

# **Case Study: THE RECONSTRUCTION OF LOCAL GOVERNMENT AND THE EVOLUTION OF DEVELOPMENT POLICY IN DURBAN<sup>1</sup>**

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## **1. INTRODUCTION AND AIMS**

The aim of this paper is to describe and evaluate Durban's post-apartheid development strategy. The paper begins by posing the major development dilemmas and policy challenges faced by the city, some of which are the legacy of its apartheid past and others the consequence of the pressures placed on the city by its opening to the world economy. It then provides a brief profile of Durban, its geographical location, population, economy and spatial structure. The core of the paper is devoted to a description of the institutional transformation of local government and the evolution of policy in the city since the early 1990s. A final section draws together the main conclusions of the paper.

## **2. THE CENTRAL DEVELOPMENT DILEMMAS**

It is now over five years since the first non-racial democratic elections took place in South Africa and four years since the election of the first racially integrated local government in Durban.

Central to policy adopted under the new national and local governments was the attempt redress historical disadvantage by opening and integrating the city and by re-deploying public resources to meet the social needs of historically disadvantaged groups. This was the central aim underlying the new government's Reconstruction and Development Programme (RDP) (African National Congress, 1994), and where the greatest efforts were placed during the first years after the elections of 1994.

At the same time recognition grew over these five years that more was needed than housing and service provision. Higher rates of economic growth and job creation were essential if the development process set in motion by the reconstruction and development programme was to be sustained. Choices had to be made between resource

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<sup>1</sup> This working paper arises out of research undertaken within the Three Cities Project, a study of "Governance, Social and Economic Development in Abidjan, Durban and Marseilles". The project is based at the Institute for Social and Economic Studies at the University of Durban-Westville. It comprises a partnership between researchers and research institutions in the three cities. In Durban the partnership is made up of researchers from the Institute for Social and Economic Studies, the Institute for Development Research, Paris and the Department of Economic History, University of Natal. A number of other departments at the two universities in Durban are associated with the project through the participation of their staff and post graduate students. The Three Cities Project has also entered into a partnership with the Economic Development Department of the Durban Metropolitan Area to create a data system for analysis of the metropolitan economy and to facilitate economic policy making in the city.

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allocation to address the immediate basic needs of historically disadvantaged groups and measures to promote investment, economic growth and job creation. It was recognition of this that led to the shift in policy emphasis heralded by the Growth, Employment and Redistribution strategy (GEAR) adopted in 1996, which grounded its faith in fiscal discipline and export orientation as the means to generate economic growth and job creation. (Republic of South Africa, 1996b)

Further choices were faced over the conflicting imperatives of socio-economic and environmental sustainability. It was increasingly recognised that measure to address social need and economic growth would have to be compatible with maintenance of essential environmental systems if development were to be sustained over the long term. This was recognised in the attention given to environmental sustainability with the RDP and other policy documents that emerged in the first years of the new government. However, concern with this longer-term imperative appears to have taken second place to the push for economic growth and job creation since the adoption of the GEAR strategy.

These policy dilemmas are rooted in deep structural problems in South Africa and Durban's economy and society and in patterns of human use of the natural resource base. One aspect of the problem lies in the fact that the formal economy, or important parts of it, is changing in ways that appear to entrench the economic and spatial marginalisation of the poorest sections of the black population. This tendency, which runs counter to policy efforts to address the needs of the majority of the urban poor, presents the city and its national, provincial and local development partners, with perhaps its greatest development challenge.

### **3. THE POLICY CHALLENGE**

The central policy challenge facing local government, working with the provincial and national authorities and other relevant actors, is to devise measures that overcome slow economic growth in a manner that reverses the processes of economic and social marginalisation, and does so within the constraints of environmental sustainability.

Within Durban ways of overcoming these development dilemmas have been sought principally through the formulation and implementation of integrated development plans (IDPs) which seek to promote economic growth, social development and environmental sustainability. These were first formulated in Durban in the period 1996-1998 and the city is still in the process of adapting to this new framework for the financing and implementation of development and services. The IDPs seek to incorporate the social, economic and environmental dimensions of development within single planning frameworks that simultaneously address short-term needs and long term goals of development.

Originally formulated and implemented separately by the metropolitan and six local councils, these plans are currently being reconceived within the framework of the Unicity process. The Unicity process, described in a later section of the paper, is the

name given to the current phase of restructuring of local government in Durban. It entails the probable replacement of the metropolitan and six local councils set up since 1996 with a single metropolitan authority. The success of the Unicity process will depend both upon the institutional transformation of local government and upon the effectiveness of its development strategy.

#### **4. A PROFILE OF DURBAN'S SOCIO-ECONOMY**

##### *Location and size*

Durban is situated on the southeastern coast of South Africa in the province of KwaZulu-Natal. It is the country's second largest urban-industrial complex, at the heart of which lies the country's most important port. The new enlarged metropolitan area (the Unicity area) covers 13000 square kilometers (some 67% more than the old Durban Metropolitan Area<sup>3</sup> boundary) and contains an estimated population of some 2.6 million people.<sup>4</sup> (Unicity 2000a)

##### *Social structure and economic condition*

The people of Durban are racially diverse, comprising blacks (61%), coloureds (2.9%), Indians (24%) and whites (13%) in 1996, the year of the most recent population census. Population growth between 1985 and 1996 occurred at an estimated rate of 2,6% per annum, though there is uncertainty about the accuracy of the censuses and some local demographers in Durban believe that the growth rate is on the decline.<sup>5</sup>

Social class as reflected in occupations and income were historically closely associated in Durban, but the relationship is weakening with the rapid movement of Indians, coloureds and blacks up the occupational hierarchy and the stretching of income differentials within racial groups. (Hindson and Morris, 1997) Nevertheless, the relative position of the racial groups as reflected in average incomes remains unchanged with whites still receiving the highest average incomes, followed by Indians and coloureds, and blacks still lagging well behind the other racial groups. (City of Durban, 1999)

A recent study into poverty in Durban confirms the continuing importance of race in determining conditions of life in the city. The report on Poverty, Inequality and Human Development, released in January 2000, measured poverty against a benchmark of R417.17 per month for those defined as poor. Taking enumerator areas as their unit of analysis, the authors found that 67% of the African population live in poverty. This

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<sup>3</sup> The metropolitan area created in 1996 was called the Durban Metropolitan Area (DMA). The expanded metropolitan area now in construction is to be called the Unicity area, or Unicity, for short. It should be noted that discussion continues about the new boundaries. The latest (12<sup>th</sup> May 2000) boundary represents a 67% increase in land coverage on the old DMA boundaries.

<sup>4</sup> It should be noted that doubt exists about the accuracy of the census data. The figure presented here is for the Unicity boundary. It was generated by the authors with the aid of Eric Watkinson, using the Economic Development Department's GIS programme with data from the 1996 populations. It is somewhat below the figures currently being used by the Unicity Committee, namely 2,8 million.

<sup>5</sup> The growth rates for the period 1985 to 1991 and 1991 to 1996 were 0,35 and 2.62 per cent respectively. The opinion of some demographers is that the rate of growth over the 11-year period has slowed with time, not increased.

compared to 2,0% for whites, 21% for coloureds and 21% for Indians. The report also estimated poverty levels by gender. It found that substantially more women lived in poverty (58%) than men (29%) did. (Casale and Thurlow, 1999)

#### *The racial city form: a core/periphery divide*

The racial and social class structure of Durban has historically expressed itself strongly within the spatial structure of the city. Whites were distributed mainly in a T shaped, highly resourced urban core with the two arms of the T running north and south from the city centre along a flat coastal strip, and a corridor rising through a series of plateaus from the coast to the hinterland in the west.

#### MAP OF RACIAL CITY FORM

Accessible to the white population, the commercial, service, transport and industrial heartlands of the city were concentrated around the harbour and an industrial zone to its south called the Southern Industrial Basin. A smaller commercial and industrial center lies to the west, also within the urban core, in the area of Pinetown and New Germany.

Most Indians and coloureds occupied an inner periphery of residential areas laid out in the north and south of Durban, separated from the core and far periphery by buffer areas of vacant land. The majority of the blacks lived in townships and informal settlements on the poorly resourced far peripheries to the north and south. Here they were at a physical and social distance from the resources concentrated with in the previously white controlled urban core.

#### *Economy<sup>6</sup>*

While Durban's economy is large and complex, it has been undergoing considerable stress as a consequence of the opening of the South African economy to international competition and due to increased competition from other cities in South Africa. Its textile and clothing sectors have been hard hit by the lowering of tariff barriers and by illegal imports of cheap clothing. Its revenues from tourism have declined due to a loss of international tourists to other South African destinations and the partial replacement of middle income white by lower income black tourists in the domestic market. On the other hand, port activities have expanded rapidly since the dropping of sanctions against South Africa and the opening of international trade. Transport, trade and related service activities of the city have been expanding steadily in relative terms and, together, have overtaken manufacturing as a source of employment.

Gross Geographic Product in Durban is estimated at 1,2 percent per annum over the 10 years ending in 1991, and employment growth at less than 1,5 per cent between 1985

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<sup>6</sup> Accurate, comparable time series or cross sectional data on the economy of Durban are scarce or non-existent, notably for the period since 1994. The following section paints a broad picture of the economy based on a range of fragmentary sources, including the fact sheets put out by the Economic Development Department of the Durban Metropolitan Council. One of the tasks being undertaken by the Three Cities Project is to construct a data system to represent the metropolitan economy in its entirety over time. However, the results of this exercise are not yet available.

and 1996.<sup>7</sup> (Durban Metro, 1996) Employment in the manufacturing declined from the early 1980s to the early 1990s. (Valodia, 1998) The slowing down of employment growth in this, the largest single sector of the metropolitan economy, seems to have been off set by expansion in commerce, finances and services.

Unemployment estimates for the DMA vary greatly and there is no consensus on the true extent of the problem in the city. The rates of unemployment in 1991 and 1996, based on the censuses for those years, were 20 per cent and 31 per cent respectively.<sup>8</sup> This estimate is based on a “strict” definition of unemployment, namely the economically active who are currently seeking employment. It is not clear from the censuses what the contribution of informal and survival based activities are to this result. However, the definition of employment used in the 1996 census makes it likely that at least some component of informal and survival sector employment would not have been recorded.

Unemployment is unevenly distributed between and racial groups. A study of poverty in the DMA using information from the 1996 census and a “strict” definition of unemployment arrived at the following rates: blacks (42%), coloureds (23.8%), Indians (13.1%) and whites (4.6%). (Casale and Thurlow, 1999) Unemployment is also distributed unevenly between different areas of the city.

A report produced in 1996 by the Urban Strategy Department of the city found that unemployment levels were approximately 25% of the economically active population in black townships, 33.3% in informal settlements and 40% in peri-urban/rural areas. However, the range of unemployment rates was substantial in the different types of settlement areas themselves, 6.3-39% in the townships, 16.9%-46.3% in informal settlements and 27.3-59.0% in peri-urban/rural areas. These measures are sensitive to the definitions used as well as the research methodologies undertaken which were not the same in the different base documents used in the report. (City of Durban, 1996)

Extremes of poverty and wealth exist between (and within) the different racial groups and these coincide to a considerable degree with spatial location. A human development index applied to the Durban Metropolitan Area in 1994 found a range of conditions from .00 in the poorest informal settlements on the urban periphery to .96 in the wealthiest residential suburbs in the urban core, measured on a scale of 0 to 1. (City of Durban, 1994)

### *Economic marginalisation*

The current form of economic growth has, by and large, enabled whites to retain their relative economic position, even though the income gap between them and other groups

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<sup>7</sup> Employment was estimated by the authors for the Unicity area for 1996. For earlier years the employment figure was taken from McCarthy. (1993) McCarthy’s figures are for the Durban Functional Region (DFR) area. The DFR, a construct of thinking about the creation of the metropolitan area in the early 1990s, is slightly larger than the proposed Unicity area, so a small discrepancy based on boundary differences may exist between the pre-1996 estimates and that for 1996.

<sup>8</sup> Estimates for the Unicity area arrived at by the authors using the 1991 and 1996 censuses.

has narrowed and their standard of living has, on average, declined. Indians and coloureds continue to occupy an intermediate position within the city's economic structure. (Casale and Thurlow, 1999, Durban Metro, 1999)

Those who are gaining most from contemporary change are members of a rapidly expanding black middle class and elite for whom opportunities has opened up both within the labour market and in the housing sphere within the urban core. Analysis of the results of the Quality of Life Study undertaken by the city of Durban in 1999 indicate that the average levels of income of blacks within the historically white urban core are substantially higher than on the periphery. (Durban Metro, 1999) This result includes both poor households living within informal settlements and the new middle and upper income groups living within the CBD and old white suburbs.

While having a major impact on the social structure of parts of the urban core the new black middle classes represent only a small minority when weighed against the city's black majority living on the urban peripheries. The latter have been the beneficiaries of the government's Reconstruction and Development Programme, which has focussed on housing and service provision in the black townships and informal settlements. However, they remain the main victims of economic slowdown and the restructuring of the formal economy.

The reasons for this lie both in the legacies of decades of discriminatory education, housing and settlement policies and also in the contemporary pattern of restructuring of the formal economy. Industry in South Africa has for decades been restructuring in ways that favour more skilled labour. (Crankshaw, 1999) With the lowering of tariff barriers and heightened international competition it appears that industrial restructuring may further favour the skilled sections of the workforce and disadvantage the semi-skilled and unskilled. (Bell and Catteneo, 1999)<sup>9</sup> It appears that retrenchments within the manufacturing sector, Durban's largest employer, have cut into the least skilled sections of the workforce, usually black workers. If national trends apply in Durban, employment growth within the tertiary sectors would also have favoured the better-educated white, Indian and coloured populations. (Crankshaw, 1999)

In Durban, skilled workers live mainly within the historically white, Indian and coloured areas which are most accessible to the formal economy, while the semi-skilled and unskilled labour are concentrated in townships and informal settlements on the urban peripheries, relatively cut off from economic opportunities within the urban core.

It is evident, therefore, that contemporary patterns of economic restructuring against the background of the obstacles placed in the way of black people by decades of apartheid policies, tend to perpetuate the economic and spatial marginalisation of the majority.

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<sup>9</sup> Bell and Catteneo (1999) found that the probable impact of the reduction of tariff barriers on export oriented industries in the manufacturing sector in South Africa as a whole was to increase the ratio of skilled to unskilled labour rather than the reverse, as anticipated in policy. This does not cover the case of all industries, but it does suggest that the direction of change brought about by current macro-economic policies may further the trend towards skilled labour usage.

Thus the efforts of the city to improve the lives of the poor in areas where this is most needed face deeply entrenched and possibly worsening conditions.

#### *Fragmentation of local government systems*

The racial structure of Durban was re-enforced by local government and administrative systems constructed on a racial basis. White local authorities governed the city core: the commercial and industrial heartlands and the white suburban areas. Sub-ordinate, racially defined, structures were established for Indian and coloured areas under the Group Areas Act of 1950. Nationally appointed and controlled administration boards established under the Natives (Urban Areas) Act of 1945 and its subsequent revisions administered the black townships until the 1980s when they were replaced by Provincial authorities whose main functions were infrastructure and service provision.

In Durban the administrative system was further complicated by the existence of African and Indian owned private land and by tribal authorities. A mix of municipal, provincial and tribal authorities, creating a highly fragmented and incoherent system of administration and service provision controlled these areas, located on the urban peripheries. All in all some 52 separate authorities had controlled different parts of the area that was later drawn into the Durban Metropolitan Area in 1996.

## **5. THE INSTITUTIONAL TRANSFORMATION OF LOCAL GOVERNMENT**

#### *The question of institutional capacity*

A precondition for the effective formulation and implementation of a development strategy is the existence of the institutional capacity and will within local government, and its development partners, to deploy that capacity to meet development goals.

In Durban in the early 1990s such capacity existed primarily within the white local authorities, but these had long restricted their activities to the white, Indian and coloured areas, which left the main development challenge outside their ambit. Within the black residential areas local authority, where it had existed at all, had largely ceased to function and new community based institutions had arisen which, in the context of constitutional negotiation nationally, had just begun to turn from the politics of resistance to that of development.

The development challenge for local government in Durban in the 1990s was thus two-fold. First, to build a new local government system which retained but re-organised and re-directed the institutional and financial capacities of the old system. Second, to formulate a development vision and development programmes that would turn the city away from conflict, economic and social decline and onto a path of sustained development. In Durban, and elsewhere in South Africa, the route chosen was that of negotiated development.

### *The role of peace and development forums*

The development strategies currently (2000) being implemented in Durban originate in the peace and development negotiation forums that were created in the late 1980s and early 1990s. Peace forums were formed in some black residential areas to overcome internecine conflict and re-built communities damaged by the political and criminal violence that had been endemic in some areas since the mid 1980s. (Hindson et al, 1994) Development negotiation forums were established at both the metropolitan and local levels. They brought together parties previously divided by race and political differences to negotiate common visions and to agree on principles for the future development of the metropolitan areas. (Hindson and Byerley, 1992)

The forums in the violence-torn black residential townships such as Mpumulanga had their origins in peace processes that sought to bring together political parties and other actors implicated in state-fueled intra-communal violence. Here development would concentrate on ameliorating conditions within black residential areas on the urban peripheries. Little or no attention was given to the spatial and social integration of residential areas on the peripheries into the wider city. Here lay a dilemma that was to persist. Should development efforts be focussed on areas in which there was the greatest need, many of them remote from the core city, or, should efforts be focussed on the city core, where public investment was more likely to lead to sustained economic development?

### *Metropolitan wide negotiation*

The un-banning of extra-parliamentary political organisations in 1990 and the beginnings of constitutional negotiations at national level opened dialogue across the urban racial divide at the local level in Durban and other South African cities. This enabled debate about the social, economic and spatial integration of the whole city and thus of consideration of the boundaries of a new metropolitan area and the forms of governance that could be created within it.

The origins of metropolitan level negotiations can be traced to Operation Jumpstart, an initiative launched by the Mayor of Durban in 1990. This initiative sought to stimulate economic growth and job creation in the metropolitan area. Based originally on a coalition of business and public sector interests, Operation Jumpstart expanded its base to include extra-parliamentary political and civic organisations. This led to a widening of its vision to include the empowerment of disadvantaged communities, the building of a shared non-racial value system encouraging reconciliation and non-violence, and development of the potential of present and future inhabitants of Durban. (Hindson, 1999)

The Durban Functional Region Development Forum established in November 1993 followed operation Jumpstart. This was a voluntary association, which brought together representatives from a wide range of organisations and sectors, including both established and historically marginalised groups. The aim of this forum was to formulate a common vision and principles of development for the metropolitan area of Durban and to “unblock development” during the transitional phase leading to the

establishment of a unitary system of local government. The vision formulated by the forum was “to make Durban one of the most vibrant and progressive metropolitan areas in the world”.

#### *National legislative change*

Arising out of the constitutional negotiations at the national level were legislative changes that gave added legitimacy to negotiations over urban development at local level. The Local Government Transition Act, 1993, provided for the establishment of local negotiation forums (Local Government Transition Act, 1993). In Durban, this led to the formation of the Greater Durban Metropolitan Negotiation Forum, which replaced the Durban Functional Region Development Forum.

The Greater Durban Metropolitan Negotiation Forum, established in June 1994, brought together one thousand people representing statutory and non-statutory interests on a 50:50 basis. The statutory component was made up of local government bodies, political parties, ratepayers and residents and business associations. The non-statutory component was made up of civic organisations, political organisations and trade unions. According to its constitution, “The purpose of the Forum is to negotiate the restructuring of Local Government at the Metropolitan and Local Council level on a non-racial, non-sexist, more representative and ultimately democratic basis, including the equitable share of resources”. (Hindson, 1999)

#### *Sub-regional development forums*

Development forums also emerged at the sub-regional level. These were negotiation structures that covered large areas of the city and several communities. The most notable examples were the Cato Manor Development Forum (CMDf) located within the urban core, and the Inanda Development Forum (IDF), located on the urban periphery.

These forums sought to build unity within and between communities, plan for integrated and holistic development within their sub-regions and act as a lobby to ensure that the areas would obtain outside funds to undertake local development. Principles of community participation, development negotiation, development facilitation, partnership formation and integrated and participatory development were the hallmarks of the forums.

Despite sharing common principles, these two forums have developed in different ways and have had impacts on development that reflect to some degree the core/periphery divide. They have faced different constraints and had different opportunities that arise out of their histories, locations and importance to different urban interests.

The development of Cato Manor, a largely vacant area in a prime location within the very core of the Durban Metropolitan Area and in close proximity to some affluent white suburbs and to the city centre and industrial south of Durban, brought into play powerful local, national and provincial actors. The poor communities living within Cato

Manor at the time were politically divided and relatively weak in terms of their capacity to represent their interests within the forum.

Out of the CMDF a development association, called the Cato Manor Development Association (CMDA) was formed. The CMDA was supported by very substantial financial backing from the City of Durban, from national government and from foreign donors. All these major actors were concerned to ensure that Cato Manor would be a success, that it would provide a flag ship for the Reconstruction and Development Programme and a model for a new development approach.

Despite enormous difficulties faced by the CMDA, progress in Cato Manor has been rapid compared to other poor areas of the DMA. Indications are that a process of self-sustaining improvement is possible for the area, especially given the relative ease of access of its residents to employment opportunities in the CBD and nearby industrial, commercial and affluent residential areas.

Comprising a densely settled area in difficult terrain relatively cut off from the metropolitan core, and with a long history of neglect and violent conflict, the IDF has faced far deeper challenges than the CMDA, with fewer resources. In contrast to the CMDA, the IDF's major support base has been the 32 impoverished communities and the community organisations representing them. The forum is in the nature of a partnership between these organisations and representatives of the provincial and local authorities operating within the area.

Despite the formidable obstacles, considerable progress has been made in the area, especially in terms of informal settlement upgrade, municipal service provision and improved transportation and urban design around major transport routes. With the improvements having taken place in housing and service provision, the issue in Inanda, and areas like it, is how its residents can gain access to the employment and income earning opportunities needed to sustain these better living conditions.

#### *The re-building of local government*

Parallel with the forces pressing for institutional change at local level were important policy developments at national level that would lay down the principles for the creation of a new local government system.

The constitution of the Republic of South Africa, adopted in 1993, handed to local government a substantial degree of autonomy in relation to both the provinces and national government, in effect enlarging and systematising the powers that the white municipal authorities had previously enjoyed. The key concepts were those of cooperative governance and developmental local government. These were outlined in the Constitution and then elaborated in the White Paper on Local Government, the key document that set out the powers and functions of local government. (Republic of South Africa, 1996, Republic of South Africa, 1998)

Co-operative government defines a distinct sphere for local government in which it performs functions that are set down in the Constitution. Its relations with provincial and national government are conceived as independent and co-operative, rather than hierarchical and subordinate. In granting it an independent sphere of operation and an enlarged role, the Constitution sought to re-orient local government to become a relatively autonomous centre of democratic participation and a major impulse for development at the local level.

A number of dimensions of policy flowed from the definition of local government as “developmental”. First amongst these was that local government should play an important role in giving effect to democratic representation and the protection of basic rights. Central to the new conception of local government was that it should play an important role in local social and economic development, especially in terms of meeting the needs of the historically disadvantaged. Budgets should be realigned to underpin integrated development programmes that emphasise the needs of disadvantaged communities, while ensuring the conditions for economic growth and job creation. Planning should address the immediate and urgent needs of impoverished communities in a socially, economically and environmentally sustainable manner over the long term. And, finally, a balance should be sought between community involvement in development processes and the increased efficiency and in development delivery and the enhancement of the economic competitiveness of the cities.

#### *Unitary metropolitan local government*

The first integrated system of metropolitan local government in Durban was established in June 1995 in the form of the Durban Transitional Metropolitan Council.

The Council was made up of councilors appointed from nominations drawn from the statutory and non-statutory components represented on the Greater Durban Metropolitan Negotiation Forum, and covered an area previously administered by 52 local authorities. Black and white councillors and white administrators and functionaries came together within a single system for the first time.

The Durban Transitional Council functioned until the first non-racial local government elections that took place in June 1996. The new system, still in place today, had two tiers: a metropolitan authority and six local councils, with elections to both levels and their own distinct powers and functions. The bulk of finances generated by the local authorities were channeled up to the metropolitan level and then devolved to the councils. A division of responsibility was created with the metropolitan authority being responsible for overall policy and planning and for metropolitan wide infrastructure and service provision such as housing, roads, sewerage, water and electricity supply, and the local councils for more localised services such as recreation facilities, libraries and cemeteries.

Each of the six councils was constructed in such a way as to integrate both parts of the urban core and the periphery, rich and poor areas, leading to the split of the old Durban municipality in two to form the north central and south central local councils. In this

way it was intended that the resources and capacities of the old white municipalities could be redeployed to meet the development challenges of the black townships and informal settlements while continuing to maintain levels of services in the old white, Indian and coloured areas.

#### *The institutional challenge facing the new system*

The outcome of the new system was to amalgamate the black and white local authorities and to integrate the informal settlements into a new unitary system with a single electoral roll and tax base. At an institutional level, major challenges remained following formal integration.

Firstly, it would be critical to maintain the considerable financial, managerial and institutional strengths of the old white local authorities but to restructure and re-deploy this capacity to address the developmental challenges in the historically excluded and disadvantaged black residential areas. Secondly, it was equally important to draw upon the organizational strengths and ethos of the development forums and community organisations that had emerged in the black residential areas. This would entail changing the way local government functioned in order to enable community participation and the formation of development partnerships, a difficult task given the growing fragility of community based organisations and local development forums following the creation of representative local government.

#### *Learning from the development forums*

The new local government in Durban sought to carry the principles and practices of the forums into the new local government system, and this process has been encouraged by national policy that has emphasised community participation and integrated approaches to development.

Although not fully successful, efforts were made by various city departments to create forums and advisory bodies made up of representatives of different groups and sectors. Examples were the co-ordinating committees of the spatial and environmental planning initiatives of the city. The city has also sought to adopt the integrated approach to development, following the example of the development forums. However, this has been made difficult by the existence of separate service units, used to operating on their own in the well serviced white areas where maintenance rather than development of new infrastructure and services has been their main activity. The lack of an overall co-ordinating structure and a developmental approach within the historically white local government structures represents one of the major weaknesses of these structures as they have had to turn their attention to development in the historically neglected areas.

Despite their great importance as models for a new approach to development, with the creation of a new local government system, the role of development forums has tended to decline at the metropolitan level. The reasons are complex. They include the growing power of elected councillors relative to community based leadership due to their access to city resources. A further reason has been the loss of many of the most skilled and committed actors from the development forums to positions in local government. The

shift of focus from residential development to economic growth and job creation has also undermined the significance of the forums due to the fact that the prospects for job creation within their areas of jurisdiction have been limited, certainly as compared to the urban core.

In the vacuum created by the weakening of development forums in some townships and informal settlements, a new lease of life is possible for the CMDA, whose origins lie in a forum created within the urban core. With its task nearing completion in Cato Manor, the CMDA is currently positioning itself to become a development agency for the whole of the DMA. The considerable managerial capacity and technical expertise of the CMDA, built up in the complex and difficult conditions that characterised development in Cato Manor, would be put to the test by the development challenges of the under-resourced urban peripheries. It remains to be seen whether this structure, or others more suited to the harsher conditions and more limited finances available for the peripheries will emerge from the Unicity.

*Local government transformation a process of continuous restructuring*

The creation of the first integrated local government system in Durban represented simply a first step in what was to be a protracted process of institutional transformation. While the process has been relatively successful in maintaining the capacity of the old white local authorities, the challenges of re-structuring these institutional systems and re-directing them to Durban's central challenges remain substantial. It has taken time to change to social composition of the local authorities, to shift priorities from promoting investment and maintenance of the urban core to promoting infrastructure and service development within the urban peripheries and to foster the practices of participatory and partnership based development.

However, the greatest difficulties in the process of transformation of local government do not lie within the sphere of the old white local authorities. It is ironically within the black residential peripheries, the main sources of the impulse for change, that the building of local government has been most difficult. Development forums and community-based organisations formed in the early 1990s have not, in general, been consolidated, and little has developed at a local level to replace the administrative and development structures that previously operated in these areas. In this respect, the new local government system built between 1996 and 2000 has not yet superceded the core periphery divide either at an institutional level, and this remains one of the key challenges for the Unicity process, discussed below.

Changing local government itself did not automatically translate into changes at the fundamental level of the social structure of the city. Indeed, transformation of local government would at first delay progress in these directions, due to the enormous effort and outlay of resources needed to effect institutional change itself. Alongside, and flowing from the arduous process of re-constituting local government as an instrument of development, it was necessary for the city to turn to the huge challenges of confronting Durban's historically neglected areas. The aim of policy was to tackle this

challenge while retaining and enhancing the core city as a resource base deemed necessary to secure economic growth, job creation and revenue for the city.

These changes within local government were occurring against the backdrop of considerable structural transformation within the society itself that would impact on local government's developmental orientation. The emergence of a new black middle class and a small elite within the urban core would be one factor putting pressure for adjustments to overall policy that would increasingly favour resource deployment to maintain the city centre and its assets. At the same time there was over these first years of post-apartheid reconstruction, a growing awareness of the depth of marginalisation on the peripheries and the difficulties of reversing decades old patterns of social division. This has led to the gradual acceptance of a more incrementalist approach to development within the urban peripheries. Similarly, confrontation of the pressures of international competition on Durban's economy and its impacts on the racial and spatial distribution of employment and unemployment would lead to re-evaluation of the level and time scales for development targets in the urban peripheries.

## **6. THE EVOLUTION OF DEVELOPMENT POLICY**

### **6.1 The importance of a development vision and integrated development programmes**

An important means to facilitate the rebuilding and re-orientation of local government was the formulation of a development vision which would draw together the differing interests previously in conflict and competition within Durban.

### **6.2 Metropolitan policy**

Durban's development vision, policy principles and strategies were formulated during two strategic planning workshops, in February and November 1996.<sup>10</sup> These workshops comprised city councillors in the transitional local government, city officials and business and union representatives.

#### *The vision statement*

The vision statement that emerged from the planning workshops was as follows:

“In 20 years time metropolitan Durban will be a thriving industrial and commercial centre, an attractive tourist destination and the gateway to KwaZulu-Natal and Southern Africa. It will be a clean and safe environment with less than 10% unemployment, more than 90% of residents living in acceptably serviced housing; and with a generally high

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<sup>10</sup> Earlier workshops took place where these ideas were formulated but the February and November 1996 workshops are taken at the source mainly because they occurred within the framework of the Transitional Local Government Act and because of their scale and because of the level of representation present. They brought together councillors and administrators from the metropolitan authority and local councils and also business and labour representatives.

quality of life that can be sustained. Democracy and tolerance will be an established way of life”.

Contained within this statement is the wish to reconcile two main pressures, namely the pressure of international and domestic competition impacting on its economy and the pressure to meet the social and economic needs of its residents. The vision statement seeks also to define the social framework within which this is done in terms of relations of mutual respect between different social groups rooted in the respect for democracy.

Underpinning the vision statement were a number of development principles.

#### *The development principles*

The principles enunciated in Durban’s strategic planning document represent a set of values relating to development. Like the vision statement they seek to reconcile potentially conflicting aims and approaches to development. (Durban Metro, April 1997)

According to the statement of development principles, local government’s actions should support “economic development” and “human development” as well as the building of the building of personal and institutional capacities. In the short run, the former would require prioritisation of resource allocation to arrest decline and promote growth in the CBD and the city’s major transport and industrial zones which were concentrated within the metropolitan core. In the longer term, human development, the building of personal and institutional capacities to enable all the residents of Durban to participate effectively in a complex and increasingly globalised economy would determine the sustainability of the economy and city.

These principles also seek to reconcile different approaches to the way development is undertaken. The development process should be both delivery-oriented and participatory. This involves, on the hand processes that are “democratic, transparent and co-operative” and, on the other hand, “goal oriented, co-ordinated, effective and efficient”. This tension between these two tendencies within development processes and ways of reconciling them would become a central issue within the process of institutional transformation and development implementation over the ensuing years.

Finally the principles adopted in Durban seek to take on the issue of environmental sustainability and economic sustainability, also an area of dilemmas and difficult choices. According to the strategic planning framework, development should be “environmentally and financially sustainable while being affordable to consumers”. The principles adopted by the metro try, in this language, to reconcile the immediate needs of economic growth and the need for environmental and social sustainability over the long term. (Hindson et al, 1966)

### **6.3 Integrated development planning**

### *Integrated development planning*

While the new metropolitan council was reorienting development priorities and principles at the local level, parallel national legislation was being formulated to guide local developments.

The Local Government Transition Act of 1996 required metropolitan and local councils to formulate integrated development plans (IDPs). Integrated development planning is based on the belief that planning should take into account all the major interconnections between living and working environments to ensure the creation of total living and working environment that meet the full range of human needs.

The philosophy underlying IDPs is that by taking into account all facets of development, all resources potentially available for development could be mobilised in more effective ways to ensure the complementarity of different development initiatives and to exploit their potential synergies. Integrated development planning could also, it was believed, enable reconciliation of short and long-term development goals by ensuring that short-term interventions took place within a long-term vision. To achieve this development planning would be conceived in ways that left the space and flexibility to for adaptation to new circumstances and for incremental improvement from basic to more elaborate housing, infrastructure and services.

The results of metropolitan planning workshops undertaken in November 1996 and February 1997 were recast within the framework of integrated development plans. During 1997 and 1998 five IDPs were produced for the Local Council Areas of the DMA, one for North and South Local Council together and one each for the other four councils.

### *Prioritising strategies within an Integrated Development Plan*

The Durban Metropolitan Council Integrated Development Plan of 1997 sets out a number of strategies. These are: to promote spatial restructuring; to promote economic development; to create total living environments (housing, land development), to provide physical infrastructure (electricity, roads, liquid and solid waste disposal); to provide community services (libraries and learning centres, museums, recreation and sports, cemeteries and markets); to promote public health, environmental health and safety, to manage transformation.<sup>11</sup> This list represents only a first step towards integrated development planning. It was only as efforts were made to formulate and implement concrete programmes that the real challenges of integrating the different elements of strategy would be confronted. At a metropolitan level, the integrated development planning process did not advance a great deal between 1996 and 1999. Most of the effort went into local council integrated development planning, and this resulted, to some degree in the linking of budgets to programmes. Integrated

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<sup>11</sup> A simple voting system was applied at the strategic planning workshop to the different development priorities, with the following results: Economic (21), Safety and Security (18), Benefit to Community (14), Socio-Economic Needs (14), Effect on Operating Budget (14), Efficiency (10), Urgency (9). This ranking was used as a broad basis for re-orienting budgetary decisions, but could not, in itself, provide a detailed set of criteria.

development planning at the metropolitan level is now again being taken up within the Unicity process.

Before returning to provide a preliminary evaluation of the IDPs, we examine in more detail, two areas of strategy that have been important in shaping overall policy, spatial planning and economic development.

#### **6.4 Spatial planning**

##### *The special importance attached to spatial planning*

Spatial planning plays a major role in the development policies of cities as land use planning and control represents one of the key spheres in which local governments can intervene to influence development. In Durban (and other South African Cities) spatial planning was the key instrument used under apartheid to separate racial groups and land uses in the urban areas.

In the post-apartheid period, spatial planning has retained its centrality as an instrument of local government policy. It has come to play a strategic role in thinking about the economic and social development of the city. This is due to the importance attached to social integration as a policy aim, and to the belief that the spatial integration will enhance the efficiency of the city by bringing places of residence and work closer together.

The main principles and a strategy for spatial development have been laid out in the Metropolitan Council's Spatial Development Framework. (SDF, 1999) Spatial development is given considerable emphasis in the IDPs of the Local Councils. Metropolitan government in Durban has also gone far in identifying corridors and has promoted their development in some areas.

##### *The concept of development corridors and scales of application*

The central concepts in current spatial development thinking about the re-integration of South African cities are those of development corridors and nodes. These are intended both to facilitate socio-spatial integration and to meet the objectives of stimulating economic activity and job creation in viable location.

Development corridors are areas that flank transportation routes and interchanges thereby providing the potential to promote high intensity activity linked to the movement of people and goods within and between different parts of the city. Development nodes are areas surrounding transport interchanges or at transport terminuses that have a similar potential of dense land use development, that combines residential and business opportunities. The economic rationale for development corridors is that they promote economies of scale and agglomeration by concentrating the production and distribution of goods and services along transportation routes.

### *Spatial development and community development*

Both the metropolitan and sub-metropolitan scales of thinking about development corridors are potentially important for economic development approaches. The first (metropolitan scale) is important because sub-regional and metropolitan corridors can have the effect of opening townships and informal settlements to closer exchange with the rest of the metropolitan system. The second (sub-metropolitan scale) relates to corridor and nodal development at the local level. Spatial planning at this level enables the integration of previously separated townships and informal settlements within a sub-region through the redesign of transport systems and the provision of urban centres and the promotion of activity corridors.

### *Spatial development planning and integrated development*

An important advantage of spatial development planning is that it provides a means to represent visually the relationships between different inter-connected elements of the economy and society of poor areas and their linkages to the wider metropolitan economy. These elements include housing, infrastructure and services and the various components of the private and public sector operating both within and outside the community area. It has the advantage that the relatively abstract concepts of markets, orders of hierarchy and thresholds can be given concrete meaning within visually represented spatial designs for places that are the familiar territory of local actors.

The mapping of areas can also provide a useful tool for community involvement in local social and economic development. Well-designed maps of community areas enable the assembly and presentation in an accessible form of information about the resources of an area. They can foster holistic thinking about the relationships between economic, social and environmental dimensions of an area and its linkages to surrounding areas. This has happened in Inanda and a number of other areas where spatial planning forms the basis of integrated development planning. (Inanda Development Forum, 1995; Peart et. al. 1997)

## **6.5 Economic policy**

### *The importance of economic development policy*

The idea that local authorities should play a substantial role in fostering local economic development is quite new in South Africa. Introduced in the early 1990s, this idea has since been vigorously taken up and pursued, especially within the country's larger metropolitan areas. (Rogerson, 1997) It has been given official endorsement at the highest level through the identification of economic development as a sphere of policy for local government. The economic role of local government has been spelt out in more detail both in the White Paper on Local Government and a report devoted specifically to the role of local authorities in local economic development. (Ministry of Local Government and Constitutional Affairs, n.d. circa 1999) The emphasis given to local government's economic role has been greatly enhanced by the adoption of the Growth, Employment and Redistribution strategy of the government in 1996, which has sought to promote economic and employment growth through the opening of the

economy to international competition, the tightening of fiscal policies. (Department of Finance, 1996)

The central idea underlying this policy shift is not principally that local governments should take up new economic powers previously exercised by national or provincial government. The new legislation does identify a number of distinct spheres in which local government has the right to intervene. These include, notably, the area of tourism, small business development and investment promotion. However, the key to local government's newly defined economic role lies in the re-orientation of its traditional functions of infrastructure and service provision to enhance the capacity of the city to attract investment and promote job creation. The central idea behind policy is that cities should re-orient all their operations to ensure efficiency of delivery and a form of development and service provision that creates conditions conducive to economic growth and job creation. Furthermore, this re-orientation of policy and practice should take place increasingly in collaboration with provincial and national government so that policy at all levels is more closely integrated and oriented towards the national aims of economic growth and job creation.

Within Durban itself, the pressure to promote local economic development as a distinct policy sphere for the city was increased by the high priority given to the economy and job creation at the city's planning workshops in 1996. This helps account for the establishment of the city's first Economic Unit in the Urban Strategy Department in that year and the subsequent evolution of the Unit into separate Department of Economic Development in 1998 under a new Director.

The Green Paper on Economic Development in the DMA, produced by the Economic Unit of the Urban Strategy Department in 1996, sets out four economic challenges for local government in Durban. The first of these is to make the DMA attractive to local and international business. The second is to extend access of disadvantaged communities to economic opportunities. The third is to work towards an efficient urban system. This aim expresses the need to connect economic to spatial policies in a more coherent way than in the past. Finally, the imperatives of environmental sustainability were explicitly taken into account through the adoption of the concept of sustainable development within economic policy.

In the first two aims of this statement, the difficult choices that lay between measures to promote the economy of the urban core and measures to promote the economies and residents of the urban peripheries were already evident. This tension was to be carried over into the new Economic Development Department (EDD) and institutionalised within its units. Following the establishment of the EDD, four sub-units were created to pursue different facets of the EDDs overall policy. These were the Private Sector, Tourism, Small Business and Community Economic Development Units.<sup>12</sup>

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<sup>12</sup> A fifth unit was also established, the Information Unit.

The Private Sector Unit focusses mainly on measures to promote investment with the industrial and commercial core of the metropolitan area, areas owned mainly by white (and to a lesser degree Indian) owned enterprises. It seeks to devise measures to arrest the decline of areas such as the Southern Industrial Basin, Durban's largest industrial zone, and the Central Business District (CBD), the commercial and administrative centre of the metropolitan area. (Peart, 2000) The Tourism Unit focusses mainly on the metropolitan core. It has had some success in turning around the economic decline of the Beachfront area, Durban's and South Africa's main domestic tourist destination. Measures to promote tourism within the black residential peripheries have also been addressed by this unit, but these remain in the policy development and early implementation phases. (Vaughan, A et al, 2000a and b)

The Small Business Development Unit focusses on the promotion of small business, especially amongst entrepreneurs drawn from the historically disadvantaged groups. A small business development centre has been created within the Central Business District and satellite centres are being planned in the townships and informal settlements. The broad development dilemmas set out earlier in this paper are especially evident in this area of policy. Findings from a study in Johannesburg indicate that the development of small black owned business in the CBD has to some degree drained the townships of this enterprise. (Rogerson, 1997) It seems likely that similar processes have been occurring in Durban, but this requires further investigation.

Finally, the Community Economic Development Unit is giving attention mainly to the economic development of townships and informal settlements. (Economic Development Department, 2000) Here the focus is on measures to promote economic development in these areas linked to housing and development projects under the Reconstruction and Development Programme and to give support to small and medium enterprise as well as survival-oriented and home-based economic operators within these disadvantaged areas. The formulation of a community economic development policy has necessitated consideration of ways of overcoming Durban's central development dilemmas, the dependence on the urban core for incomes and simultaneous marginalisation from its formal sector. This has entailed combining measures to open access to residents of "areas of greatest need" to economic opportunities in the urban core with measures to promote a range of small business, collective and home-based activities within the townships, informal settlements and semi-rural areas themselves. (Durban Metro, 2000a, Durban Metro, 2000b)

One of the difficulties facing the EDD as a policy formulating body is that most major investments with the urban core while contributing to the tax base of the city, generate relatively few jobs, and those that are created are generally not accessible to residents of the urban peripheries. On the other hand, public investment within the urban peripheries, while addressing immediate social need and generating some local employment show little prospect of creating income generating jobs that are sustainable. Overcoming these contradictions within an integrated development framework represents one of the major policy challenges faced by the EDD and the city as a whole.

The EDD has come to play an increasingly central role in the city's overall policy development. Its capacity to influence policy has been enhanced both by the pressure for economic development and job creation from local development forums and the planning committees of the city and by the increasing emphasis given to economic development in national policy. However the financial and human resources at the disposal of the department remain quite limited given the scale of its task. Its impact depends upon the capacity of its staff to influence policy and practice in the range of other city departments and service units. Most importantly, the EDD's relations with the city's finance departments remain at arms length, a factor that reduces its potential impact on a key area of decision taking. On the other hand, its capacity to influence policy and the practice of the city's service units in the future has been enhanced by the placement of its director within the central committee guiding the Unicity Process.

Economic development is high on the agenda of the Unicity. (Unicity 2000a) The prospects appear good that the ambition of national policy to ensure that the economic development objectives are infused into all aspects of development policy and the routine functioning of local government will be taken a step further in Durban.

## **6.6 A preliminary evaluation of the IDPs**

Translating the elements of development strategy set out in the metropolitan IDP into a coherent development programme linked to funding and development actions on the ground has, as might be expected given the lack of experience and simultaneous demands of institutional re-organisation, not been a smooth process.

The complexity of the IDP process has been increased by the fact that each of the six local councils had their own IDPs that also provided a broad planning framework and expenditure priorities in their areas. Furthermore, expenditure on key areas of development such as housing and residential infrastructure (electricity, water, roads, sewerage, lighting) in historically disadvantaged areas were determined either wholly or in part by funds from provincial or national government in terms of priorities set outside of local government decision taking structures.

The metropolitan and local councils in Durban had to set their own priorities for expenditure from their own budgets. A study into the IDPs undertaken between 1997 and 1998 found that a parallel budgetary process had occurred in most local councils in which the priorities of the old municipalities still weighed heavily as compared to the needs of the historically disadvantaged areas. (CCLS, 1999) It also found that the level of public participation within the IDP process had been limited to inputs into needs assessments in all but one local council area and that little had happened in the way of report backs to communities over the budgetary cycle.

One reason for this was lack of provision for participation and the difficulties of community based organisations to participate within processes the meant travelling from their local areas to central locations. Another was the weak state of community organisations themselves. The report found that local councillors responsible for involving their constituencies in the IDP process tended to by-pass community based

forums in favour of structures set up and managed by themselves, thereby subverting or taking over the consultative process.

The report also found that integrated development planning within the DMA had been hampered by a lack of co-ordination between different government departments responsible for different aspects of development. This made horizontal co-ordination at the local level impossible. There was also a lack of vertical integration between national, regional and local plans. These deficiencies made it impossible to realise a fundamental goal of the approach; namely that all elements of a development process would be planned as and implemented as a whole.

Despite these shortcomings, it is evident that IDPs have thus far provided a broad framework and set of development priorities in terms of which development projects and programmes have begun to gradually re-align themselves. Furthermore the different approaches taken by the different local councils has enabled comparative experience to be drawn upon and lessons to be learned. This experience can be drawn upon when formulating the latest IDP within the framework of the Unicity process, which should allow development to be further re-oriented towards achieving the long-term goals set by the metropolitan vision.

### **6.7 Progress towards development: first indications**

A recent report published by the Unicity Committee estimates the city's progress in addressing housing and service backlogs. The upshot of this assessment is that while substantial progress has been made relative to the inherited backlog of need, the city is still a long way off from meeting its targets as set out in the development vision. Here a preliminary attempt will be made to review and assess progress towards development under Durban new and evolving system of local government.

#### *Service provision*

Service provision is well in advance of housing provision per se. The electrification programme, which started in 1990, has now met 90% of need, with the balance expected to be provided by 2005. Water provision has reached 76% of the population and the remaining connections should be made by 2012. Sewerage and wastewater provision is taking much longer than expected, with the anticipated target date for full delivery at 2025.

#### *Housing*

This latter date is close to that for housing. In 1995 it was estimated that the housing backlog was about 280000 units within the DMA as defined prior to the extension of its boundaries. Since that date some 100000 units have been built, leaving a backlog of 181000 units, an estimated 65% of the backlog. At present construction rates, given estimates of population growth, it is anticipated that the backlog will be met by 2020. (Unicity, 2000a) This is close to the target set in Durban's vision statement. However, the sustainability of such developments is by no means assured. The willingness and capacity of residents to pay rates and cover other costs of maintenance of housing,

services and infrastructure now being put in place will depend on growth of the economy and their access to the employment and revenues generated by that growth, neither of which are assured.

Not only the scale of housing and related infrastructure and services, but also their quality and location are important in determining the prospects of future development. An analysis of housing investments up until 1998 indicates that just over 80 per cent of investment went into or was earmarked for housing in areas historically defined as part of the urban periphery. Just fewer than 20 per cent went into the urban core, most of it in Cato Manor. Of the total housing expenditure, 56 per cent was earmarked for the upgrade of informal settlements and 44 per cent for greenfields development.<sup>13</sup> Housing development has therefore tended to confirm the inherited structure of the city.

The reasons for this are that the bulk of the population in need of housing improvement lives in areas on the urban periphery and because the bulk of affordable land available for new housing development also lies in these areas. More recently, the Housing Department of the Durban Metropolitan Area has begun to turn attention to the conversion of inner city building to the use by low income families and individuals and the first such projects are now coming on stream. The sustainability of such developments, their impact on the environment of the urban core and their scale relative to the total need in the metropolitan area as a whole can only be assessed with the passage of time.

In evaluating housing development it is, however, important to take into account the changing meaning of core and periphery as the city expands laterally. The accessibility of some of the largest housing developments to urban opportunities is less circumscribed than in the past. This is as the result of the development of economic activity nodes and corridors closer to townships and informal settlements and through the upgrade of transport infrastructure from these areas to the urban core. Areas that now appear remote from the urban core will find themselves more favourably located if and when the development corridors proposed by the city materialise and generate sufficient jobs and business opportunities in the right form to integrate poorer communities into the wider urban system. (Todes et al 2000)

Housing development since 1994 has not, by and large, promoted racial or social integration in any direct way. The greatest need for housing has been amongst poor black households and giving priority to this group has meant that few opportunities could be created for other racial groups who tend to have higher incomes and thus different housing demands. The promotion of social integration, in both its class and racial senses, has been one aim of policy, but social engineering to achieve this has not been a strong feature of housing policy in Durban in practice.<sup>14</sup>

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<sup>13</sup> Analysis of investment data from the Durban Metro Housing Service Unit.

<sup>14</sup> However, a local newspaper reported recently that a housing programme near an area previously reserved for Indians has been built on the basis that quotas will be allocated to different racial groups. (Mercury, 8<sup>th</sup> March, 2000)

### *The changing racial residential composition of the city*

The transformation of the racial composition of residential areas in Durban has occurred much more rapidly through market driven and spontaneous settlement processes than it has through the housing programmes for the poor of the post 1994 period.

The Quality of Life Survey provides a broad-brush picture of the current situation of the metropolitan area as a whole. In areas that were historically reserved for whites, the composition of the surveyed population in 1999 was blacks (12%), coloureds (5.7%), Indians (23%) and whites (59%). (Durban Metro, 1999) The racial composition of areas that were historically defined as Indian had changed considerably less than the old white areas, but more than the old coloured areas. Least change has occurred in the historically black areas which, according to the sample, have only 2.7% of their population made up of residents who are not black.

In contrast to the urban core, the racial composition of residential areas on the urban peripheries has remained essentially unchanged. The pattern, therefore, appears to be for residential de-racialisation to occur through the movement of the wealthiest sections of previously disadvantaged groups into the poorest areas of the historically privileged, with little countervailing movement. This has resulted in racially mixed urban centre, with marginal changes in the racial composition of the most affluent suburbs and almost no change in the racial composition of the historically black urban peripheries.

It is important that in these black residential areas, however, there has been considerable change in terms of residential class differentiation. The social composition of the townships differs to a considerable degree from the informal settlements, and there are important differences within both types of settlement areas. (Morris and Hindson, 1997)

The changing racial composition of residential areas cannot itself be directly associated with local government initiatives, but represents rather the outcome of spontaneous process of movement and settlement within the city, following the breakdown of racial controls.

### *Economic development*

Current information does not enable accurate estimates of economic growth and job creation in the DMA, a situation that undermines the capacity of the city to analyse the economy and to formulate coherent and grounded policy. Some sources indicate that the rate of economic growth over the period has been slower than in Johannesburg and Cape Town, Durban's main points of comparison within South Africa. Evaluation of the impact of policy, particularly local government policy, would be difficult even with reliable information, given the difficulties of separating out the influence of external factors such as the state of the international and national economies and national policy.

Without such data it is only possible to assess policy in impressionistic terms.<sup>15</sup> It appears that despite its efforts, Durban may be falling behind its competitor cities of Johannesburg and Cape Town in terms of economic growth.<sup>16</sup> The recent metropolitan Quality of Life survey shows extremely high levels of unemployment, whether measured in strict or looser terms, especially amongst the black population on the urban peripheries. Average black incomes and levels of employment within the urban core are higher than on average for the black population, indicating that for those who make it out of the townships and informal settlements, conditions, on average, are improving.

The available information suggests that the economic decline of the CBD and Southern Industrial Basin are continuing, as are the industrial areas created on the urban peripheries, such as Hammarsdale in the Far West, to bolster the aims of territorial apartheid. (McCarthy, 1993; South Local Council, 1998a and b; Inner West Local Council, 1999, Outer West Local Council, 1998; North Local Council, 1998) Growth is, however, occurring in some locations, notably the Pinetown-New Germany complex and in the North Council areas where local councils have pursued vigorous programmes to attract investment in industrial and commercial sites respectively. It is argued, however, that much of this may represent a relocation from the traditional core, rather than new investment for the metropolitan area from outside.

Durban has made considerable progress towards addressing social need through its housing and service programmes. However there is little evidence of progress in terms of the revival of the city's economy. The growth of unemployment and its concentration within the black residential areas of the urban periphery remain the city's greatest development challenge and a sine qua non of sustainable social development in the residential sphere over the long term.

## **7. THE UNICITY INITIATIVE**

### *The Unicity process: centralisation within the third tier of government*

Institutional change has been a continuing process in Durban for the last ten years and is by no means yet over. Though the local government system created in 1996 was Durban's first non-racial unitary local government the council remained transitional because it was based on a racially weighted system. Durban, like other South African cities is currently in the process of debating and constructing a new local government system, the so-called Unicity, planned to come into effect during 2000.

There are two key features of the Unicity initiative. The first is the expansion of the boundaries of the metropolitan area, and the second the probable abolition of the six local councils to create a single metropolitan authority. The former widens the development challenge for the city and the latter creates a need for new development

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<sup>15</sup> The Unicity Committee recognises this when it states that the challenge in terms of developing "a clear and explicit economic agenda" is "to determine through a data-driven process, an economic development trajectory for Durban". (Unicity 2000a; Preliminary findings of a study being undertaken by the authors).

<sup>16</sup> Mercury, March 2000.

institutions capable of undertaking integrated development planning at local and metropolitan level.

The new boundaries incorporate mainly areas that were historically under tribal control and are currently rural or semi-rural. They would expand the metropolitan area considerably, but its population by only about 8%, according to the Unicity Committees calculations. The areas included are mainly under tribal control and contain some of the poorest people in the region. It has been estimated that by including these areas.

From a developmental point of view the incorporation of these areas will place a further burden on the resources available for housing, infrastructure and service provision in areas in which the sustainability of such development would be difficult given the dispersed nature of settlement and the poverty of the population. In policy terms, incorporation of such areas will require greatly increased attention on the question of rural policies that address both agriculture and natural resource based opportunities for business development and job creation. (Durban Metro, 2000b)

The principal institutional difference between the Unicity and the existing system is that it will comprise only the metropolitan tier. Thus within a national process of decentralisation of powers, centralisation will be effected at the local level. This has important implications for the institutional form of local government, for the question of community participation and for the development planning and implementation.

The abolition of local councils raises the issue of development participation and policy implementation at the sub-metropolitan and local level. It is likely that new units of area administration will need to be created. These will be concerned with local development planning, servicing and will enable community participation in development processes.

Development and administration units at the local level will need to conform to a number of criteria. These include political representation (for example councillor areas), community organisation, functional integration between areas, population size, economic and social conditions, previous history of planning and development. The central institutional challenge will be to create area based structures which are defined both to enable communities living under differing conditions to organise and express their interests, yet are able to ensure planning and integration across the metropolitan area.

The Unicity initiative will have to tackle all the issues pertaining to the racial and spatial fragmentation that have been the pre-occupation of the present council. This suggests the development of planning functions or at least responsibilities at both the metropolitan and sub-regional levels. These include the need to integrate within coherent units both poor and rich, peripheral and core areas of the city in ways that make the latter accessible to the former; the questions of transport planning, development corridors and development nodes. It means also the development of the institutions needed to connect local areas with opportunities outside of those areas in a coherent and meaningful way.

## 8. CONCLUSIONS

It is too soon to provide a thorough evaluation of Durban's post-apartheid development strategy. However, there are sufficient pointers to draw some broad conclusions.

### *The development dilemmas*

It has to be recognised that the development dilemmas described in earlier sections of this paper are deep and are the result not only of historical legacies, but also powerful contemporary processes leading, inter alia, to spatial, economic and social marginalisation of very substantial sections of the city's population. In assessing the city's efforts to promote development it has to be borne in mind that these forces are in operation and, to some degree lie outside the scope of the city's authorities.

### *The apartheid inheritance*

Durban, like many other South African cities, continues to bear the marks of the apartheid past. Its urban core, including the CBD, city centre and Coloured, White and Indian suburbs display the features of a first world city with housing, services and an industrial and commercial system to match. This urban core is surrounded by a periphery, containing the majority of the population, blacks living in areas displaying different levels of poverty. These basic features distinguish South African cities. They have determined the parameters and defined the choices that need to be made in tackling social, economic and environmental development in South African cities.

### *The inheritance of negotiation*

The inheritance of negotiation has strongly influenced the evolution of institutional transformation. Negotiation forums emerged out of a context of deep conflict, and, in the case of the townships and informal settlements, out of violence and considerable destruction. Negotiation between the privileged minority and historically excluded majority has set institutional change down a path in which managerial, financial and technical expertise have been combined with an ethos of participation, democracy and capacity building.

What is perhaps distinctive about this experience is the attempt to combine the financial, institutional and managerial power of the "first world" with the "third world" within one city, rather than having the latter imported from outside. While the city still wields enormous financial and institutional capacities, these remain located primarily within the core and the local government and community based institutions within the urban peripheries remain fragile, if not entirely absent. A key task of the Unicity will be to devise and put in place administrative systems which give it a strong presence within these areas, but in a form that enables participation and the building of community based institutions.

### *Encouraging participation, ensuring delivery*

Institutionally, a key challenge for Durban has been to overcome the delivery-process dilemma; namely the need to meet development delivery targets rapidly while at the

same time ensuring meaningful participation of communities through personal and institutional capacity building for beneficiary groups through involvement in the development process.

This dilemma has been approached by various means including the use of development facilitation methods and the penalising of obstructionism by withdrawal or delay of development and service provision. A partnership model is emerging whereby the roles and responsibilities of local government, communities, private sector developers and NGOs are more clearly defined within development compacts and where participation and decision making processes are being streamlined. However, participation and its corollary, the building of local personal and institutional capacities in impoverished areas, remains a major challenge for the Unicity.

*Preserving the core, developing the periphery*

Development efforts have sought to reconcile two inherently conflicting aims: to maintain the urban core as the economic engine of the city and magnet for productive investment while developing the urban residential periphery. Given the limits of local government finances this has meant that differing standards of service provision have been adopted within the core and periphery and that development objectives have been placed within a stretching time framework.

Policy development in Durban, notably spatial development policies, seeks explicitly to address this central urban dilemma. However, the underlying forces that centralise resources in the core and marginalise the poor on the peripheries appear to continue to operate with force.

*Meeting social needs, fostering sustainable development*

The development strategies of the DMA have had to confront the contradiction that economic growth has taken forms that exclude the poor and those living on the peripheries from access to employment within the formal economy while development efforts seek to increase this access and integrate the city. This has necessitated the use of strategies to meet social needs that are incrementalist and survivalist on the urban peripheries, while simultaneously adopting strategies to promote large-scale investments within the urban core.

*The possibilities associated with integrated development planning*

Integrated development planning is in its infancy in Durban and evaluation of its effectiveness as an approach has to await further experience with and adaptation of the approach. One of the difficulties with this approach is that local government does not have control over the full range of elements of development deemed essential to a holistic approach at local level. Thus, for example, housing has only recently devolved to the metropolitan level and public works; health, safety and security remain national or provincial functions. Means will have to be devised to ensure integration of these functions into local development planning and implementation if the ambitions of holistic planning are to be realised.

And finally, the integration of the peripheries into the core in a way that develops the former, gives access core city resources to their inhabitants while preserving and increasing the capacity of the urban core to attract investment and generate income and employment will remain at the centre of the challenge faced by the Unicity.

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