that even the most conscientious municipal voter will never understand (Sancton, 1993).

Ultimately governance structures can either be formal or informal, an example of a formal governance is one where a city-regions governing body consists of directly elected representatives, is able to raise its own tax, has sovereignty over its fiscal assets, functional service provision and has the capacity to introduce city-regional legislation (Harrison, 2008). This type of governance has been implemented in London and in other city regions around the globe. With this governance model, the leader becomes more prominent than the body they represent for example Arnold

Schwarzenegger (California), Rudy Giuliani and Michael Bloomberg (New York) and Boris Johnson (London). On the other hand, with the informal governance structure, the group members are all openly elected to associations where members are either appointed or indirectly elected (Harrison, 2008). It is questionable though in the South African context which form of governance whether formal/informal would be ideal and achievable and it remains a topic that would need further intensive research on.

8.7 LEGISLATION AND POLICY

One of the Municipal Demarcation Board's mandates as an independent authority is to determine municipal boundaries in accordance with the the Local Government: Municipal Demarcation Act 27 of 1998 and other legislation enacted in terms of chapter 7 of the Constitution. Currently, The Local Government: Municipal Structures Act 27 of 1998 provides a framework for the establishment of municipalities in accordance with the requirements and criteria relating to categories and types of municipalities. In addition, it determines the appropriate division of powers and functions between categories of district and local municipalities and regulates governance structures, the electoral system for local government and the determination of wards for local elections.

Currently, chapter 7 of the Constitution of the Republic of South Africa, 1996 sets out the original powers, status and functions of the local sphere of government. However, if the reconfiguration of the Gauteng city region were to materialise, chapter 7 of the Constitution of the Republic of South Africa, 1996 would have to be revised so as to include the category, powers, status and functions for a city region (or unicity).

When asked what implications the proposed GCR will have on local government legislature and policies a participant from the MDB stated:

Well, firstly, I think in terms of the local government legislation, the criteria for a mega city doesn't exist. Okay, that would have to change then you may have to look at the way the Structures Act looks at the governance of a metro. It may have to be tweaked a bit, because, the worry right now is that even though there's a governance of legislative governance for metros, the

metro seems to be failing. And maybe they'll have to look at putting in something in terms of the adherence to those, the legislation for governing a city region, so that there would be quite a bit of working on the legislative side. But it would need a lot of research first.

Chapter 1 of the Local Government: Municipal Structures Act 32 of 2000, which provides for the categorisation and types of municipalities may or may not need to be amended in order for it to be aligned with the envisaged GCR. Chapter 5 of the Local Government: Municipal Structures Act 32 of 2000 which provides for the powers and functions of municipalities may or may not need to be amended as well in order for the Act to align with a bigger city region also referred to as a unicity. The municipal by-laws, policies and procedures delegation might need to be rationalised. The Integrated Development Plans (IDP) (which guide the future development plans of the municipality as required by the MSA (Act 32 of 2000), guide municipal budgets, decisions and development programs of state-owned enterprises and the private sector) along with the Spatial Development Frameworks (whose main objective is to direct the geographical delivery of land uses within a municipality in order to give outcomes to the vision, goals and objectives of the municipal IDP) of the three municipalities to be amalgamated might need to be aligned and consolidated to allow for a smooth transition into a reconfigured Gauteng city region and to ensure that the proposed Gauteng City region is able to attend to its economic, spatial development and human settlement challenges and goals. The Growth Development Strategy of all the municipalities in question might also have to be aligned to ensure smooth transition and to accommodate the enlarged geographical scope of the new GCR. It should be noted though that the amendment of legislation and policy is dependent on what type of governance structure is to be adopted for the reconfigured GCR and in a case whereby the proposed CR is not achieved via amalgamation, changing policy and legislation will not be necessary.

9 CONCLUSION

The emerging South African evidence suggests that efforts to correct dysfunctional and financial unviability by increasing the scale of local government in South Africa

have failed. As discussed earlier on in this discussion paper, the merger between Naledi and Mangaung municipality did not result in the envisaged result that of a viable municipality, instead in 2018, two years post-merger, National Treasury recognised Mangaung as a financially distressed municipality, suggesting once again that bigger is not always better. When asked whether the proposed GCR would result in an upsurge in expenditures most participants stated that such problems would still persist. It should be noted then that when amalgamating municipalities the discrepancy in the service levels that exist before amalgamation continue to exist after amalgamation. Even though municipal amalgamations are believed to advocate economies of scale this has not been the situation such as in the case of the amalgamation case of Rand West municipality (resulted from the merger of Westonaria and Randfontein local municipalities) and Inkosi Langalibalele (resulted from the merger of Imbabazane and uMtshezi Local Municipalities). Therefore, in line with the response from the GPG official, whether the formation of the proposed GCR could result in decreased municipal service costs is a question that can be answered through investigations and studies of looking at efficiencies in each of the cities (the City of Johannesburg, City of Tshwane and City of Ekurhuleni).

Thus, because of its large dominion and administration, amalgamating the three metropolitan municipalities might not necessarily increase access and accountability as literature considered in this article state that large councils are indeed less accountable and transparent as they are not easy to monitor by voters and are more complex than smaller municipalities. Determining municipal boundaries without consulting the citizens who will be affected will go against the spirit of the legal framework such as the Constitution of the Republic of South Africa and the Local Government: Municipal Demarcation Act 27 of 1998. It was noted though in this discussion paper that although public participation before making a municipal boundary decision is important, it does not guarantee that the final decision made by the Board will satisfy all parties affected by the final decision. It was also brought up in this discussion paper that further investigation studies will need to be carried out as to which governance system will be ideal for the envisaged GCR, this will also be done looking at examples that have worked such as those of The GM, the City of Toronto, and other city regions mentioned in this paper. Whether or not the reconfiguration of the Gauteng City region will yield the expected results remains an issue for further

debates and investigations, more so since the current Gauteng City region has not yet yielded the expected results (which include aligning the space economy more closely with some of its key strategic trajectories).

10 RECOMMENDATIONS

Dysfunctional municipalities. Increasing the scale of local government has been part of an ongoing debate in this country, in a quest to eliminate dysfunctional municipalities. It should be noted though that from past experience increasing or even merging municipalities that are at risk of being dysfunctional may actually worsen the problem. An example of the merger between Naledi and Mangaung municipality was used in this paper and it was found that two years after its merger Mangaung was recognised by National Treasury as a financially distressed municipality. Based on emerging evidence, amalgamating the City of Tshwane with the City of Johannesburg and the City of Ekurhuleni may lead to more administrative issues. It is recommended that COGTA along with other relevant stakeholders first look into remedying dysfunctional municipalities in isolation and not merge them with other municipalities in hopes of improving their status quo.

Service levels and different wage scales. Amalgamating municipalities with different service levels and different wage scales has in the past resulted in an upsurge in expenditures. Thus, wages and salaries need to be harmonised with those of the bigger municipality before amalgamation takes place. This might not necessarily result in cost savings and could push operating costs up, but it may lead to less congestion when it comes to the level of services to the citizens and could avoid a situation of salary cuts.

Municipal service costs. The issue of whether or not municipal service costs will decrease with the proposed GCR is unknown and would (depending on whether this city-region results from amalgamations) require a thorough research of the finances of all three municipalities envisaged to form the reconfigured GCR.

Accessibility and accountability. Smaller municipalities from the literature considered in this paper are known to have more access and accountability as compared to larger municipalities. To overcome this problem community committees

might need to be established to address local issues, or satellite offices could be set up across the city region where citizens pay tax bills and apply for building permits (Slack & Bird, 2013).

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