



Planning for

2014

Making the future work today



Together, creating jobs, fighting poverty



Making the future work today

Contents

Introduction	4
Status Quo Report	6
Demographic profile	6
Citizenship and democracy	7
Economic growth and employment	10
Poverty	11
Access to services and houses	13
Crime	14
Transport	15
Environmental sustainability	15
Education and skills	16
Health	18
HIV and AIDS	19
Governance	20
Conclusion	22

What the future holds **24**

Values and identity	25
Economic development and growth	27
Sustainable development	31
Transport	33
Poverty and inequality	33
Productive, healthy and skilled people	35
The state and politics	38

Postscript **26**

"In just over 100 months time, it will be 2014... Our future is determined not by what we do tomorrow, but by what we do today".

These two sentences form the opening and closing lines of a presentation made by the Presidency on their scenario planning exercise looking at what South Africa could be like in 2014.

The Gauteng Provincial Government (GPG) embarked on a similar planning exercise. We looked at where we are today and at what the future could hold. We looked at what we had achieved so far and our vision of what we would want for Gauteng in the future. We looked at our strategies today and we assessed whether they would be appropriate for the future. On this basis we developed a plan for the next ten years, a plan that would make Gauteng an even better place in which to live.

The planning process took over a year and involved the political leadership and



Introduction

senior management of the Gauteng public service, local government leaders and consultation with a wide range of stakeholders. A Women's Dialogue was held in December 2003 to seek the views of women in our province and ensure that the proposed plan would also advance the status of women.

The process drew on research work, existing policy initiatives at national, provincial and local level and on comments and feedback from stakeholders and people we met in *Imbizo's* and *Let's Talk* meetings with the Premier and MECs.

The results of the planning process are reflected in the provincial government's Five

Year Programme of Action for 2004 to 2009, which was released in June 2004. The 2014 planning process also produced two other documents which influenced the development of the programme:

- A "status quo report", which summarises where the province is today
- "What the future holds", which spells out possible directions for the province in the future.

To make the findings of this process available to a wider audience, we have reproduced these two documents in this booklet.

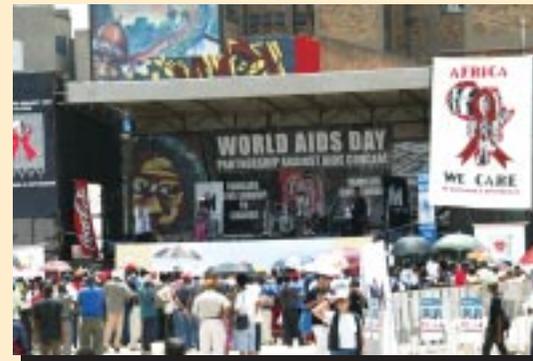
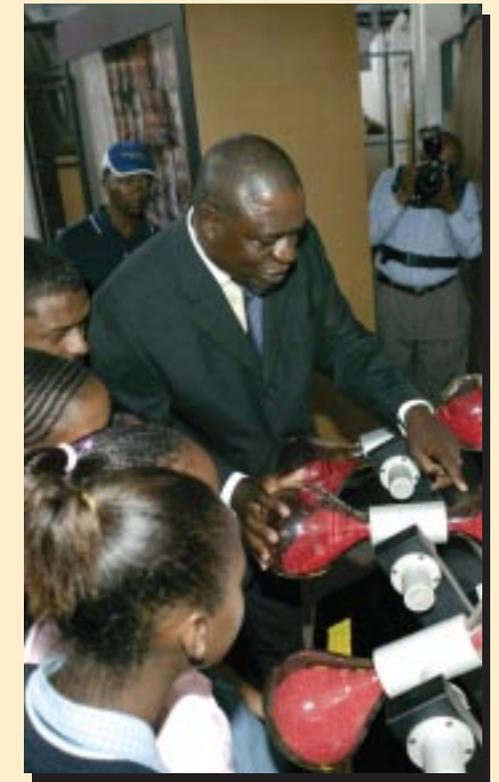


Here we provide a picture of Gauteng in 2004. It is this information that the provincial government used to realistically plan for the future.

Demographic profile

The last Census tells us that the Gauteng population was 8.8 million in 2001, an increase of over 1.5 million over a five-year period. In 2004 the population is forecast to grow to over 9 million, as a result of natural population growth and in migration. There are more men than women in Gauteng, particularly in the 20 - 44 year age group. Approximately 3.8% of Gauteng's population is disabled. There are significant differences in population size between the different municipalities.

Of all the country's provinces, Gauteng is



Status Quo Report



the highest net recipient of migrants. The number, however, represents only about 5% of the total population. While the majority of migrants are from other provinces, mostly Limpopo and KwaZulu Natal, significant numbers of migrants come from the Southern African region and Europe.

In 2001, 1.75 million Gauteng residents indicated that they had moved during the preceding five years, equivalent to one fifth of the population. Of all recent migrants in Gauteng, nearly three-fifths had moved from somewhere in Gauteng itself.

Initial work on the profile of migrants shows that male non-South African migrants are more likely to be in some form of employment than South African resident in Gauteng. On the other hand, the educational profile of non-South African's, for the most part, mirrors that of other Gauteng residents.

There are 1.7 million learners in the pre-tertiary education sector and this is forecast to grow at 2% per annum, mostly as a result of in-migration.

Due predominantly to the impact of the HIV and AIDS epidemic, we are experiencing increased infant mortality (from 36 to 46 per 1000 live births between 1998 and 2002) and declining life expectancy (by approximately three years between 1996 and 2002).

The population pyramid shows a bulge in the male 20 - 40 year age group, due mostly to the fact that most migrants who come to Gauteng are within this age group. However population projections anticipate that there will be a decrease in the number of people in this age group as mortality due to the HIV and AIDS epidemic, increases. This will have an adverse impact on the labour pool and lead to an increase in households headed by children and grandparents.

Citizenship and democracy

Elections tell us a lot about how people value democracy and citizenship. These elections saw voter turnout in Gauteng at 74.26% of registered voters. The figure goes down to between 50 and 60% of the voting age population. There has been a 13% decline in the number of votes cast between 1994 and 2004. However the figures are still high compared to other parts of the world.

Work done by the Human Sciences Research Council (HSRC) indicates that fewer people are identifying themselves in terms of ethnicity. Between 1997 and 2000 there was a decrease of 35% in people identifying themselves in terms of ethnicity (47% to 12%) and there has been a positive shift in people seeing themselves as, and expressing pride in being, South African.

The Gauteng government has made its own significant contribution to citizenship and democracy including ensuring political stability and prioritising communication. Across the province we now see reduced political vigilantism and greater political tolerance and maturity.

The *Let's Talk* campaign, *Imbizos* and campaigns around registering for social grants have complemented traditional communication opportunities. The establishment of heritage sites and the active commemoration of national days have reinforced a common national identity and promoted reconciliation and patriotism.

A survey conducted by the Office of Premier at the end of 2003 shows that 59% of people said that they were aware of the work of the provincial government since 1994.

We have been able to bring about peace and stability in previously unstable communities and sectors such as the taxi industry and schools. Katorus and Alexandra are but two examples where concerted government intervention has helped overcome apartheid legacies and fostered greater levels of community cohesion.

The Letsema campaign has served to energize community members to volunteer

some part by increasing pressure on our resources by people of non-South African origin.

Economic growth and employment

Economic development is the main engine that drives our ability to realise other developmental goals. On the other hand, lack of development such as poor skill levels and social instability as a result of poverty impacts negatively on the economy's ability to perform.

According to Statistics SA, the average real economic growth rate of Gauteng – as measured by the gross domestic product – for 2002, compared with 2001 was 5.3%. The average economic growth rate for the period 1996 to 2002 was 3.1%. The figure for South Africa as a whole over the same period was 2.8%.

Growth in 2002 was mainly due to contributions from the finance, real estate and business services industry (9.7% growth) and the manufacturing industry (6.2%).

In 2002, the largest industries in the economy in terms of their contribution to GDP were the manufacturing industry (21,1%) and the finance, real estate and business services industry (20,6%). The agriculture, forestry and fishing industry had the lowest contribution (0,6%) to the GDP.

The missing component in the economic growth and diversification that has taken place is that of employment growth. Statistics SA's Labour Force Survey for March 2003 puts the percentage of economically active people in Gauteng at 31.5%, almost exactly

for service delivery, thus encouraging participation in the processes of governance. We have also implemented community based leadership programmes and initiatives focusing on the upliftment of young people.

We have seen improved community acceptance and support for people living with HIV and AIDS. A recent survey showed that over 80% of people said that they are willing to care for a relative with AIDS. However, stigmatisation remains a problem.

Crime levels, particularly organised crime, violent crime and crimes against women and children, are too high. The causes of crime are multifaceted and are associated with substance abuse, reduction in the stability of families due in part to the impact of HIV and AIDS, lack of community life and high levels of unemployment.

Government's *Towards a Ten Year Review* report raises the important point that: "The impact of freedom and the provision of improved services has led to a social transition that has given rise to changes in the centre of social guidance and censure such as the family and the community, and that the fulcrum of identity, culture and mores has shifted in a transforming society and globalising world. These social changes are also impacted upon by poverty, particularly the indignity of unemployment and inability to fend for oneself and family."

Women continue to carry the greatest socio-economic burden, with black working-class women the most disadvantaged. Gender-based violence threatens our constitutional commitments to gender equity and freedom of sexual orientation.

Finally, we need to acknowledge an emerging problem of xenophobia caused in

the same as the national unemployment rate.

New jobs tend to be less secure and are of a lower quality and wage. According to the Census, the numbers of people involved in self-employment is low – about 5% of the economically active population.

While the economic contribution of service-based industries has been growing over time, jobs have been lost in the traditional areas of mining and heavy industry, as well as manufacturing. This has been particularly the case with low skilled workers, who are not easily able to transfer to the new service-based growth sectors.

An additional supply side dilemma for employment growth is the gap between the skills set in the province and those required by the growing secondary and tertiary sectors.

Poverty

Due to poor employment levels, the benefits of economic growth have not yet translated into broad-based income redistribution and poverty alleviation. Levels of inequality, as measured by the Gini Coefficient, increased by 3% between 1995 and 2000 to 0.61. Growing inequality has been most pronounced within the African population.

The number of households with monthly incomes below R1200 also grew by 8% between 1999 and 2000. However, the inclusion of the social wage component (e.g. free basic services, health care and education) into the calculation of the Gini

Coefficient would probably result in an improvement in these figures.

While job creation programmes like Zivuseni, Labour maximisation, Labour Intensive Construction and Community Based Public Works

Programmes have made progress in providing short-term employment, these are not large-scale enough to make a significant impact on unemployment.

A report by the HSRC based on the 1996 Census, done for the Office of the Premier, estimates that about 48% of children live in poor households, with 51% of under five's living below the poverty line. Between 1995 and 1999 the poverty rates among children increased from 24.2% to 37,8%.

According to the 1999 National Food Consumption Survey, approximately 40% of Gauteng's children aged between 1 and 9 years experience hunger.

Our most significant contribution towards helping the most vulnerable has been our grant system, which is regarded as well targeted to assist the most poor. Nationally, the poorest 20% of households receive the largest amounts of grants.

The annualised percentage change in social grants between 1999-2002 in Gauteng was 294%.

Access to services and houses

Starting off on a low base in 1994 and in the face of large population increases due to migration, significant inroads have been made in improving levels of service delivery to

communities. According to the Census, by 2001, approximately 90% of households had access to piped water and 82% to a flush toilet.

In 1999, 83% of all the households in Gauteng lived within 2 km of primary schools, 73% within the same proximity to secondary schools and 75% within 2 km of a clinic. About 89% have access to bus and train services.

In terms of energy consumption, electricity is the dominant source of energy for households. The use of electricity for lighting by households stayed just above 70% between 1996 and 2001. There is a decline in the use of electricity for heating and cooking due to the inability of poorer households to pay for the service.

However, we continue to face significant backlogs in service provision, housing and public amenities. Apartheid settlement patterns have not been significantly altered since the onset of democracy and, in many cases, new settlements continue to be built on the peripheries of towns and cities far from employment and other opportunities.

An estimated 24% of the approximately 2,65 million Gauteng households live in informal dwellings. Between 1999 and 2001 there was an average annual increase of 2% in households living in informal dwellings.

According to the CMIP backlog study, 630 000 households do not have access to basic water supplies and 706 000 households to basic sanitation. An estimated 857 000 households are without electricity, despite the fact that they would qualify for free basic electricity. The estimated cost to address the total infrastructural backlog by 2014 is R22,5 billion.

One of the interesting features revealed by the 2001 Census is the decline in household size in Gauteng from 3.8 in 1996 to 3.1. This is below the national average of 4. Smaller households mean more households, which has a significant impact on service delivery.

One of the key constraints to the delivery of homes and services is the lack of access of significant numbers of people to employment and income generating opportunities. This in turn provides a context for social ills such as crime.

Crime

Nevertheless, one should not project a direct line between poverty and criminality and the level of certain high priority crimes has decreased over the past ten years. Incidents of murder have decreased by 31% since 1994 and rape figures are at their lowest since 1994/5.

There has also been a significant decrease in high profile cases of aggravated robbery, hijacking of motor vehicles, bank related robberies as well as cash in transit robberies, with these categories of crime having reached the lowest levels recorded since 1996/1997.

While it is difficult to gather information on social crimes, Gauteng is consistently viewed as a high-risk province in respect of sexual crimes such as rape, attempted rape and indecent assault of children. In one study in Gauteng, 20% of females and 13% of males reported experiencing sexual abuse before the age of 18.

Transport

Public transport remains fragmented and is a significant cost to poor households. Congestion is becoming an increasing problem. Road safety remains a problem, with road deaths still too high. We have, however, made significant strides in stabilising the taxi industry.

Environmental sustainability

As a result of our high population growth, mining and industrial legacy and being located at the confluence of freight movement routes, Gauteng experiences high environmental vulnerability. This is despite the fact that, of the 1.7 million hectares in our province, only 15% is developed.

Air pollution in Johannesburg is rated fifth worst in the world. In November 2003, the E coli count, which indicates the presence of fresh sewage in water, in the Vaal River near Vereeniging, was around 12 6000 per 100 ml, while the acceptable international standard is 130 per 00 ml.

South Africa is heavily dependent on fossil fuels and is one of the world's top 20 highest greenhouse gas emitters. Our emissions per person are more than those of some developed countries.

The introduction of electricity and its increased use for cooking has lessened dependence on coal and led to some improvement in air quality. Between 1991 and 1999 there was a 15% decline in

winter concentrations of air pollution in Soweto. Our use of electricity, especially in low-income areas, remains inefficient due to the poor thermal properties of the houses, for example, houses with corrugated iron roofs with no ceilings.

In respect of biodiversity, South Africa has the highest known concentration of threatened plants and the highest extinction estimates for any area in the world. About 20% of the biodiversity in Gauteng is not protected. This includes species where only one known population exists, such as Juliana's Golden Mole.

Current estimates of the Department of Agriculture indicate that less than 4% of the total agricultural land area of our country is high potential land. A significant amount of this land is in Gauteng. At present, only 67% of Gauteng's arable land is farmed.

Education and skills

The level and quality of education in our province has increased substantially over the past ten years. The province has a high level of literacy, with 92% of people older than twenty years having some schooling. Gauteng has relatively high levels of people with post-Matric education, at 12,6%, compared to the national average of 8,4%.

Access to primary and secondary education in the province has increased over the past ten years. There are also higher annual enrolments in Grade 1 as a result of rapid urbanisation, mostly from outside the province. Secondary school enrolment levels has increased from 65% to over 94%. This reflects an increase in the number of learners

remaining in schools rather than dropping out.

Qualitatively, the province is achieving higher levels of learner performance in the senior certificate examinations. The pass rate has increased by 24% over the last four years to 81.4% at the end of 2003. The number of schools with very poor pass rates has also declined considerably.

Good progress has been made in addressing inherited backlogs as indicated by improved learner to classroom ratios (41:1 in 1999 to 39:1 in 2002) and learner to educator ratios, which over the last four years have stabilised at 37:1 against the target of 40:1 (as per the Post Provisioning Model).

Significant attention has been given to the development of the school curriculum to address life skills and gender issues, and on prioritising maths, science and technology education. We have taken pro-active initiatives to rebuild a culture of learning and teaching in schools and create safe school environments.

Improved schooling will make a major impact on skills over a twenty-year horizon, while our economy needs more skilled people today. Research by the Department of Labour indicates that over 80% of firms with more than 50 workers report difficulty in finding professional staff. As of 2001, an estimated 20 000 unfilled professional job opportunities existed in the Information Systems, Electronics and Telecommunications (ISETT) sector.

Only 25% of children in Gauteng aged six and below are attending an early childhood development (ECD) site. Those not attending are most likely to be deeply

poor and vulnerable to health and other social risks. About 60% of ECD sites are home-based sites.

The HSRC research discussed above indicates that mildly to moderately intellectually disabled children living in poor areas and the most severely disabled children are receiving the least amount of care in terms of state support, rehabilitation and education. Only 40% of known disabled children who require rehabilitation actually receive it and less than half who are entitled to state grants receive them.

Health

Gauteng and indeed the country at large is regarded as experiencing a very wide, changing burden of disease (sometimes called a triple burden of disease) as a result of the changing nature of economic activity, high levels of crime leading to high levels of trauma, changing lifestyles and the increased diversity of the population (from diseases of over consumption, to diseases associated with malnutrition).

The health system has also faced a number of challenges, including absorbing the impact of migration, changes in the private/public medical health care dispensation, legislative changes, retention of health professionals and developing appropriate service levels. The HIV and AIDS pandemic is proving to be one of the biggest challenges faced by the health system.

Nevertheless, the performance of our health institutions and public perceptions of them have improved considerably. According to a survey conducted jointly by the

Office of the Premier and the Department of Health, 59% of those surveyed were satisfied with overall health services, while four out of five users of our services said that the care they received met all their needs. For those that did not receive the care they required, the most common complaint was a lack of medicines.

More specifically, 76% of respondents were satisfied with our services to children under 6, 67% with our pre-natal services, 51% with emergency services and 57% with our HIV and AIDS services. 95% of people are able access our services, a dramatic increase from 1994. 41% of respondents received government condoms in the 12 months prior to the survey taking place.

HIV and AIDS

In respect of HIV and AIDS, the Medical Research Council (MRC) report suggests that 16% of the Gauteng population are infected. This means approximately 1,4m people in the province are living with the HIV virus. Of these, close to 97 000 have the Acquired Immune Deficiency Syndrome (AIDS).

The Nelson Mandela/HSRC Study of HIV and AIDS highlights the sections of the population most at risk, namely those living in an urban informal settlement, between 25 – 34 years of age and female (more so than male). Morbidity and mortality is rising at a pace higher than that of new infections, whilst prevalence is stabilising.

There has been a significant change in the sexual behaviour patterns of youth under 25 years of age, with widespread understanding of issues relating to HIV and AIDS transmission.

Health services are particularly challenged by the phase of the epidemic where more people are becoming sick with AIDS. Anecdotal evidence from health service managers and providers suggest that up to 60% of hospital admissions to medical and paediatric wards are for HIV and AIDS related diseases leading to displacement of care for other illnesses.

The October Household Survey found that the medically uninsured population increased from 60% to 73% between 1995 and 1999. Latest estimated census figures show an increase in the percentage uninsured to approximately 77%. This means that additional pressure is being put on the public health care system, which is the care provider for the majority of the population.

Governance

The overall management of the transition after 1994 at provincial and local government levels has been strong. The GPG has generally managed to balance the need to deliver in the short term as well as invest resources in programmes that will deliver primarily in the long term. There have, however, been areas such as housing settlements where short-term delivery could create sustainability issues in the long term.

There have been significant areas of innovation, including the establishment of the

Blue IQ projects, the pioneering of public private partnerships such as with the Gautrain, the establishment of the GSSC, Gauteng Online, the introduction of new business processes in respect of vehicle licensing, partnerships with Business Against Crime in respect of camera's in the inner city and the establishment of metro police forces.

Our service delivery record has been uneven, with areas of excellence and areas in need of improvement. Some of this relates to improved capacity building, especially at middle management and front line management levels.

Other strengths of the provincial government have been financial management. All GPG departments received an unqualified audit for the 2002/3 financial year and the province has a low record of fraud and corruption cases.

The Legislature has pioneered an important role for itself in respect of oversight and accountability. However, challenges still remain in respect of the role of provincial laws.

Local government faces significant problems of debt management. For Greater Johannesburg, Greater Pretoria, Lekoa Vaal and Khayalami, annual increases in 2002 stood at 23%, 18%, 41% and 99%, respectively. The reasons behind this relate both to efficiency of local government billing systems and lack of ability of poor people to pay for services.

Compounding the problem is the lack of alignment between the growing mandates given to local government and funding provided to fulfil those mandates.

The lack of funding also impacts on the provision and maintenance of new and existing infrastructure. While provincial government has funds for the development of houses, there may not be sufficient resources for ongoing maintenance.

Conclusion

A combination of good policies, good governance and innovative implementation has created a bridgehead to march into the second decade of democracy.

Significant progress has been recorded on all the fronts where government decided to take initiatives. In some areas we have already made a demonstrable impact. We can say with confidence that our efforts have made Gauteng a better place to live across many fronts, as shown by improving access to basic services, housing, health care and schooling.

We have been able to keep pace with the increasing numbers of people coming to Gauteng.

In other areas, we have put in place strong building blocks which will see an impact into the second decade of democracy. This includes the restructuring of the economy and our Blue IQ projects which, while already attracting investment to our province and key areas such as the inner city, are still to translate into increased job creation.

We have dealt well with issues which are to some extent outside of our control such as the HIV and AIDS epidemic and increased migration. We have also made

interventions in certain areas despite the fact that they are outside our competency as provincial government, for example, safety and security.

The challenges over the next ten years are to consolidate the gains we have made and to take our province to new heights along the following four key tracks:

- The creation or restoration of community life
- The building of an economy which accommodates all
- The increasing commitment to sustainable development, and
- The deepening of democracy and the improvement of governance.

**"Time present and time past
Are both perhaps present in
time future,
And time future contained
in time past....."**

**At the end of our
exploration
Will be to arrive where we
started
And know the place for the
first time"**

T.S. Elliot in "Four Quartets"

To develop a plan for the next ten years, we have assessed what are likely to be the key driving forces shaping the future. We recognise that we cannot predict the future and we did not attempt to do this. Instead we have looked at possible future forecasts because we believe that by rehearsing tomorrow's future, we can produce better decisions today.

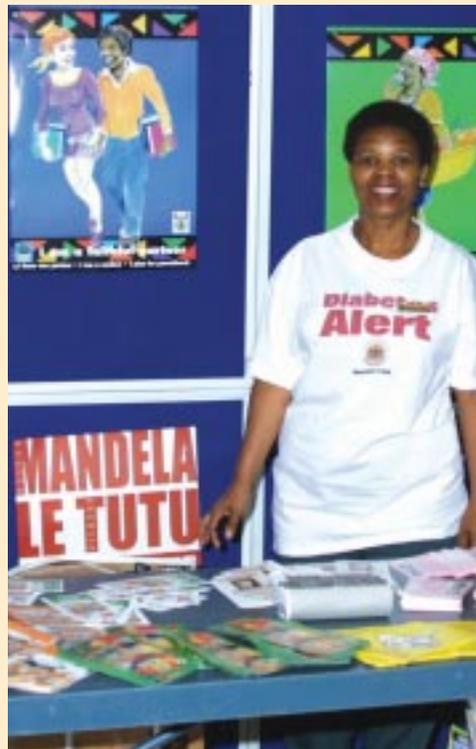
Forecasting and the use of scenario's can assist us to:

- Present alternative images instead of only extrapolating trends from the present
- Question some of our assumptions and look at issues in a fresh way
- Order our perceptions about alternative future environments in which today's decisions might play out.

What are the key possibilities that the future



What the future holds



will hold in Gauteng? We have grouped these into the following four themes discussed below:

- Values and identity
- Economic development and growth
- Sustainable development and
- State and politics.

Values and identity

We have a fragile but potentially strong democracy. In the words of one commentator, "the official end to apartheid in 1994 left the majority government with a very mixed inheritance that will invariably continue to cast rays of sunshine and long shadows over the rainbow nation during our lifetime"

We are "alive with possibility". In the next ten years we could see ourselves realising our dream of a strong and vibrant democracy

with healthy communities and institutions and increasing buy-in of different social groups and classes to a unified South African vision.

Or, the worst-case scenario would be a breakdown of society along class, ethnic, cultural, religious and race lines. This situation may well go along with a situation of widening inequality, with social values becoming increasingly materialistic.

This, to some extent, will depend on our economic performance, the extent to which the benefits of economic growth are redistributed and the role of the state.

With increasing in-migration from other provinces, parts of the region, continent and the world, we will have a more diverse population. Depending on how in-migration is managed, we could, as a province, significantly contribute to the building of a united, yet diverse identity or we could see the entrenchment of different identities.

New migrants do not have the same social connections as more permanent residents and often resort to informal networks to ensure their survival. It is possible that some rural-traditional forms of collective organisation and exercise of authority could gain ground and even seek to co-opt the democratic process to perpetuate these organisations.

It can also happen that a stronger national identity could be at the expense of African and community identities. Other identities such as those based on religion (following the rise of fundamentalism in some parts of the world) or identification with the Western

culture may become more prominent over time.

The children who were the victims of apartheid's forced removals and other policies which broke up families and communities became the lost generation of the seventies and eighties. High levels of unemployment and the AIDS epidemic could potentially create a new lost generation.

We could thus see continued anti-social behaviour; high levels of violent crime, drug and substance abuse as well as the abuse of women, children and the elderly. Often it is the low value placed on life as a result of lack of employment and identity that results in various forms of risky behaviour including unsafe sex and gambling.

Over the next ten years our society will face the challenge of absorbing back into society ex-prisoners who would have completed long-term mandatory sentences handed down at the beginning of this period and ex-combatants – our own and from the region – who may have little experience beyond that of being in an army.

Civil society is never homogenous. Civil society organisations can also develop in different directions over the next ten years. They could play an important role enabling and supporting the building of our democracy and social cohesion, promoting positive identity and values as well as assisting in poverty alleviation and service delivery.

However, it is also possible to envisage civil society organisations becoming more disparate, alienated and disengaged from the political mainstream.

One of the factors underpinning social regeneration and even citizenship is the

role of the family and its role in intergenerational mentoring. It is unlikely that we will see a return to the familial and patriarchal relations of the past, but the question remains whether we will see the increasing acceptance of diverse models of families, partly in response to the HIV and AIDS epidemic. It is also possible to see gangs replacing families as key social groups for some youth.

Economic development and growth

Gauteng has a strong possibility of continuing to grow as a national, continental and international economic powerhouse. On the assumption that there will continue to be strong management of the macro-economic fundamentals and in the absence of unforeseen events such as a rerun of the Asian crisis, it is likely that our economy will continue to grow.

It is also likely that the economy will grow in the direction that we have set for it, with growth in the business and financial sectors and a decline in the mining sector. Also anticipated is an increase in tourism, particularly business tourism, and possibly sport tourism.

However, existing industries such as the mining sector will remain important in the next ten if not twenty years and we will need to deal with the consequences for jobs and growth when mines become depleted and/or the gold price drops. We will need to continue to plan for this, including growing the mining services sector.

Gauteng is the seat of global mining companies and expertise, with associated

linkages to academia and secondary and tertiary sectors. As mining as a primary contributor to Gross Geographical Product (GGP) declines, it is nevertheless possible to grow its strength as a global player in the mining services industry.

One of the critical challenges will be translating economic growth into employment growth and thus reduced inequality and poverty. Critical to this will be the extent to which we are able to grow labour absorbing sectors and ensure that the fruits of economic growth will indeed lead to 'redistribution', in other words, creating an economic base for better protection of the vulnerable.

The best case scenario would see broadening access to economic opportunities and increasing incomes, enabling people to afford housing and social services and thus enabling good health and stable communities.

If we are unable to address inequality and growing unemployment, we can anticipate increased dualism – a growing formal economy side by side with a growing informal economy – some legal, some illegal – but beyond taxation and regulation. This could be a consequence of an increasing emphasis on putting high formal and globally integrated economic growth first.

At least two scenarios are possible in respect of black economic empowerment. The first scenario would see an increasing monopolisation of the economy, including by black players. A second scenario entails the realisation of a broad-based empowerment strategy where more SMME's and enterprises cross the bridge from the informal to the formal sector. This second scenario goes beyond cutting up the cake for previously

disadvantaged people to get a greater share. However, it requires the baking of a larger cake through broad-based economic growth.

One of the uncertainties in the next period is the success or otherwise of NEPAD and its implications for Gauteng. If NEPAD succeeds, Gauteng can grow even stronger and extend its trade relations into Africa. If NEPAD is not able to succeed, we may be relying more on other less secure global markets and Gauteng runs the risk of becoming alienated from the nation state, sub-region and continent. In both scenarios, we can anticipate an increased number of migrants from the region and continent to our province.

The challenge of economic integration of migrants will depend to some extent on whether they are economic refugees fleeing situations of absolute poverty, famine, flood or drought from the neighbouring provinces or region or whether they have some skills and assets here or back home which they can use to leverage their own development and increase their contribution to the economy. If NEPAD does not succeed, migrants are more likely to be a drain on local resources than be part of contributing to the economic revival of Africa from its southern tip.

It is also possible, if too little attention is paid to the competitive advantage of different regions within Gauteng for there to be regional divides with the possibility, for example, of Johannesburg and Tshwane growing and other areas becoming increasingly depressed.

One of the key determinants to successful economic

growth is the extent to which we will be able to produce and attract the required skills. The HIV and AIDS epidemic, if not aggressively managed, will also impact significantly on productivity as well as on the availability of skills and the cost to retain and produce new skilled workers.

The provincial government has made a commitment to bridge the digital divide and to enable this to happen. A further challenge facing us is to integrate the advances in technology in ways which will be beneficial to all.

For this to become a reality, critical role-players such as the parastatals and the private sector will need to play an active role, including, for example ensuring affordable ICT. Research in technology and development will also need to expand – a challenge in the face of insufficient skills.

A further challenge over the period will be the mainstreaming of cleaner production methods and a move away from the use of carbon fuels in electricity generation and transport to address environmental vulnerabilities. If this is not done, we can envisage an increasingly detrimental impact of increasing carbon dioxide emissions relative to the global average. This has an impact on global warming and climate change.

There are a number of opportunities facing us in next ten years which can be used to further our desired scenario. For example, the hosting of the Soccer World Cup in 2010 can provide a significant impetus for us to increase tourism and direct foreign investment as well as increase the size of the cake available for black economic

empowerment. It can also be a significant opportunity to gear in resources for infrastructure development, particularly transport and sport facilities, foster national confidence and pride and advance sport development and healthy lifestyles.

Sustainable development

It is said that we have 'cities of gold and townships of coal'. One could add to this, 'informal settlements of dust'. What does the future hold? Three different worlds with their own cultures and under classes. The underclass of the rich: young cocaine junkies in branded jeans. The underclass of the townships: mafia's controlling crime networks while the boys on the frontline are the desperate newcomers to our cities.

With significant political commitment and partnership on the one hand and at least moderate economic growth on the other; it is possible to create liveable, empowered and sustainable communities which are mixed income and embrace cultural diversity.

In the best case scenario, we can envisage densified settlements close to or containing economic opportunities, which are characterized by diverse combinations of land use, balancing the needs of humans and the environment and providing basic services to all. Such a scenario could include urban agriculture on the basis of recycled waste which would enhance food security and improve biodiversity.

The alternative scenario is unsustainable urban sprawl with increased pollution, flooding and informal and illegal habitation of dangerous land. Housing stock would deteriorate and 'shack lords' may increase, exploiting the housing needs of the poor.

With urban sprawl would come increased traffic congestion and increased costs associated with the maintenance of costly road infrastructure. This would be accompanied by further deterioration of the inner cities.

Communities would be divided from each other and internally divided: enclaves of the wealthy in gated residential areas and secure office parks. There would be investment flight, spurred by the NIMBY (not in my back yard) phenomenon. And without the alteration of land use patterns, infrastructural and maintenance backlogs could spiral out of control pushing privatised provision of services to business and housing estates.

In both scenarios, the informal sector is likely to continue to grow and remain a source of livelihood for large numbers of people. In the worst case scenario, one would see a preponderance of illegal and high risk activities impacting more negatively on the health of people as well as the state of the environment.

Transport

It is estimated that the road and rail traffic demand could grow by as much as 39% and 26%, respectively, by 2010, leading to a situation where demand far outstrips supply. If this is not addressed, the weaknesses of the current transport infrastructure will begin to form a ceiling to economic growth in the province.

The Gautrain Rapid Rail Link is set to make an impact not only on this but also on our land use patterns, if we pro-actively work to ensure this. However, more than the

Gautrain may be needed to address growing congestion and the use of motor vehicles as the predominant, but environmentally unsustainable, form of commuter transport.

The increasing price of fuel will put further pressure on us to move towards public transport. Even with the current balance of international forces controlling oil supply, fuel will become more expensive over time.

In the absence of a pro-active transport strategy, it is possible to see good transport infrastructure for 'developed' parts of the city with freeways between key economic hubs and upmarket residential areas but no effective transport for the poor such that the commuting costs eat away a significant proportion of their disposable household incomes.

Poverty and inequality

In the next ten years inequality can further increase or decrease depending not only on whether and how the economy grows but also on how increased revenue from taxes is invested by the state.

A poor economic future for South Africa is likely to lead to more in migration to Gauteng. This will increase pressure on our social services which may not be able to be offset by additional resources.

In the next period, the impact of the AIDS epidemic is likely to further exacerbate inequality and poverty. More disposable income will need to be shared among more people and

increasing amounts will go toward treating the sick, burying the dead and caring for orphaned children.

It can therefore be anticipated that even with improved economic growth, the state will need to continue to play an important role in respect of supporting those unable to work or able to work but unable to find work. The imperative for significant expenditure on social grants, social wage measures, skills training, an extended and expanded public works programme and supporting individuals to acquire productive assets will remain.

The rolling out of child support grants up to those aged 14 over the next few years will increase the net number of families covered by social security. The AIDS epidemic will increase the number of children dependent on social security for significant periods.

It is likely that the inroads we have made in the promotion of labour intensive public works projects will continue to be an important source of short-term jobs.

Environmental sustainability

Part two of this report showed that our environment is highly vulnerable and pointed to the impact of urbanisation and industrialisation on the creation of a safe and healthy environment.

If patterns remain the same, we can anticipate acute water shortages in areas south of Johannesburg by 2025. Climate change arising from global warming is likely

to further affect the availability of water. Three cycles of droughts are anticipated in the next 10 years.

It is also not unrealistic to see significant shortages of water and electricity during peak usage hours as well as electricity cuts (such as those experienced on the Eastern seaboard of the USA in the latter part of 2003) if water and energy demand is not effectively managed.

Unless strong steps are taken to shift patterns of consumption along the lines of the World Summit on Sustainable Development (WSSD) resolutions, we could see an increase in the problems associated with the effects of poor air, soil and water quality including carbon dioxide fumes, high lead content in our air, unsafe disposal of waste etc impacting negatively on the health of our people and on our natural resources.

Productive, healthy and skilled people

Health status

Health status in the future will be strongly influenced by factors outside of the health care environment such as levels of poverty, poor environment, trauma and lifestyle choices. The most significant determinant of health status at the moment relates to the HIV and AIDS epidemic.

The incidence (new infection rate) is estimated to be 2.1% per annum which translates into 19 000 new infections per year. The impact of HIV and AIDS will be

felt in increased infant mortality rates and higher mortality of young to middle aged adults. Premature mortality is expected to peak in 2010 at 75%.

Estimates show that by 2016, without AIDS, the population could grow to about 11.4 m, while with AIDS, it could be as low as 9.2m. The roll out of a treatment plan over the next period can positively impact on reducing AIDS mortality, prolonging survival and deferring or reducing the number of children who would become orphans. A treatment plan will not reduce the need for a continued aggressive prevention programme as well as pro-actively addressing the impact of the epidemic.

The epidemic can be expected to increase the burden on the elderly, increase the number of orphans and child headed households and put strains on the social cohesion of families. There will also be an economic impact on households whose disposable income increasingly goes toward caring for the sick and additional children and towards funeral costs.

We should also not rule out a scenario which sees the development of new strains of HIV and AIDS which are resistant to ART, where work being done on a vaccine turns out to be ineffective and that despite our prevention efforts the epidemic spins further out of control. Shades of such a scenario are currently being experienced in the sphere of multi-drug resistant strains of the TB bacteria.

Food security, crime and violence and the adoption of poor lifestyle choices (including over consumption by the rich and the adoption of the so called 'Hollywood culture') also have negative consequences for our physical and mental health status.

In-migration will continue to contribute towards the challenges of multiple disease profiles in the province.

If trends of a deteriorating environment continue, so will the impact on health, including increases in upper respiratory tract infections from poor air, diarrhoea and other water-borne diseases from poor water quality etc. Improving our environment reduces but does not eliminate the risk of emerging health risks such as SARS.

The safety of food and agriculture will also become key policy issues in the future.

Education and training

The educational interventions we have made in the first decade put us on a strong footing to achieve high quality public schooling in the second decade.

The challenge in the next period is to consolidate the gains made in the foundation phase and ensure that these are leveraged to increase numbers in higher levels of learning, especially in fields aligned to the required skills sets of growing economic sectors.

A further challenge will be appropriate psycho-social development of children affected by HIV and AIDS to fulfil an adult role in society. This will need to be part of life skills training to equip all young people to cope with the challenges of modern, urban lifestyles.

There is a risk that efforts to boost the skills base for increasingly dominant tertiary economic sectors, could be at

the expense of losing sight of the importance that current so-called 'old economy' industries continue to play. The supply of the necessary skills for such sectors will remain important.

Our Gauteng Online initiative has the potential to revolutionise schooling and the quality of school graduates if the required related interventions such as teacher training, security in schools and affordable ICT are realised. There is also the potential to expand the utilisation of Gauteng Online beyond the formal school environment.

The state and politics

The celebration of our tenth year of democracy comes at a time when the state as a whole is moving from policy development to implementation, consolidating its efforts at public sector transformation and still building its vision of a strong local government sphere.

The nature of the state over the next ten years will be shaped by many of the forces described above. However the state can also play a role in shaping these forces.

Over the next period, Gauteng would be well positioned to have a strong developmental state committed to enabling economic growth and employment creation, improving service delivery, balancing human needs with those of the environment and caring for its citizens and its own employees.

It is nevertheless possible in the next ten years to see the state not being able to fulfill its developmental role either due to a lack of finances and capacity. Reduced revenue from (among other things) lacklustre economic growth may see a decline in resources available for social services and social transfers. The state may lose the battle to attract skilled people fueled by a lack of good human resource policies, increasing corruption and nepotism.

Whether or not the national fiscus is able to provide us with additional resources based on our increasing percentage of the national population, consideration will need to be given to leveraging additional sources of funds and more innovative public funding mechanisms.

The state will also not be unaffected by the impact of the HIV and AIDS epidemic. Not only will the health system need to devote increasing resources to dealing with its impact, but the entire public service can anticipate high losses of professional workers, including nurses and teachers.

One of the observations of the present period is that we have been successful in areas which are under our control but less successful where success depends on partnerships with other role players. Important in the next period will be the extent to which the province is able to build partnerships with civil society and the private sector. This is particularly so if the province wants to play an innovative role and influence social regeneration and the building of social cohesion.

Another scenario is that the next ten years could see the demise of provincial

government as we know it with functions being assigned specifically to the local sphere of government. On the other hand, the province may emerge as the most appropriate organising framework and institutional form for the development of a city region able to compete with similar regions in other parts of the world.

As the scope of local government responsibilities grows, clarification on issues of inter-governmental relations, the power and functions of different spheres of government and mechanisms for joint planning and delivery will become increasingly important.

The critical challenges for local government over the next period are that of local financial stability and adequate human resource capacity. The former rests on improving the efficiency of local government billing systems and addressing the lack of ability of poor people to pay for services. If this is not addressed, this could be a significant threat to attracting local investment. Local government could also become the Achilles Heel of the whole of government, particularly in this phase of increased focus on implementation.

Challenges faced by GPG in the next period include ensuring appropriate institutional capacity especially in the fields of general, and financial management, and the retention of professional staff in the public service. Also critical will be the extent to which service delivery can be improved through better matching community needs and better co-ordination and integration across and between spheres of government.

The implementation of a single public service across all spheres of government can be an effective basis for the improvement of service delivery. It can also lead to instability and uncertainty amongst public servants and many labour relations challenges if not well managed.

In 2014 there will be a new generation of voters who were born after the 1994 elections. Apartheid South Africa and the struggle for freedom may have become a distant memory by then. Depending on the trajectory of nation building, we may see a significant political re-alignment taking place

The worst-case scenario in this respect is a new generation of voters who are cynical, marginalised and see no value in government and social policy. These voters, as has been the case in Europe, often turn to support conservative and reactionary parties.

Postscript

Arising out of the 2014 planning process during 2003 and incorporating the manifesto of the ruling party after the 2004 elections, when the ANC was re-elected into power, the Gauteng Provincial Executive adopted a Five Year Strategic Programme for the term of office of government from 2004 to 2009. The Five Year Strategic Programme adopted the following vision for 2014:

We are committed to contributing to the national effort to:

- Halve unemployment through ensuring high levels of labour absorbing, economic growth contributing to reduced inequality and the development of our province, nation and continent
- Halve poverty through growing secure and prosperous communities with jobs, schools, clinics and other services in a safe and healthy environment which supports active social, cultural and volunteer activities.

We are committed to building a province where:

- The people are healthy, skilled and productive
- The government is caring and responsive to the needs of its citizens and
- Citizenship and democracy is deepened.

Strategic priorities

To make this vision a reality, the Five Year Programme identified the following strategic priorities to ensure an even better life for all:

- Enabling faster economic growth and job creation
- Fighting poverty and building safe, secure and sustainable communities
- Developing healthy, skilled and productive people
- Deepening democracy and nation building and realising the constitutional rights of our people
- Building an effective and caring government.

And to achieve our strategic priorities, the Five Year Programme pledged that the actions of GPG will be characterised by:

- Listening to and communicating with the people and working together with them to make Gauteng an even better place to live in
- Giving priority to the poorest and most vulnerable of our citizens
- A strong commitment to Batho Pele and service excellence
- Efficient and effective use of public resources
- Implementing the people's contract through political stewardship and building partnerships with the private sector, trade unions and community based organisations
- Developing trade relations, sharing experiences and building partnerships to make our continent and the world a better place and
- Harnessing appropriate technology to ensure economic development, improved service delivery and communication with our people.

After the adoption of the Five Year Strategic Programme, all GPG departments developed Five Year Strategic Plans spelling out how they would implement the Five Year Strategic Programme.



Together, creating jobs, fighting poverty