

THE PULSE PHENOMENON IN SOUTH AFRICAN CITIES EXPERIENCES AND LESSONS FOR THE FUTURE

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ABSTRACT

Since the election of a non-racial democratic government in South Africa on 27 April 1994 and the peaceful way it happened, the country through its major cities have managed to attract and host a significant number of events of international significance or scale. These events have ranged from political, sporting and economic events. Ensuring success in hosting these major international events has often involved huge financial expenditure in infrastructure, services and other resources. Currently, Johannesburg City, South Africa is preparing to host the United Nations Summit on Sustainable Development and Cricket World Cup. The short term and long term political, socio-economic benefits and development spin-offs, that often result from hosting these events or are expected from hosting these events are often seen as worth the costs incurred.

The major cities in South Africa as in any developing country are regarded as engines of economic growth and vehicles by which the country can successfully respond to the demands, challenges and opportunities that are brought about by being a member of an international or global community. Their success therefore in attracting these major international events is often regarded as a window of opportunity to market and enhance the position of the country as an emerging important global player and therefore a safe destination for economic investment. To South African major cities hosting these events is also perceived as a good measure of their ability to compete

amongst each other and internationally for various opportunities being brought by globalisation.

However, in spite of the benefits associated with the mega international events that the two South African major cities have managed to attract concerns are still being raised about the huge costs incurred from holding these mega international events and the real tangible benefits they bring to a country that is facing huge backlogs in basic services and infrastructure especially in the previously disadvantaged communities. These concerns are justifiable given that the high profile nature of these hallmark, international events compels the country and its planning authorities to re-focus scarce resources to these events to ensure success. Also because these events are often not part of the integrated development plans that various city governments have to prepare every five years, hosting them means diverting resources away from set development priorities and planned development programs.

This paper aims to make a practical contribution to the objectives of the Congress by describing the experience of South Africa with pulse events in the South African major cities, how the country is attempting to take advantage of these pulse and deal with their aftermaths. Lessons could also be learnt in the way the country has managed these events. To this effect, the paper presents practical examples from two of its major cities, namely Durban and Johannesburg.

1. INTRODUCTION

1.1. Background

Prior to 27 April 1994, which so the election of a non-racial government, South Africa was subject of a Nationalist government that sought to formalise racial segregation and instituted what came to be popularly known as the policy of apartheid. The apartheid policy as known internationally could not succeed and the consequences of this failure are evident especially in the major cities.

As a form of pressuring the apartheid based Nationalist government to change its stance, the international community imposed political and economic sanctions against South Africa. Many multinational companies emigrated out of South Africa creating a serious loss of investment and serious socio-economic problems. International sanctions also meant that the country missed many opportunities for fixed development investment to the other emerging economies. economic

Having emerged from the apartheid era the country is today faced with a situation where it has to address the legacy of the failure of apartheid policies, improve the living conditions especially for the previously disadvantaged section of the population, redress historic inequalities. This has to be achieved whilst at the same time creating conditions that makes the country and its economy sustainably attractive to the investors of a globalising economy. As part of the strategies to address this situation the country has to address the following major interrelated development challenges.

- Increase the rate of economic growth and development so as to provide millions of jobs for a large and growing population, and to redistribute access to economic opportunity for the benefit of

the previously disadvantaged section of the population.

- Address poverty and massive backlogs relating to socio-economic welfare and basic services needs including housing affecting the previously disadvantaged section of the population in both rural and urban areas.
- Compete with other emerging economies for the kind of fixed development investment necessary to expand and grow its economy. This means therefore that the country has to use every opportunity, comparative advantage and have the necessary institutional structures and means to market itself vigorously as a destination for investment.

It is important that the significance, costs and benefits of the mega international events hosted by South African major cities to the country as a whole are analysed and understood within this background.

1.2. The Significance and Role of Mega International Events to South Africa and its Major Cities

There has been a common realization and understanding within South Africa by both the public and private sector that its major cities, more particularly Durban, Cape Town and Johannesburg recognized as 'engines of growth' and 'agents of change' have to play a leading role in helping the country address the challenges facing it. South African cities are also being seen as energy points of connection with the outside world. Indeed this has been made a reality by the Constitution of the country (Constitution of the Republic of South Africa), which requires that local government play a more active role in development challenges facing the

country. In terms of the Municipal Structures Act, mayors running metropolitan governments have been given executive powers and are subject to performance scrutiny by the National and Provincial Governments. This demands coupled with the political dynamics has fueled serious competition amongst South Africa's three major cities.

Indeed urban governments in the largest metropolitan cities supported by powers given to them have increasingly become entrepreneurs who treat their cities as products to be marketed to compete for local and international fixed development investment. Under this circumstances attracting and successfully hosting mega international events has become one attractive opportunity to market and measure the marketability of the city and the country locally and internationally.

The short and long term socio-economic development spin-offs particularly in the hotel and tourism industry that are estimated or perceived to be generated by these mega international events make them attractive. Competition amongst the three major cities to host these mega international events is hotting up. This is in spite of the fact that no major cohesive feasibility study has been done to quantify the true costs against true benefits of hosting these events to the cities.

2. THE IMPACT OF MEGA INTERNATIONAL EVENTS IN SOUTH AFRICA

2.1. Impact to the Cities' Infrastructure, Facilities, Services and Resources.

South African major cities, namely Durban, Cape Town and Johannesburg have world-class competitive infrastructure, services and resources necessary to attract and host mega international outdoor and indoor events

with success. Amongst these three major cities Durban Metropolitan City followed by Johannesburg Metropolitan City have led the way in hosting most of the mega international events South Africa has manage to attract since the beginning of the post apartheid era. Seeing the opportunity of hosting these major international conferences, Durban Metropolitan City built itself within the Inner City Area an International Convention Center capable of accommodating 5000 delegates in a variety of configuration. The functioning, marketing and operation of the Durban Metropolitan City International Convention Center is managed by a Section 21 Company, which has a Chief Executive Officer reporting to the ICC Board. Johannesburg Metropolitan City also has an International Convention Center, which is smaller than that of Durban in size and located in a satellite town called Sandton. Cape Metropolitan City is currently busy constructing its own International Convention Center (ICC) within the Inner City area (See Photo 1). Funding for the construction of the ICC will come from the Provincial and Local Government and the private sector. It is forecast that the Cape Town ICC will provide a cumulative contribution to GDP of R25 billion over 10 years and create about 47000 new direct and indirect within the same period.



Photo 1: The Site of the Cape Town ICC

It is important to note that except a few sporting event all the mega international (outdoor and indoor) events the Durban and Johannesburg Metropolitan Cities have managed to attract have been hosted without having to engage in additional massive infrastructure, facilities and services development and provision but has merely involved full utilization of existing infrastructure.

The costs therefore incurred in hosting these events have been insignificant if not none to raise concerns from the general public. However, the day-to-day normal operation of major cities does experience disruptions, especially when security around the venue of the event has to be tightened.

Where concerns and voices has been raised is around the location of some of these events in the inner city area and in the well-developed former white suburbs. There is a feeling that these events should be used as an opportunity to upgrade and develop basic services and infrastructure in the African Townships, which are in a serious need after years of neglect under the apartheid era. In this way spatial development imbalances and inefficiencies that characterized South African cities could be addressed.

2.2. Mega International Events Held and Planned For

2.2.1. Mega International Events Held

Amongst many mega international events that Durban and Johannesburg Metropolitan Cities have hosted are the following:

- African Champions Nations Soccer Final Cup of 1996, which was hosted by both Durban and Johannesburg Metropolitan Cities, brought 16 African Nations soccer teams and their huge support. Existing sports facilities and services were used.

The only costs incurred was for normal logistics necessary to ensure the smooth running of the activities.

- Africa Games of 1998, a sporting event that was hosted by the Johannesburg Metropolitan City. This is one of a few events where new infrastructure had to be developed which involved a housing village and an administrative office block to accommodate athletes from various countries. The housing village was built on an open land abutted by residential areas of Lombardy East, which is a middle income suburb and Alexandra a low income African Township. It is also in close proximity to N3 freeway and a major access road off the freeway into the residential areas. After the event the Provincial Housing Department transferred all houses in the village to the ownership of low-income residents through its housing subsidy scheme and the administrative office building is now used as a school.
- Africa Union Summit held in July 2002 and hosted by the Durban Metropolitan City International Convention Center. It brought about 6000 delegates from more than 50 African countries. It is estimated that the Central Government paid over R300 million to host the summit. However, this expenditure was logistics particularly security and transport. No expenditure went into development of new infrastructure and facilities.
- Non-Aligned Movement Meeting held in April 2002 and hosted by the Durban International Convention Center. The event attracted 1300 delegates.

Other mega international events hosted by the Durban International Conference Center include Commonwealth Heads of State meeting, World's AIDS Conference and the

United Nations World Conference Against Racism. The management of the Durban International Convention Center estimates that the facility has managed to host at least one mega international event each year since the opening of the Center in August 1997. At the current rate it means that the facility has already managed to recover the capital costs that was involved in its construction. At the current rate it means that the facility has already managed to recover the capital costs that was involved in its construction.

2.2.2. *Mega International Events Planned*

- The Durban International Conference Center management is indicated that about 15 international events are already booked in this year (2002) alone starting from July to December and 22 international events are booked for 2003 to 2005 and are expected to bring an average of 1000 delegates.
- Johannesburg City is currently preparing to host the United Nations World Summit on Sustainable Development from 26 August to 4 September 2002. The venue for the Summit is in the town known as Sandton, a high-income and well-developed residential area that exists next to the low income densely populated residential area of Alexandra. Alexandra is currently subject of a R1, 3-billion renewal project initiated by the central government to run over a seven-year period. (See Photo 2).



Photo 2: The Site of Alexandra Renewal Project

The World Summit is expected to bring about 65 000 delegates including most of the heads of state. The Summit is expected to cost R551 million, which will be paid for by the public sector, corporate/private sector and donor communities worldwide. For example Sweden made a donation of R10 million. The Norwegian government donated a multi-media resource center worth R8 million. After the Summit the center is to be given to Alexandra Township for use by residents.

Preparation for the summit is involving upgrade of the city's infrastructure including upgrade of roads and sewerage system, repairs to traffic lights, cleaning up parks and open spaces, renovations to certain derelict buildings and improvements to the bus services, city lighting and refuse removal. All these infrastructure and utilities improvements is to cost Johannesburg Metropolitan Council an estimated amount of R110 million over two financial years. The Council has also budgeted R4 million for the metro police to work overtime, R2, 5 million for ambulance and fire services and R750 000 for cleaning staff.

A world's large portable venue in the form of a 10 800 m² tent has also been erected. The huge tent is to be the recreational hub for the Summit.

The Johannesburg Metropolitan Council estimates that the Summit is to bring R1, 3 billion, which include income expected by the hospitality industry. However, this is dependent on all 65 000 delegates arriving. Johannesburg alone stand to gain 14000 jobs. Alexandra, which is undergoing renewal, is to be promoted as a model of sustainable development. To this end a village is to be built in the township next to a sports center to showcase the renewal project.

3. LESSONS WITH MEGA INTERNATIONAL EVENTS IN SOUTH AFRICA

- Attracting and hosting mega international events in South Africa has become a 'mean' and 'end'. South African City governments are increasingly becoming entrepreneurs who treat their cities as products to be marketed locally and internationally for fixed development investment. Hosting mega international events has becoming one of the attractive opportunities to achieve this goal. The success in attracting mega international event is also being seen as a way measuring the marketability and ability of South Africa and its cities to compete internationally.
 - There is a strong attachment to the view that mega international events contribute to the economic growth of the country and its cities. The tourism and hospitality industry benefit from hosting these mega events. Indirect and direct jobs are also created from hosting these events.
 - Mega international events hosted by South Africa range from sport, socio-political and economic related gatherings. The major cities of the in the country already has well developed infrastructure, facilities and services to most of the mega international events. Many of the mega international events that has been hosted by the country in since the beginning of the post apartheid era has been hosted without having to build additional facilities and infrastructure. Where the country has had to build new infrastructure and facilities like during the 1998 Africa Games that infrastructure was strategically located to be utilized for pressing needs like low cost housing.
 - The costs incurred by the country in hosting mega events has been on logistics including provision of transportation and telecommunication services and security. However, this might change soon change after the World Summit on Sustainable Development. Preparing for the Summit, which is estimated to cost the country R551 million, has involved upgrade of infrastructure, utilities and services including roads and sewer. However, Johannesburg city infrastructure and buildings was already in serious need of upgrade and renewal uplift. Preparations for the Summit has according to the Johannesburg Metropolitan Council provided an opportunity to upgrade infrastructure and intends to keep the momentum going after the summit. The public and private partnership that has characterized the funding for the preparation of the Summit forms the kind of partnership that is required in the Regeneration of the Johannesburg City.
 - There are also plans to ensure that the World Summit benefit the Alexandra Renewal Project, which is in proximity to the venue of the Summit. Some of the infrastructure will be used.
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