



HAL
open science

Urban governance and management of cities in post apartheid South Africa

Brij Maharaj

► **To cite this version:**

Brij Maharaj. Urban governance and management of cities in post apartheid South Africa. Rencontres scientifiques franco-Sud-Africaines de l'innovation territoriale, Jan 2002, Grenoble - Avignon, France. pp.21. halshs-00749561

HAL Id: halshs-00749561

<https://shs.hal.science/halshs-00749561>

Submitted on 7 Nov 2012

HAL is a multi-disciplinary open access archive for the deposit and dissemination of scientific research documents, whether they are published or not. The documents may come from teaching and research institutions in France or abroad, or from public or private research centers.

L'archive ouverte pluridisciplinaire **HAL**, est destinée au dépôt et à la diffusion de documents scientifiques de niveau recherche, publiés ou non, émanant des établissements d'enseignement et de recherche français ou étrangers, des laboratoires publics ou privés.

Colloque Recompositions territoriales, confronter et innover, Territorial restructurings, comparisons and innovations. Proceedings of the French-South African meeting on territorial innovation. Actes des Rencontres franco-sud-africaines de l'innovation territoriale janvier 2002

Partie I les expériences françaises et sud-africaines dans le mouvement universel de recomposition territoriale

Brij MAHARAJ (University of Natal) :

Urban governance and management of cities

in post apartheid South Africa

URBAN GOVERNANCE AND MANAGEMENT OF CITIES IN POST APARTHEID SOUTH AFRICA

Brij Maharaj, Professeur, Université du Natal-Pietermaritzburg,
MaharajB@nu.ac.za

SUMMARY

The present South African city form is a hybrid product of the colonial and formal apartheid discourse which ordained urban spaces as the domain of the white race. As the democratic initiatives of the 1990s gained momentum various strategies were pursued to reverse the effects of racial planning.

Initially, alternate urban planning strategies were influenced by the RDP, which was perceived to be ambitious and utopian. The UDS, which focused on integrating cities, managing urban growth, investing in infrastructure, and promoting sustainable economic development, was the vehicle to realise the goals of the RDP in cities. Although the UDS was enthusiastically welcomed by the private sector, there were concerns that it was too market oriented and was a departure from the RDP.

The focus on market-led urban development reached greater heights with the GEAR policy. GEAR's neo-liberal orientation was criticised as it only addressed the needs of big business and foreign investors, and the gap between the rich and poor would widen. In fact the virtual abandonment of the RDP meant that the poor would "occupy the lowest rung on South Africa's new non-racial urban hierarchy" (Saff, 1996, p 251). The neo-liberal orientation of the GEAR policy ran the risk of a production of class cleavages and the reproduction of socio-spatial inequalities distinctive of the apartheid city.

The implementation of GEAR in cities was facilitated by the UDF and the White Paper on Local Government. Great emphasis was placed on local economic development strategies and public-private partnerships in delivering services. However, a major issue was whether the poor would benefit from such partnerships. The White Paper set the foundation for a new developmental local government system with an emphasis on integrated development strategies. Metropolitan government or the megacities approach would help achieve spatial, economic and social integration in cities. However, there is concern that megacities reduce efficiency and become bloated bureaucracies.

Until recently, urban and regional development policies in South Africa were controlled by the central government and were intended to implement apartheid.

The apartheid planning discourse was organised along the lines of racial separation and operationalised through spatial partition. More specifically, Africans were denied access to, and participation in, all political structures, and hence had little or no influence on decision-making,

“Rencontres de l’innovation territoriale”

especially with regard to the allocation of resources. The establishment of mechanisms of spatial and social segregation, which were obsessively pursued over the past two centuries, assisted in the exploitation and servility of blacks.

The management of the apartheid city has been characterised by a "complex process of functional inclusion, spatial separation, and political exclusion" (Swilling, *et al*, 1991, p 175). In the apartheid era, local government in South Africa was primarily the "responsibility of white city and town councils" who acted as "the `guardians' of the urban areas demarcated for other population groups" (Bekker and Jeffery, 1989, p 3). The type of urban administration that developed was influenced by the view that blacks were `temporary sojourners' in white cities, which was initially entrenched by the Urban Areas Act of 1923. Despite the apartheid regime's attempts to curb urbanisation through separate development and influx control policies, cities continued to grow. Poverty and lack of socio-economic opportunities led to the migration of large numbers of rural black people to the cities.

The contemporary South African city is reflective of a discourse of apartheid urban planning characterised by racially fragmented and discontinuous land use and settlement patterns, haphazard, dysfunctional and inefficient spatial ordering, land use mismatches, low level population density and the concentration of the poor in relatively high density areas on the peripheries and the rich in the core intermediate urban areas (Hindson *et al*, 1992, p 6). Furthermore, this urban form spatially encrypts racially informed power relations. The redress of this situation must, imperatively, be informed by:

- i) the creation of a new planning discourse as an alternative to the planning apparatus inherited from the segregationist and apartheid state;
- ii) the physical and economic reconstruction of the racially divided city;
- iii) the introduction of a transparent and unified system of urban revenue creation;
and
- iv) the social, political and psychological incorporation of all black South Africans into legitimate state structures and the sensitisation of the state to survival systems and social networks that dominate the lives of the poor citizens (Parnell and Pieterse, 1998, p 4).

In the early 1990s, as democratic initiatives gained momentum, urban planners in South Africa attempted to reconstruct apartheid cities by offering alternative development discourses to reverse the effects of racial planning.

Urban Development Strategy

An attempt to introduce a new urban planning discourse started with the Reconstruction and Development Programme (RDP). The RDP emerged as the key strategy to address the social and economic inequalities of apartheid and the facilitation of the transition to a non-racial democracy. The principles of the RDP were summarised by the ANC as follows:

“Rencontres de l’innovation territoriale”

An integrated programme, based on the people, that provides peace and security for all and builds the nation, links reconstruction and development and deepens democracy (ANC, 1994, p 7, original emphasis).

The Urban Development Strategy (UDS) of the Government of National Unity, released in October 1995, was influenced by the RDP in terms of being "people driven, integrated and sustainable, and implemented mainly through the reallocation of existing resources" (*Government Gazette*, No. 16679, 1995, p 15). The UDS aimed to integrate the segregated city by concentrating on rebuilding the townships, creating employment opportunities, providing housing and urban amenities, reducing commuting distances, "facilitating better use of under utilised or vacant land", and introducing urban management policies which are environmentally sensitive (*Government Gazette*, No. 16679, 1995, p 10). The intention was to ensure that the resources of the built environment were used efficiently in targeting the needs of the urban poor so that they would become economically productive and contribute to the growth of the city as a whole. The UDS identified five priorities:

i) Integrating the Cities and Managing Urban Growth:

The UDS aimed to integrate the cities and towns with special focus on rebuilding the townships, job creation, provision of housing and urban amenities through integrated development planning, reducing commuting distances between the work place and residential areas, facilitating better use of under utilised or vacant land, introducing environmentally sensitive management of development and improving public passenger transport (*Government Gazette*, No. 16679, 1995, p 10). The concern with compact cities was partly influenced by the World Bank which argued that "South African cities are among the most inefficient in the world and called for restructuring to achieve higher densities and more compact urban development" (Mabin, 1998, p 6).

ii) Investing in Urban Development:

Urban development investment focuses on upgrading existing houses and constructing new houses; restoring and extending infrastructure services; reducing environmental health hazards; encouraging investment; providing job opportunities and social community facilities (*Government Gazette*, No. 16679, 1995, p 10).

iii) Building Habitable and Safe Environments:

The strategy focuses on human and social objectives and three areas have been identified:

- a) Social Development - this would be achieved through community based development and the provision of health, educational, sport and recreational services and opportunities;
- b) Social Security - would take the form of caring for the aged, children who have been neglected, broken families, provision of social care and services;

“Rencontres de l’innovation territoriale”

- c) Safety and Security - would be achieved by addressing those socio-economic conditions which perpetuate crime and violence and undermine development (*Government Gazette*, No. 16679, 1995, p 11).

iv) Promoting Urban Economic Development:

The new democratic government recognises cities as 'engines of economic growth', given that urban areas generate 80 percent of South Africa's GDP. Urban development has to ensure the concomitant effect of generating greater economic activity, maximizing direct employment opportunities and alleviating urban poverty. Local economic development has been identified as an important growth strategy for "post-apartheid economic reconstruction" (Nel and Rogerson, 1996, p 69).

v) Creating Institutions for Delivery:

The primary task of delivering services was the responsibility of the local government, while the provincial government had to prioritize, monitor and evaluate development. Central government had the responsibility of providing funding which would be influenced by national reconstruction and development priorities. According to the UDS there was a need for new local government to improve administrative, planning and implementation functions through the more efficient utilization of resources (*Government Gazette*, No. 16679, 1995, p 42). The UDS emphasised a strong relationship between private and public sector in the delivery of services.

In response to the UDS, there were "often vitriolic debates between those arguing for dramatic, community-driven, state supported urban transformation and those who supported a more measured pace of market oriented change" (Bond, *et al*, 1996, p 102). There was a view that in many respects the UDS was more market-oriented and hence was a retrogressive step from the RDP. An implicit assumption underlying the RDP "was a cosy world of autonomy and self-reliance, which unfortunately existed only as a development fantasy" (Munslow and FitzGerald, 1997, p 47). However, the government was forced to come to terms with the harsh realities of globalisation.

Some have argued, moreover, that the UDS was "mainly geared to rearranging cities for the benefit of multinational corporations and export-oriented producers" (Bond, *et al*, 1996, p 102). It was therefore not surprising that the UDS was largely welcomed by the private sector. However, the Centre for Development Enterprise (CDE), a private sector research/policy institute, was concerned that the emphasis on addressing basic needs and services in South African cities was lopsided as insufficient attention was focused on issues of local economic development which would generate the resources to provide the services (CDE, 1996a:b).

The second wave of post-apartheid urban planning strategies extended the market orientation of the UDS.

POST APARTHEID PLANNING STRATEGIES II: THE SECOND WAVE

Growth, Employment and Redistribution

The second wave of post-apartheid urban planning was influenced by significant shifts in the government's policy with the adoption of the Growth, Employment and Redistribution strategy (GEAR) in June 1996. GEAR emphasises that economic development will be led by the private sector; there will be privatisation of state owned enterprises; government expenditure (especially social services) will be reduced; exchange control regulations will be relaxed; and there will be a more flexible labour market (Department of Finance, 1996).

Contrary to the government rhetoric, GEAR, which emphasises fiscal discipline, debt reduction and cuts in public spending, is viewed by many as a departure from the RDP. Local authorities will be forced to generate a larger proportion of their own revenues, and there is a strong emphasis on public-private partnerships. Within an urban setting this "means privatisation and the promotion of the principle of cost recovery which will reflect in inadequate subsidies targeted at the poor" (Parnell and Pieterse, 1998, p 13). Regardless of how strong the case for privatisation may be, the capacity of private enterprise to provide services will be constrained by the capability of most people to pay (Gilbert, 1992).

From a planning perspective central government control over local development strategies has been reduced, with localities assuming greater control over such initiatives. One of the reasons for this was the central state's inability to contribute towards the social support and welfare services which were imperative to address the gross inequalities of apartheid, and it transferred more of this obligation onto local government and the private sector (Sapsford, 1994). The case for privatisation is strengthened because in many parts of South Africa, service rendering institutions currently lack technical, institutional, management and financial capacity to exercise their function. There is, therefore, an urgent need to build the capacity of these institutions so that they can fulfil their obligations (Stewart 1997, p 16). An implicit assumption in the privatisation debate is that the "market is more efficient than government at providing basic services" (Bakker and Hemson, 1999, p 6). However, there are limits to what poor communities can achieve without active government intervention (Stock, 1995).

Private companies are more profitable than those in the public sector because of their higher cost recovery rates. However, this is often done at the expense of the poorest households not receiving any services:

Improved cost recovery in a privatised service may penalise the poorest households. It may also not result in improved services but in higher profits for the owners. Private companies will always be reluctant to extend their services to

“Rencontres de l’innovation territoriale”

poorer areas especially if this requires a large investment (Hardoy and Satterthwaite, 1980, p 160).

According to Harrison (1993, p 49) the new paradigm which formed the foundation for urban reconstruction of South African cities could be defined as the "non-racial competitive approach", and was influenced by World Bank policy which views cities as engines of growth and economic development. The influence of the World Bank is evident in the GEAR strategy and some have described it as a "home-grown structural adjustment programme" (Lehulere, 1997, p 73).

The urban poor have suffered most from the restructuring and adjustment strategies and bear the brunt of reduced subsidies, increased cost of food and services, reduced wages, increasing unemployment, and reduced social expenditure (Amis, 1995). In order to ensure that urban growth strategies lead to empowerment and equity, progressive policy makers need to consider how privatisation and deregulation can be linked to local strategies for job creation, small business development and economic growth. Privatisation and deregulation should aim to enhance the liquidity of local capital markets; broaden participation in local capital markets through mass share ownership schemes; improve the administrative environment by separating the commercial and regulatory functions of government owned enterprises; form strategic public-private joint ventures; further black economic empowerment; and redistribute wealth (Kahn, 1996, p 217).

GEAR's neo-liberal orientation was criticised by the labour movement for "neglecting the goals of reducing poverty, the redistribution of wealth and job creation" which were central to the RDP (*The Mercury*, 22/10/96). The South African Communist Party warned that the unfettering of market forces alone were inadequate to generate growth and development:

There is not a single example this century of a third world society breaking out of under-development by simply sending market-friendly macro-economic signals into the ether. A coherent, public-sector led industrial strategy that draws in, and does not crowd out, private sector investment is the way in which to move out of GEAR, and into real growth and development (*Mail and Guardian*, 20-26 June 1997).

These reservations have been substantiated by the somewhat stark realities of a growth rate of 0.7 percent for 1998 and an unemployment rate of 37 percent (South African Reserve Bank First Quarterly Report, 1999). A major problem in South Africa is that

the socio-political transformation of the country as directed by government is out of alignment with socio-economic trends. The greater commitment to service delivery by government in extending clean water supplies ... and other services ... is strongly dependent on rising incomes to meet service charges. Yet the post-apartheid economy has been characterised by rising unemployment, a declining proportion of national income among the poorest, and the general problems of polarisation of wealth in a global economy (Hemson, 1998, p 31).

“Rencontres de l’innovation territoriale”

GEAR has emphasised the need for South Africa to be globally competitive. Hence, local authorities will have to create conditions to attract business investments. The South African Municipal Workers Union argued that this was likely to have the following implications:

- i) Municipalities will think twice before imposing or increasing any local taxes or rates which impact on business. This in turn limits the extent of cross subsidisation of the poor.
- ii) Municipalities will end up competing with each other to attract business rather than promoting co-operative governance.
- iii) Municipalities will turn to public-private partnerships as a way of attracting investment. This will allow businesses to establish themselves as strong forces within local authorities (SAMWU, 1997, p 5).

Genuine economic development is not simply business growth, but rather should focus on improving the material and social well-being of all members of a society. The Ecumenical Service for Socio-Economic Transformation (ESSET) expressed concern that the GEAR strategy would serve the interests of the wealthy and foreign investors, and the basic needs of the poor would be neglected. There were questions about whether GEAR would be able to address the inequalities of the apartheid era and provide a strong basis for sustainable growth (ESSET, 1996). Based on international experience, the notion that economic growth would reduce inequality and poverty was misleading. Also, the international experience suggests that the private sector is unlikely to provide better quality services to communities at cheaper rates (SAMWU, 1997). There is likely to be a "trade-off between services for the poor and the facilitation of global competition through hi-tech services and infrastructure" (*Mail and Guardian*, 14/2/97).

The GEAR strategy is premised on the notion that growth will generate enough resources to finance development programmes. The strategy relies on South Africa finding a productive niche in the global economy and its acceptance and dominance of that particular sphere. The economy of South Africa is thus susceptible to the caprices of the global economy.

Two policy documents, the Urban Development Framework (UDF) released in 1997, and the White Paper on Local Government issued in March 1998, gave spatial impetus to the GEAR strategy.

Urban Development Framework

The aim of the UDF was to "outline the urban initiatives necessary to give substance to the imperatives outlined in the GEAR strategy" (UDF, 1997, p ii). The UDF emphasises the importance of public-private partnerships in financing, managing and delivering services.

The UDF stressed the importance of urban development in a national context, and argued that based on international experience, the "success or failure of national development initiatives will

“Rencontres de l’innovation territoriale”

largely be shaped in cities and towns" (UDF, 1997, p 2). Therefore, more efficient and sustainable urban centres were critical to reduce poverty and forge a more equitable society. The urban vision of the UDF was the development of cities in which there would be:

- i) spatial, social and economic integration, neither race nor gender discrimination or segregation, and people would be free to make residential and employment choices;
- ii) social and economic opportunities for people to work and live safely and in harmony;
- iii) democratic, efficient, sustainable and accountable local governments (UDF, 1997).

As explained in Table 1, the implementation of the UDF would depend on four key strategies: integrating the city; improving housing and infrastructure; promoting urban economic development; creating institutions for delivery (UDF, 1997:ix).

In its appraisal of contemporary urban realities, the UDF tends to emphasise the urgency to control and regulate the city in terms of sustainability, economic efficiency and participation (Simone, 1998:2). An important concern influencing the UDF was a need to examine the role and functions of cities against a background of increasing levels of globalisation. Conventional wisdom suggests that cities must become more competitive, which was mainly expressed by their ability to attract more private capital and new economic activities. Although the UDF is not explicit about this, the GEAR strategy "would seem to indicate coherence to this convention" (Simone, 1998:7).

The Centre for Development Enterprise (1996a, p 31) has suggested that "improving the management of cities and linking local urban management to economic development are vital for coping with the pressing problems of urban development and of expanding economic activity". However, local development policies are characterised by a shift in emphasis away from the provision of social services and public goods towards accelerated growth in order to create jobs and increase the tax base of cities (Gottdiener, 1987; Harvey, 1989; Leitner, 1990). Widespread concern has been raised about the gap between local economic development promises and outcomes (Fainstein, 1990; Giloth, 1992). The assumption of the 'trickle down' of benefits to the poor is questionable, and urban inequalities are often exacerbated. In spite of the general consensus with regard to the need for local economic development in South Africa, the caveat sounded by Susan Fainstein, a leading expert in the field, should be heeded:

It is important to remember that local economic development alone will not provide a livelihood for most urban South Africans. Many of the most glamorous, widely known achievements in urban regeneration - for example, Baltimore's Harbourplace and Birmingham, England's cultural core - have not made a dent in rates of poverty and unemployment. Genuine economic transformation requires not just business expansion but an investment in the skills of the workforce and the promotion of the once excluded into management (*Business Day*, 17/8/95).

“Rencontres de l’innovation territoriale”

The thesis that growth can be linked to development is a spurious one. However, for development to be effectively informed by growth, there is a need for superior levels of growth to be achieved. The question that is begged therefore, is what happens in times of low or negative growth? In periods of low growth, who benefits? How are the benefits distributed and to whom?

Table 1: Implementing the UDF

<p>i. integrating the city aims to negate apartheid-induced segregation, fragmentation and inequality. The focus is on integrated planning, rebuilding and upgrading the townships and informal settlements, planning for higher density land-use and developments, reforming the urban land and planning system, urban transportation and environmental management;</p>	<p>iii. promoting urban economic development aims to enhance the capacity of urban areas to build on local strengths to generate greater local economic activity, to achieve sustainability, to alleviate urban poverty, to increase access to informal economic opportunities and to maximise the direct employment opportunities and the multiplier effect from implementing development programmes;</p>
<p>ii. improving housing and infra-structure involves upgrading and the construction of housing, restoring and extending infra-structure, alleviating environmental health hazards, encouraging investment and increasing access to finance, social development, building habitable and safe communities, maintaining safety and security and designing habitable urban communities;</p>	<p>iv. creating institutions for delivery requires significant transformation and capacity building of government at all levels and clarity on the roles and responsibilities of the different government spheres. This will also encompass a range of institutions, including civil society and the private sector, and require significant cooperation and coordination among all of these.</p>

Source: UDF, 1997, p. ix.

Integral to the success of GEAR and the UDF was good urban governance. Linked with the UDF was a radical restructuring of the role and function of local government.

Developmental Local Government

The new democratic government in South Africa acknowledged that local authorities would have an important role in unleashing the "political and creative energies of the people and bring[ing] the government closer to the people" (RDP, 1994, p 22). The de-racialisation of local government represented a major challenge. The emergence of non-racial, democratic and viable

“Rencontres de l’innovation territoriale”

local government structures was crucial for the survival and development of South Africa's fledgling democracy. The socio-spatial distortions of the apartheid era had to be addressed through a more equitable distribution of resources, and the re-drawing of geographical boundaries. The Local Government Transition Act (1994) provided an institutional base for the disbanding of race-based municipalities, scrapping of apartheid laws relating to local government, and the establishment of transitional councils. However, the Transition Act was silent on a number of important issues:

- i) The Act did not say anything specific about finances, services and how local diversity was to be accommodated.
- ii) The Act failed to situate local and metropolitan government reform in a coherent and well thought-out urbanisation strategy and developmental perspective (Khan, 1995, p 39).

Furthermore, the transformation process was severely impeded by the high level of fragmentation and duplication of administrative and institutional structures. Also, “prioritising expenditure towards the provision of infrastructure in black townships and informal settlements” resulted in many municipalities experiencing budget deficits as a result of their “diminished credit worthiness and limited ability to levy property taxes and other fees” (UDF, 1997, p 5). The RDP (1994, p 22) had similarly acknowledged that local “governments face critical financial problems and will have to find new financing strategies together with the provincial and national government”.

In an attempt to address these problems the White Paper on Local Government provided the foundation for

a new developmental local government (DLG) system, which is committed to working with citizens, groups and communities to create sustainable human settlements which provide for a decent quality of life and meet the social, economic and material needs of communities in a holistic way (*Government Gazette*, 13/3/98, p 15).

DLG exhorts local authorities to focus on achieving developmental outcomes, such as the provision of basic infrastructure and services; the creation of integrated cities and liveable environments; the encouragement of local economic development initiatives; and the empowerment of communities. Developmental Local Government has four basic characteristics:

- i) executing municipal powers and functions in a way which optimises the potential for social development and economic growth;
- ii) managing development in a manner which ensures that it is integrated (socially and spatially, as well as co-ordinating public and private investments), and sustainable;
- iii) promoting democratic values institutionally and within the community; and

“Rencontres de l’innovation territoriale”

- iv) empowering the poor and marginalised and building social capital by providing community leadership and vision (*Government Gazette*, 13/3/98).

Three inter-linked approaches to help municipalities to effectively play a developmental role were proposed: "integrated development planning and budgeting; performance management; and working together with local citizens and partners" (*Government Gazette*, 13/3/98, p 16). An important strategy to help municipalities to become more developmental is Integrated Development Planning (IDP). Integrated Development Planning depends on the

coordination of a range of services and regulations, including land-use planning, household infrastructure, environmental management, transport, health and education, safety and security and housing (*Government Gazette*, 13 March 1998, p 39).

In order to fulfil their developmental mandate, all local authorities were required to produce IDPs for the short, medium and long term by following these procedures:

- i) Assessing current economic, social and environmental realities in the municipal area.
- ii) Consulting the community in order to determine needs and priorities, and develop a vision for development in the area.
- iii) Conducting an audit of existing resources, skills and capacities.
- iv) Developing integrated frameworks and setting goals to meet the needs of the community.
- vi) Implementing projects to realise key objectives, and using appropriate tools to assess impact and performance (*Government Gazette*, 13/3/98, p 47).

Trade unions and community organisations were critical about whether DLG would achieve its goals. While the DLG focuses on supplying basic services, the emphasis should have been on providing basic needs which should be sustainable. This would only have been possible if there was a funding system which would allow local authorities to meet these obligations. There was a failure to adequately consider the role that government intervention and funding could play in achieving the DLG objective of improving the quality of life of the poor (SAMWU, 1997). The government emphasised the role of the private sector in the delivery of services. This shift seems to have been driven more by budgetary rather than efficiency concerns. The private sector, however, is driven by the profit motive and is unlikely to invest in poor areas where people cannot afford to pay for services. Furthermore, "to simply make the meeting of basic needs subject to available resources ignores the need to introduce measures which radically increase those resources" (SAMWU, 1997, p 10).

The CDE contended that the White Paper on Local Government was unable to deal with the tension between a need for strong local government to stimulate growth and development, and the reality that there was a crisis in this sector. The document vacillated uncomfortably "between a development wish list and acknowledgement that gratification has to be deferred for sustained

“Rencontres de l’innovation territoriale”

medium and long-term benefits" (Bernstein, 1998b). While the government identified 'inequality and poverty' as the main economic challenge facing local authorities, the CDE argued that there were two key challenges: poverty and inequality, and economic growth. It contended that the priorities of cities have to be determined through an 'economic lens'. Increased economic growth will provide the resources to address basic needs, poverty and inequality (Bernstein, 1998a).

However, there is currently a consensus amongst observers, including policymakers, that these policies have had a serious effect on the urban poor through reduced living standards, increased unemployment, the lowering of the real minimum wage, decreased public social expenditures and the removal of consumer subsidies (Burgess, *et al*, 1997, p 27). International experience has shown that where extra revenues have been generated, the tendency has been to use it to service foreign debt (Burgess, *et al*, 1997). South Africa has a huge debt burden inherited from the apartheid era. It is unclear whether additional revenue generated from economic activity will be used to service the debt or to alleviate poverty.

According to the CDE there was a need to find a delicate equilibrium between two imperatives: firstly, the exigency to improve the lot of the poor, and secondly to provide an environment to attract investments to cities in the face of intense global competition. In the short term, however, the basic needs of the poor and the requirements for an "investment-friendly environment with world class infrastructure are different" (Bernstein, 1998b). However, according to senior Constitutional Affairs official, Chippy Olver, "local government transformation was aimed at 'capturing the synergy' between the alleviation of socio-economic inequalities and economic growth, rather than favouring one over the other" (Fine, 1998a). The type of municipal institutions which would best suit South African conditions was the subject of considerable discussion.

There was a great deal of debate about what type of local government system would best meet the needs of the poor communities. The metropolitan approach was seen as a form of local government which was appropriate to meet social needs and reduce inequalities (Khan and Maharaj, 1996).

Metropolitan Government

There are two different perspectives with regard to metropolitan government and planning. For those who are interested in the growth imperative, metropolitan government plays a pivotal role in promoting economic development because it provides a more effective regional infrastructure for reproducing labour power as well as promoting production and distribution; offers tax exemptions and subsidies to attract investment; and facilitates the establishment of pro-growth partnerships with the private sector (PLANACT, 1992).

Those who favour the equity focus argue that metropolitan government can promote more equitable land use; ensure fairer taxation; improve efficiency, service provision and capacity;

“Rencontres de l’innovation territoriale”

reduce socio-spatial inequalities and foster rational planning. While a small proportion of people benefited from metropolitan development in the twentieth century, Agnotti (1993, p xviii) has suggested that in the next millennium

human progress will hinge on the metropolitanisation of the majority of the world's population, transformation of the old models of metropolitan development and planning, and the elimination of urban inequality ... The metropolis should be seen as a public resource to be preserved for the use and benefit of all people ... It should be a place where people have maximum mobility without the threat of displacement, and where the greater social efficiency, equity and quality of life made possible in metropolitan areas maybe maximised.

In South Africa the White Paper on Local Government defined metropolitan areas as follows:

Metropolitan areas are large urban settlements with high population densities, complex and diversified economies, and a high degree of functional integration across a larger geographic area than the normal jurisdiction of a municipality. Economic and social activities transcend municipal boundaries, and metropolitan residents may live in one locality, work in another, and utilise recreational facilities across the metropolitan area (*Government Gazette*, 13/3/98, p 78).

The government advanced three 'compelling reasons' for supporting metropolitan government or 'megacities' because it:

- i) creates a basis for equitable and socially just metropolitan governance;
- ii) promotes strategic land use planning, and coordinated public investment in physical and social infrastructure;
- iii) is able to develop a city-wide framework for economic and social development, and enhance the economic competitiveness and well-being of the city (*Government Gazette*, 13/3/98, pp 79-80).

Furthermore, it was argued that metropolitan government would help realise the following goals:

- i) City-wide spatial integration and socially inclusive development;
- ii) The promotion of equity, social justice and economic prosperity;
- iii) The promotion of local democracy;
- iv) The provision of affordable and efficient services (*Government Gazette*, 13/3/98, pp 81-84).

“Rencontres de l’innovation territoriale”

The megacity model supports the "centralisation of all municipal powers and functions in a metropolitan area in a single decision making body" (Fine, 1997). In terms of this model megacities will be established in South Africa's six metropolitan areas. Outside these areas a "two-tier system with both umbrella councils and local councils" will be established (Fine, 1998b).

The megacity model has been acclaimed as an adept means of achieving cost-savings through the elimination of duplication of services, resource sharing, the joint provision of services, and of ensuring the redistribution of resources from affluent to poorer areas (Fine, 1997). However, there has been concern that megacities reduce efficiency and are also remote from the communities they serve. Opponents argue that "such structures will mark the end of local democracy and lead to bloated, ineffective bureaucracies" (Fine, 1998b). The focus on megacities overlooked the potential contribution of South Africa's 500 small towns to growth and development (CDE, 1996b). However, the government argued that the fragmentation of metropolitan areas into single municipalities will maintain inherited social and economic inequalities (*Government Gazette*, 13/3/98, p 81).

SUMMARY

The present South African city form is a hybrid product of the colonial and formal apartheid discourse which ordained urban spaces as the domain of the white race. As the democratic initiatives of the 1990s gained momentum various strategies were pursued to reverse the effects of racial planning.

Initially, alternate urban planning strategies were influenced by the RDP, which was perceived to be ambitious and utopian. The UDS, which focused on integrating cities, managing urban growth, investing in infrastructure, and promoting sustainable economic development, was the vehicle to realise the goals of the RDP in cities. Although the UDS was enthusiastically welcomed by the private sector, there were concerns that it was too market oriented and was a departure from the RDP.

The focus on market-led urban development reached greater heights with the GEAR policy. GEAR's neo-liberal orientation was criticised as it only addressed the needs of big business and foreign investors, and the gap between the rich and poor would widen. In fact the virtual abandonment of the RDP meant that the poor would "occupy the lowest rung on South Africa's new non-racial urban hierarchy" (Saff, 1996, p 251). The neo-liberal orientation of the GEAR policy ran the risk of a production of class cleavages and the reproduction of socio-spatial inequalities distinctive of the apartheid city.

The implementation of GEAR in cities was facilitated by the UDF and the White Paper on Local Government. Great emphasis was placed on local economic development strategies and public-private partnerships in delivering services. However, a major issue was whether the poor would

“Rencontres de l’innovation territoriale”

benefit from such partnerships. The White Paper set the foundation for a new developmental local government system with an emphasis on integrated development strategies. Metropolitan government or the megacities approach would help achieve spatial, economic and social integration in cities. However, there is concern that megacities reduce efficiency and become bloated bureaucracies.

References

- Adelzadeh, A. and Padayachee, V. 1994. The RDP White Paper: reconstruction and development vision? Transformation, 25:1-18.
- Agnotti, T. 1993. Metropolis 2000: Planning, Poverty and Politics. London: Routledge.
- Bakker, K. and Hemson, D. 2000. Privatising Water: BoTT and Hydropolitics in the new South Africa. South African Geographical Journal, 82:3-12.
- Bernstein, A. 1996. South Africa's cities must think globally to prosper. Business Day, 9 October 1996.
- Bernstein, A. 1998a. Local government's second chance jeopardised. Business Day, 6 March 1998.
- Bernstein, A. 1998b. Confused response to mounting urban crisis. Business Day, 1 June 1998.
- Bond, P. et al 1996. Response to Government's draft Urban Development Strategy Document. Urban Forum, 7: 101-120.
- Amis, P. 1995. Making sense of urban power. Environment and Urbanisation, 7:145-58.
- ANC, 1994. Reconstruction and Development Programme: A Policy Framework. Johannesburg: Umanyano.
- Barken, R.J. and Van Der Linden, J. 1993. 'Getting the incentives right': Banking on the formal private sector. Third World Planning Review, 15: 1-21.
- Bekker, S. 1988. Devolution and the State's Programme of Reform at Local Level. In C. Heymans and G. Totemeyer (eds.), Government by the People. Cape Town: Juta and Co., pp. 25-33.
- Bekker, S. and Jeffery, A. 1989. Local Government in Urban South Africa: A normative approach. Centre for Social and Development Studies, University of Natal, Durban.
- Bond, P. et al 1996. Response to Government's Draft Urban Development Strategy Document. Urban Forum, 7: 101-120.

“Rencontres de l’innovation territoriale”

Burgess, R; Carmona, M and Kolstee, T. 1997. Contemporary macroeconomic Strategies and Urban Policies in Developing Countries: A Critical Review in Burgess, R; Carmona, M and Kolstee, T (eds.), The Challenge of Sustainable Cities: Neoliberalism and Urban Strategies in Developing Countries. London: ZED Books, pp. 17 - 31

CDE 1996a. Cities and the Global Economy: New Challenges for South Africa. Johannesburg.

CDE 1996b. Response to the Government's draft Urban Development Strategy. Urban Forum, 7:90-100.

CDE 1996c. South Africa's small towns: new strategies for growth and development. Johannesburg.

Crankshaw, O. and White, C.F. 1992. Results of the Johannesburg Inner City Survey. Human Sciences Research Council, Pretoria.

Department of Finance 1996. Growth, Employment and Redistribution - A Macro-Economic Strategy. Government Printer: Pretoria.

De Klerk, M. (ed.) 1991. A Harvest of Discontent: The Land Question in South Africa. Cape Town: IDASA.

ESSET 1996. The Government's Macro-Economic Strategy: Growth, Employment and Redistribution. Unpublished Paper.

Fainstein, S.S. 1990. Economics, politics, and development policy: the convergence of New York and London. In J.R. Logan and T. Swanstrom (Eds.), Beyond the city limits - Urban policy and economic restructuring in comparative perspective. Temple University Press, Philadelphia, pp. 119-150.

Fine, D. 1997. Is bigger better for Johannesburg? Business Day, 18 September 1997.

Fine, D. 1998a. SA's small towns overlooked during national policy debates. Business Day, 17 March 1998.

Fine, D. 1998b. Megacities a 'blueprint for disaster'. Business Day, 29 May 1998.

Gilbert, A. 1992. Third World Cities: Housing, infrastructure and servicing. Urban Studies 29: 461-482.

Giloth, R.P. 1992. Stalking local economic benefits: A review of evaluation issues, Economic Development Quarterly, 6: 80-90.

“Rencontres de l’innovation territoriale”

- Goldblatt, M. 1997. Realising the right to sufficient water in South Africa's cities. Urban Forum, 8: 255-276.
- Gottdiener, M. 1987. Cities in Stress: A new look at the urban crisis. California: Sage.
- Grest, J. 1988. The Crisis in Local Government in South Africa. In P. Frankel, et al., (eds.), State, Resistance and Change in South Africa. Johannesburg: Southern Book Publishers, pp. 87-116.
- Hardoy, J.E. and Satterwaite, D. 1989. Squatter Citizen - Life in the Urban Third World. London: Earthscan.
- Harrison, P. 1993. Town Planning in Natal - International and historical perspectives. Interim Report No. 2, Natal Town and Regional Planning Commission, Pietermaritzburg.
- Harrison, P. 1998. A Genealogy of Post-Apartheid Planning: The Origins of the Integrated Development Plan. Paper presented at the International Planning History Conference, Sydney, Australia.
- Harvey, D. 1989. From Managerialism to entrepreneurialism: the transformation in urban governance in late capitalism. Geografiska Annaler B, 71: 1-17.
- Hemson, D. 1998. Beyond BoTT? Policy Perspectives in Water Delivery. Preliminary report on the NGOs and the BoTT Program in the Eastern Cape and Kwa-Zulu Natal prepared for the Rural Development Sector Network.
- Hindson, D. et al 1992. Restructuring the built environment. Report to Working Group 5, National Housing Forum.
- Hindson, D., Byerley, M. and Morris, M. 1994. From Violence to Reconstruction: The Making, Disintegration and Remaking of an Apartheid City. Antipode, 26:323-350.
- Khan, F. 1995. Metropolitan government and municipal restructuring: Lessons for South Africa. Unpublished paper, Centre for Community and Labour Studies, University of Durban-Westville.
- Kahn, F. 1996. Local Economic Development: Reflections on the international experience and some lessons for the reconstruction of South Africa's cities. In P.S. Reddy (ed.), Readings in Local Government Management and Development: A Southern African Perspective. Cape Town: Juta, pp. 209-238.
- Khan, F. and Maharaj, B. 1997. Metropolitan Government and Local Restructuring in South Africa. In P S Reddy (ed.), Metropolitan Government and Development in South Africa: Present and Future Challenges. Konrad Adenauer Stiftung.

“Rencontres de l’innovation territoriale”

- Khan, S. and Maharaj, B. 1998. Restructuring the Apartheid City: CATO MANOR - 'A Prime Urban Reconstruction Opportunity'? Urban Forum, 9:197-223.
- Lall, S. 1995. Structural Adjustment and African Industry. World Development, 13: 2019-2032.
- Lehulere, O. 1997. The Political Significance of GEAR. Debate, 3:73-86.
- Leitner, H. 1990. Cities in pursuit of economic growth - the local state as entrepreneur, Political Geography Quarterly, 12: 146-170.
- Local Economic Development, Discussion Paper prepared on behalf of the Office of the President, 24 November 1995.
- Lohnert, B., Oldfield, S. and Parnell, S. 1998. Post-Apartheid Social Polarisation: the creation of sub-urban identities in Cape Town. South African Geographical Journal, 80:86-92.
- Lupton, M. 1992. Class Struggle over the built environment in Johannesburg's coloured areas. In D.M. Smith (ed.), The Apartheid City and Beyond - Urbanisation and Social Change in South Africa. Johannesburg: Witwatersrand University Press, pp. 65-73.
- Mabin, A. 1992. Dispossession, Exploitation and Struggle: an historical overview of South African Urbanization. In D.M. Smith, (ed.), The Apartheid City and Beyond. London: Routledge, pp. 13-24.
- Mabin, A. 1998. Reconstruction and twentieth century urban planning. Paper presented at the Planning History Conference, Sydney.
- Mabin, A. and Smit, D. 1997. Reconstructing South Africa's cities? The making of urban planning 1900-2000. Planning Perspectives, 12: 193-223.
- Maharaj, B. 1993. Post Group Areas: Residential Desegregation Trends in South African Cities. In O. Ural et al (eds.), The Future of Human Settlements: Challenges and Opportunities. Proceedings of the 21st IAHS World Housing Congress, Cape Town, pp. 293-304.
- Maharaj, B. 1996. Urban Struggles and the Transformation of the Apartheid Local State: The Case of Community and Civic Organisations in Durban. Political Geography, 15: 61-74.
- Maharaj, B. 1997. Apartheid, Urban Segregation and the Local State: Durban and the Group Areas Act in South Africa. Urban Geography, 18:135-154.
- Marais, H. 1998. South Africa: Limits to Change - the political economy of transformation. London: Zed Books.

“Rencontres de l’innovation territoriale”

- Morris, M. and Padayachee, V. 1988. State Reform Policy in South Africa. Transformation, 7: 1-26.
- Munslow, B. and FitzGerald, P. 1997. Search for a development strategy: The RDP and beyond. In P. Fitzgerald et al (eds.), Managing Sustainable Development in South Africa. Cape Town: Oxford University Press, pp.41-61.
- Parnell, S. and Pieterse, E. 1998. Developmental Local Government and Post-Apartheid Poverty Alleviation. Paper presented at the City of Durban Research Project Conference, 9-11 July, University of Natal.
- PLANACT, 1992. The Reorganisation of Local Government in South Africa. Johannesburg.
- Planact, 1997. Integrated Development Planning: A Handbook for Community Leaders. Johannesburg.
- RDP 1994. White Paper on Reconstruction and Development: A Strategy on Fundamental Transformation. Pretoria: Government Printer.
- Rich, P.B. 1978. Ministering to the White Man's needs: The development of Urban Segregation in South Africa. African Studies, 37: 177-191.
- Saff, G. 1996. Claiming a space in a changing South Africa: The "squatters" of Marconi Beam, Cape Town. Annals of the American Association of Geographers, 86: 235-255.
- SAMWU, 1997. Green Paper on Local Government - An initial response from South Africa's Municipal Workers' Union. Unpublished Paper.
- Sapsford, P. 1994. Pietermaritzburg: In search of a local economic development strategy. Masters thesis, University of Natal, Pietermaritzburg.
- Seethal, C. 1991. Restructuring the Local State in South Africa. Political Geography Quarterly, 10: 8-25.
- Seethal, C. 1992. The Transformation of the Local State in South Africa (1979-1991): Group Areas, Property "Super-taxation" and Civic Organisations. Urban Geography, 13:534-556.
- Shubane, M. 1990. Civic Strategies - Beyond the Single City Campaign. Indicator, 8: 65-68.
- Simone, A. 1998. Discussion paper on 'The Urban Development Framework'. Unpublished paper.

“Rencontres de l’innovation territoriale”

- Smit, D. 1992. Urban and regional planning in South Africa: the geographical nexus. In C. Rogerson and J. McCarthy (eds.), Geography in a Changing South Africa. Cape Town: Oxford, pp. 216-228.
- Stock, R. 1995. Africa South of the Sahara - A Geographical Interpretation. London: Guilford Press.
- Stewart, P. 1997. The Reconstruction and Development Programme 1994 - 1996. In Liebenberg, S. and Stewart, P. (eds.), Participatory Development Management and the RDP. Kenwyn: Juta & Co.
- Stren, R.E. 1992. African urban research since the late 1980's: Responses to poverty and urban growth. Urban Studies, 29: 533-555.
- Sutcliffe, M. 1989. Apartheid Cities and the Way Forward. In Prospects for a Greater Durban Services Authority, a seminar held on 14 September 1989, University of Natal, Durban, pp. 39-41.
- Swilling, M. et al 1991. Finance, electricity costs, and the rent boycott. In M. Swilling et al (eds.), Apartheid City in Transition. Cape Town: Oxford University Press, pp. 174-196.
- Tomlinson, R. 1997. Urban sprawl problem hard nut to crack. Business Day, 26 September 1997.
- UDF 1998. Urban Development Framework. The Department of Housing.
- World Bank 1991. Urban policy and economic development - An agenda for the 1990s. The World Bank, Washington, D.C.