

# GCRO annual report

# 08/09



**GCRO**  
Gauteng City-Region Observatory





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**...the Observatory brings innovative and much needed capacity to bear on the task of understanding the cities and towns of this dynamic region...**



# 01

## Introduction by GCRO Board Chairperson

Prof Adam Habib, Deputy Vice-Chancellor,  
University of Johannesburg

September 2008 saw the launch of an exciting new initiative – the Gauteng City-Region Observatory. The initiative is exciting for two reasons. First, the Observatory represents a grand experiment: a jointly established research centre that stands between the University of Johannesburg and the University of the Witwatersrand, governed by a Board and jointly supported, financially and in kind, by the Gauteng Provincial Government and the two academies. We hope that this experiment will show a vista of other possibilities for collaboration across higher education institutions in our country, and other potential partnerships between government and the academy.



» Second, the Gauteng City-Region Observatory brings innovative and much needed capacity to bear on the task of understanding the cities and towns of this dynamic region at the heart of South Africa. This region, as the driver of the South African economy and the focus of aspirations of millions of South Africans, shows enormous potential. But it also shows enormous challenges, of unemployment, poverty, social inequality and exclusion, crime and social tension, environmental degradation, congestion and overcrowding. If the region is to see the hopes of millions realised, not frustrated, government and its partners in business, organised civil society and communities, need to be armed with information, analysis and interpretation of what is going on in Gauteng, and what is likely to happen in future.

The Observatory has been set up to:

- Provide tools for tracking development progress. This is done in part through indicators and benchmarks that help decision makers understand how things are going compared to similar regions elsewhere; and in part through innovative mapping of trends and dynamics. If we are to better envisage the future of this core region, we need more powerful ways to visualise it.

- As required, provide provincial and local government in the region with direct support on specific short-term research projects that help it come to grips with immediate challenges and opportunities.
- Unlock and help government to access the knowledge that resides in the two founding universities and other higher education institutions. Too often, cutting edge knowledge production with huge latent development potential does not impact practice because decision makers either do not know it is there, or cannot translate it into policy and strategy.
- Lead on longer-term and large-scale research that builds our base of understanding of spatial, social, economic, environmental and political trends in the region. Direct support to government is an important mandate of the Observatory, but it has been proven again and again that over the longer-term the most important new knowledge is that from research driven by curiosity, not immediate policy needs.

As this annual report shows, 2008-2009 was a period of start-up for the Observatory. A lot has been achieved in a very short period of time – from the full establishment of new offices and hiring of new staff, through to the initiation of some of the most important work that the Observatory will deliver in the next year, including an OECD Territorial Review and a large Quality of Life Survey. As such, 2009-2010 will see the Observatory begin to deliver the information, analysis, data visualisations, and mapping Gauteng urgently needs, as well as grow a more ambitious agenda of more in-depth research that will take it into the future. We can be very confident of the base that has been laid this year, and we look forward to the interesting and useful results promised by this exciting initiative.



# 02

## Introduction

The Gauteng City-Region Observatory (GCRO) was launched in September 2008. However, the Observatory was only operational for four months of the 2008/2009 financial year, once an Executive Director was appointed in December 2008. Although the financial year covered the entire 2008/2009 period, the activity period covered by this Annual Report is, therefore, unavoidably short, and the activities are primarily concerned with building an institution, recruiting staff and the like. Despite this, it is notable that GCRO also initiated (and in some cases completed) significant research initiatives during this time.



▲ **GCRO Launch:** Ms Annette Griessel, Mr Dan Matshitsho, Prof Adam Habib, Prof Loyiso Nongxa, Mr Sam Shilowa, Prof Ihron Rensburg, Prof Belinda Bozzoli, Prof Peter Alexander and Mr Mogopodi Mokoena.

» The GCRO was publicly launched on 11 September 2008. A partnership between the Gauteng Provincial Government (GPG), University of Johannesburg (UJ) and University of the Witwatersrand, Johannesburg (Wits); and with representation from the local sphere on its Board, GCRO is a highly innovative response to the socio-economic, cultural, governance, political, growth and other challenges related to the cluster of cities that makes up the Gauteng city-region (GCR), the economic engine of South and southern Africa.

A generous grant from the GPG has ensured that the GCRO has an attractive and well-equipped set of offices in University Corner on

the Wits campus. During the period under review, the GCRO made significant investments in data infrastructure. This is in preparation for its future role as a repository and generator of data of the highest quality and integrity.

Although launched in September 2008 at Melrose Arch, the Executive Director only began work on the 1<sup>st</sup> of December 2008, while the Indicator Director chose not to take up the position offered to him. As such, the GCRO office currently (and for the foreseeable short-term future) comprises an Executive Director, and there is real urgency to secure both administrative staff to keep the office running, as well as senior research

capacity to participate in indicator design and refinement, stakeholder liaison, commissioning research to fill identified knowledge gaps, and provide policy support to the GPG as required. A similar urgency exists for the appointment of a senior systems manager.

The GCRO is funded by the provincial government but is an independent, university-based research centre. It is tasked with bringing to bear the intellectual resources of both universities on the key challenges of the day to the benefit of government; providing data and using methods that meet the highest academic standards and have been tested with the rigour associated with the best academic work; and making this accessible to government officials, citizens and others who need to benefit from the work of the GCRO.

The GCRO is committed to openness and transparency in all we do. The data we generate or collate will be made available to anyone who requests it, but access will be provided within the framework of legal data-sharing agreements. We hope that our analysis will be as useful to government as it is to citizens who may want to map their ward using information provided by the GCRO, such as population, water quality, air quality, property prices, local businesses, etc..

Specifically, the GCRO is tasked with benchmarking the GCR globally, which entails three key steps. The first of these involves measuring where the GCR stands in the world (and continental) ranking of sub-national units on any of a wide range of indicators. Second, researching *why* the GCR scores the way it does and what the confounding or supporting factors are. Third, working with other urban observatories and researchers/academics to develop a suite of policy options for government to consider if we are to improve performance in a specific indicator area. Core activities thus include developing a set of indicators

for measuring the GCR, developing appropriate methodologies for measurement, and developing partnerships with key researchers from appropriate comparative contexts.

The GCRO furthermore acts as a portal that local and provincial government can approach in order to ask for assistance in sourcing the best academic research or researchers in their given area. The GCRO's role is to help identify the right people or departments, and put them together with their counterparts in government. In future years, this will be supported by a Research Advisory Committee (RAC), which will gather together senior academics and government officials to jointly elaborate a research agenda for the GCR. In other words, GCRO is as much a facilitator as a 'doer'.

The GCRO is also a research centre that conducts its own research, as outlined in annual Strategic Plans and approved by the GCRO Board. Even though the Observatory only had an Executive Director during the period under review, the Observatory commissioned a Territorial Review of the GCR; commissioned a large sample survey of the GCR; held a colloquium on the impact of the global economic crisis; and initiated various other research projects and programmes.

We now report on the key activities undertaken in the December 2008 to March 2009 period.

**...GCRO is a highly innovative response to the socio-economic, cultural, governance, political, growth and other challenges...**



Building  
GCRO

03





# Building GCRO

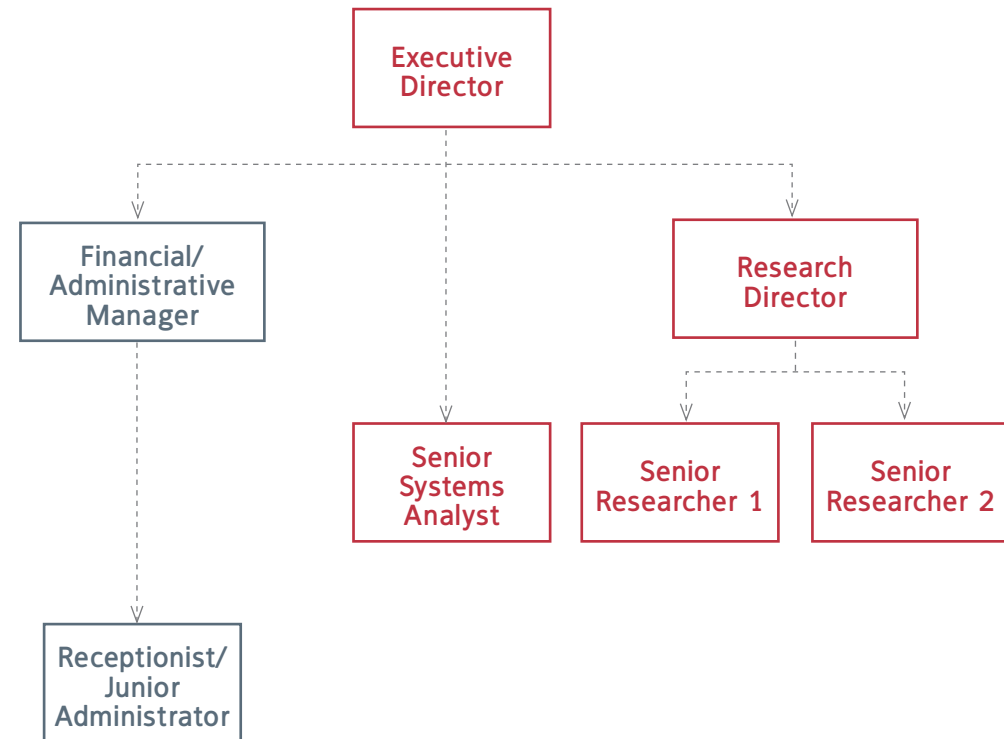
The period under review began with the basics of setting up an institution – the infrastructure was in place, but systems were needed, as was connectivity, telephone and fax lines, postal addresses and the like. The GCRO is located at Wits, which required aligning the GCRO and Wits’ systems (such as procurement, hiring staff and so on). These will not be elaborated on in any great detail.

## Structure

The GCRO has an Executive Director, a Research Director who manages all research and related work; and a Senior Systems Manager who is responsible for our GIS functions, data management and warehousing, and generating analytic outputs – maps, statistical tables and the like. In addition, there are two Senior Researchers, while a third is still needed. On the administrative side, GCRO has a Financial and Administrative Manager, and a receptionist/junior administrator. The office includes significant computing power, managed by the Systems Manager; and a Resource Centre, managed by the administrative staff.

The organisation is small and relies heavily on very good teamwork, since virtually everything we do rely on task-sharing and multiple inputs. The structure has changed from that initially proposed by the Board. In the initial design, GCRO was to have an Executive Director and an Indicator Director, but this latter position has been replaced by the Research Director. Given that the entire research staff will be working with indicators, and the incumbent Executive Director has considerable indicator experience, it was agreed that a senior position

with a broader purview was preferable. The post was advertised and filled in mid-2008, and will be discussed in more detail in next year’s Annual Report.



▲ GCRO Organogram

## Staffing

During the period under review, GCRO advertised and (in some cases) interviewed applicants for the following positions:

- Finance Manager
- Senior researchers
- Senior Systems Manager
- Receptionist/junior administrator

Over 250 applications were received for these positions, all of which were considered, ranked and processed. Ms Haydey Motani provided invaluable assistance in sorting applications, preparing for interviews, doing blind tests of receptionist applicants, gathering references, setting up interview panels, and making the entire process run smoothly. The successful applicants took up their positions between April and May 2009, beyond the period under review. Profiles will appear in the 2009/2010 Annual Report.

## Web and cell-based analysis

GCRO aims to offer as much of its data and analysis as possible via an interactive website. Citizens should be able to generate maps and data about their suburb or ward, using our site. This sounds easy but is a complex and expensive task. During the period under review initial discussions were held in this regard, and a basic web design went live in 2009. Our goal is to use both web and cell-phone based technologies to communicate with and provide services to as many citizens as possible.

## Governance

The GCRO is overseen by a Board, made up of two representatives from the University of Johannesburg – Prof Adam Habib, Deputy Vice Chancellor and GCRO Chair, and Professor Peter Alexander; two representatives from the University of the Witwatersrand, Prof Belinda Bozzoli, Deputy Vice Chancellor: Research, and deputy chair of the GCRO Board, and Prof Rob Moore, Deputy Vice Chancellor: Advancement and Partnerships. From the Office of the Premier (OP), Gauteng Provincial Government, Annette Griessel, Deputy Director General is joined by Ms Matsie Seritsane; and Mr Dan Matshitsho, Municipal Manager: Mogale City, represents the local sphere.

The Board meets up to four times a year. It receives and considers a Strategic Plan and budget at the beginning of each year, which sets out the work of the Observatory for the forthcoming 12 months. These in turn are guided by an over-arching three-year Strategic Plan. Progress and financial reports are submitted on a quarterly basis. All Strategic Plans will be available on the GCRO website. The Board also approves senior staff appointments, and all expenditure in excess of R500 000; items below that ceiling (but above R200 000) require approval of the chair, deputy chair and OP representative.

The Board and Executive Director are developing governance rules as the Observatory takes shape, but as a Wits-based Centre governed by a Board, GCRO automatically adheres to all the rules of the University. These cover staff appointment processes, procurement, discipline and grievance procedures, and all the normal human resource, finance, industrial relations, legal and other functions of this large host institution. This has been a great help: GCRO has not had to invent new rules, but has inherited robust systems.

## Legal status

The Board of GCRO is resolving the legal status of the Observatory, which may take the form of a university centre, or a Trust, or some other form to be decided upon and agreed by the Board. Currently, GCRO is governed by a Board representing the two universities, the GPG and with representation from the local sphere. GCRO is also a Wits 'Centre', falling under the office of the Deputy Vice Chancellor: Research, Professor Belinda Bozzoli. Discussions prior to the launch of the GCRO had raised the possibility of a Section 21, or a Trust, or some other form that both satisfied the legalities of being housed at Wits and gave all three partners equal say over GCRO's work, thereby ensuring that all academic credits are equally shared across the two university partners. Meetings between the Executive Director and the legal advisors of the partners began in December, and continue in 2009.

## The office

Finally, the GCRO office was equipped and made ready during this period, including security systems, significant hardware investments (mentioned earlier), and all the normal peripherals needed by a research unit.

**...Our goal is to use both web and cell-phone based technologies to communicate with and provide services to as many citizens as possible...**



## Building relationships

GCRO has been put in place to advance our knowledge and understanding of city-regions; but also to serve the needs and improve the performance of government in different spheres and potentially multiple provinces, as the GCR borders drift into Free State, Mpumalanga and North West. GCRO relies on being able to access (take over and analyse) existing datasets, and offer value added to those who provide the data. GCRO wants to be the preferred research manager and partner for any entity interested in the GCR and urbanisation more generally, and all of this relies on building strong relationships with key partners. In some cases these may become formal partnerships, but this is not a necessary output in all instances.

During the period under review, the Executive Director spent considerable time meeting key government officials as well as senior academics on both campuses to explain the roles and functions of GCRO and explore where the Observatory can add value. These ranged from attending the launch of the Cape Urban Observatory, meeting with other observatories at a South African Cities Network function, discussing possible partnership arrangements with the Enerkey project, and so on. GCRO also had a series of meetings with the Gauteng Economic Development Agency (GEDA), and initiated the process of drafting a MoU that will govern our relationship. The Executive Director also addressed a conference convened by the Gauteng City-Region Skills Academy, and held meetings with Enerkey, the Cape Urban Observatory, the Presidency, a range of provincial departments in Gauteng, and various academics from Wits and UJ.



## Building indicators

At the heart of GCRO's work lies our data. This will include statistical, GIS and other datasets and types. During the year under review GCRO installed a 15 terabyte data server and we will be responsible for warehousing data that we collect and generate. GCRO will be responsible for accessing data (i.e. proactively seeking it), cleaning, integrating different datasets, GIS mapping, running the statistical package (using SPSS provided as part of the in-kind support from the University of Johannesburg) and providing data solutions. We will find, clean, merge, run and map data; ensure its integrity; and ensure it remains clean over time as new data layers are identified, accessed and added. There is some value in simply performing this warehousing function, but we are focused on high-level policy-oriented analysis, and our data and analysis should feed into policy processes in all departments of the GPG and the local sphere.

A core task for 2009 is to build a set of GCR-wide indicators. At one level, this will be an iterative and on-going process, where we gather all existing indicators, see which are best suited to GCR-wide analysis, and then explore the availability and quality of data for measuring those indicators. These will change – for example, the general election victory of the African National Congress brought new policy priorities to the province, including the urban/rural nexus, the need to measure 'decent work', and so on.

The GCRO began gathering and analysing municipal/metro/province-wide indicators, as well as the national development indicators used by the Presidency; those used by other institutions (CSIR, DBSA, etc.),

public entities and projects (Enerkey, climate change strategy team, etc.); and those commissioned from consultants for the GCR (the CUBES report, a recent report commissioned by GEDA, the G2055 process, and so on.). Indicators need to tell us where we want to go and so also have to reflect work that is happening on the ground, whether it has existing indicators or not.

For indicators to be effective they need to be well designed. Moreover, they need to be consensus-based. In other words, a developmental process is needed to devise and refine the indicators so that all spheres of government, partners and stakeholders feel that they *own* the indicators, and will in turn take seriously analysis of those indicators once the data have been gathered. This is why relationship-building is so critical to the work of the GCRO. This process side of the indicator work will only occur once the research staff are on board, in 2009/2010.

**...At the heart of GCRO's work lies our data. This will include statistical, GIS and other datasets and types...**



## Building data infrastructure

At the heart of GCRO is a large number-crunching system that is fed data around agreed indicators, and provides robust policy and academic analytic outputs for uptake. This includes GIS maps, statistical datasets, narrative reports, policy options and the like. This is likely to grow and morph over time, as technology changes and new datasets are identified or generated. GCRO, during the period under review, put in place large processing power with capacity to receive, clean and integrate data; software to map the data; performed multivariate statistical analysis of the data; and recruited research capacity to turn all of this into useful and meaningful outputs.

GCRO is committed, in the long-term, to using open source software wherever possible. On this we are in agreement with the Cape Urban Observatory. This will allow us to try and ensure compatibility across our two institutions from the data architecture onwards. But it has to be tempered by the fact that GCRO has to operate in the existing Wits environment; and that in some applications, such as mapping software, open-source is lagging some considerable way behind private software companies.

**...GCRO is committed, in the long-term, to using open source software...**



## Building partnerships

The relationship-building mentioned earlier will run parallel to an exercise in building partnerships with key institutions. GCRO is itself a partnership, and that ethos is reflected in how we work and who we work with.

A key vehicle for developing partnerships will be the RAC for which a proposal was submitted to and approved by the GCRO Board. The RAC is a committee of senior academics and researchers who will map out a research agenda for the GCR, working with government officials. The GCRO will undertake part of the work, but also use our portal function to identify appropriate partners to take forward key components of the research agenda. The shape, function and broad composition of the RAC was approved in the period under review, but the RAC will not be operational until late 2009.

During the period under review, GCRO entered into discussions with GEDA over a MoU that would allow GCRO to act as a dedicated portal for GEDA, whenever the latter require research inputs from either UJ or Wits. In this way, GCRO would act as honest broker and try to avoid competition between the universities and rather foster collaboration where possible.

GCRO was also asked to attend a workshop, called by the City of Johannesburg, to reinvigorate its research partnership with UJ and Wits. Although the outputs fall into the 2009/2010 year, at the workshop GCRO was asked to facilitate the process of drafting a new MoU between the City and the two universities, and shepherding the process into being.

## Research Activities

# 04

This aspect of GCRO's work will primarily fall after the end-March cut-off date for the report, but the points below are intended to illustrate the way we see this occurring over time (more detail will be provided in the January strategic plan for 2009/2010). Key activities that did occur in the four months are outlined below. All will help feed into the first of a series of reports analysing 'The State of the Gauteng city-region', which will appear in subsequent years.



## Review of GCR literature and database

GCRO commissioned Mr Stephen Greenberg to gather together key literature pertaining to the GCR, and create an annotated database of all these items. This will include more general city-region literature as well as GCR-specific material. The material will be analysed, and Mr Greenberg will produce a critical review of the GCR and city-regions more generally. This project will be beneficial to the resource Centre as a framework will exist before the staff join the Observatory. It will furthermore provide a critical backdrop to the work the GCRO will be doing.

## OECD Territorial Review

The Board approved GCRO's commissioning of a Territorial Review of the GCR by the Organisation for Economic Co-operation and Development (OECD). These massive projects, usually lasting 18 months, entail detailed background research – which GCRO will undertake with a joint UJ/Wits team – feeding into a series of missions by OECD experts as well as sector experts and politicians and officials from other parts of the world. This work will culminate in a review that will rank the GCR against all other major city-regions in the world and provide recommendations for improving performance in key areas. The missions allow the OECD to engage with local decision-makers and stakeholders on key issues pertaining to a very wide range of issues, such as competitiveness, governance, public participation, and quality of life.

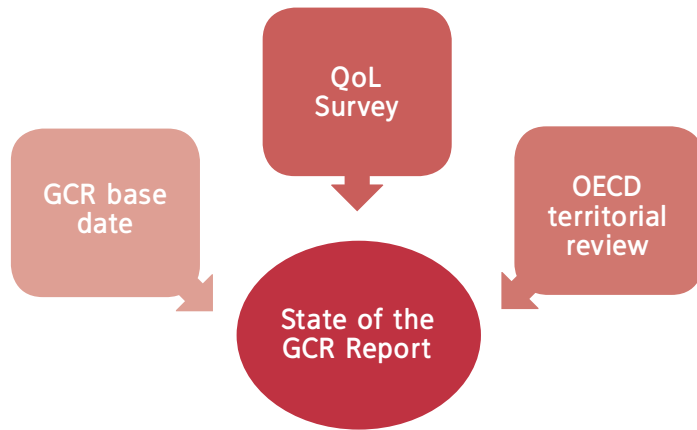


### Some existing OECD Territorial Reviews

The Review will last until either late 2010 or early 2011. The relationship between the Review and the GCRO's own process of indicator development, data collection and analysis is self-evident. The key issues here are that the Territorial Review, once tweaked to ensure a close fit with the key priorities of the provincial government, will provide us with a detailed, robust, international baseline dataset, covering a very wide range of variables. Thus, rather than having to incrementally build a baseline dataset step by small step, the Review, while providing policy inputs for government, also allows us to take a major step forward in our work.

As we noted earlier, all of these activities are powerful standalone projects, but will also feed into the 'State of the Gauteng city-region' report sequence.





▲  
State of the GCR

## Quality of Life survey

Also part of our data gathering phase – this being the beginning of ‘baseline year’ for the GCRO, where we gather key datasets against which the GCR will be measured over successive years - the GCRO Board approved the commissioning of a large sample survey to measure the quality of life of citizens of the GCR. The sample, at almost 6 000, will allow detailed analysis at municipal level, as well as analysis in larger wards as virtually every ward was sampled. In this way we will be able to analyse and report data with measurable accuracy for provincial as well as all local municipalities in Gauteng. We will also be providing accurate localised analysis for the GCR ‘foot-print’ as it extends to Sasolburg, Rustenburg, Potchefstroom and Klerksdorp, Secunda and Witbank; and to the north-east, where there is little or no economic activity but a very large population of displaced urban residents.



▲  
Sample map

The questionnaire, designed in collaboration with local and provincial government, and with representatives of both universities, will cover a wide range of issues such as values and attitudes, psycho-social issues, poverty, demographics, employment status and decent work, health status, transport patterns, carbon emissions, as well as access to and opinions of a range of government services. In sum, it is a far broader survey than the working title ‘quality of life’ implies. The objectives are to provide a wide-ranging baseline dataset; to allow for multivariate analysis, where we commingle demographic with value data (looking, for example, at the impact of poverty or class on values and attitudes); to serve different faculties and departments at both Wits and UJ who asked us to include questions of interest to them; to provide faculties, academics and students with free access to a remarkable dataset for their own analysis and work; and, finally, to provide a bottom-up analysis of the GCR that will naturally complement the top-down perspective

provided by the OECD Review. In this way, by late 2010, GCRO will have put together a remarkable dataset, which will be made publicly available for on-going analysis. And, by commissioning (and gathering) future datasets, we hope to build up time-series data that will provide substantial academic value, not merely a short-term instrumental value.

### Colloquium on the financial crisis

During the period under review, GCRO was approached by GEDA to help organise a colloquium on the nature, causes and impact of the then still-emerging global financial crisis. The event itself was held in April 2009, just past the end of the 2008/2009 financial year. At the colloquium, which was opened by the MEC for Finance, Mandla Nkomfe, along with the Vice Chancellors of Wits, Professor Loyiso Nongxa, and of UJ, Professor Ihron Rensburg. A large audience interacted with a range of speakers including Professor Alan Mabin, Dr Neva Makgetla of the Development Bank of Southern Africa, Professor Ben Turok, Simphiwe Mngcina of COSATU, Rudolf Gouws of Rand Merchant Bank and Dr Leon Louw of the Free Market Foundation.

**...we hope to build up time-series data that will provide substantial academic value, not merely a short-term instrumental value...**

## Financial status

The audited report for 2008/2009, audited by Price Waterhouse Coopers (PWC), will be submitted as a separate document.





## GCRO (Gauteng City-Region Observatory)

Tel +27 11 717 7280

Fax +27 11 717 7281

Email: [info@gcro.ac.za](mailto:info@gcro.ac.za)

### Physical Address:

4th Floor University Corner  
11 Jorissen St, Braamfontein,  
Johannesburg, Gauteng,  
South Africa

### Postal Address:

GCRO  
Private Bag 3  
Wits  
2050

