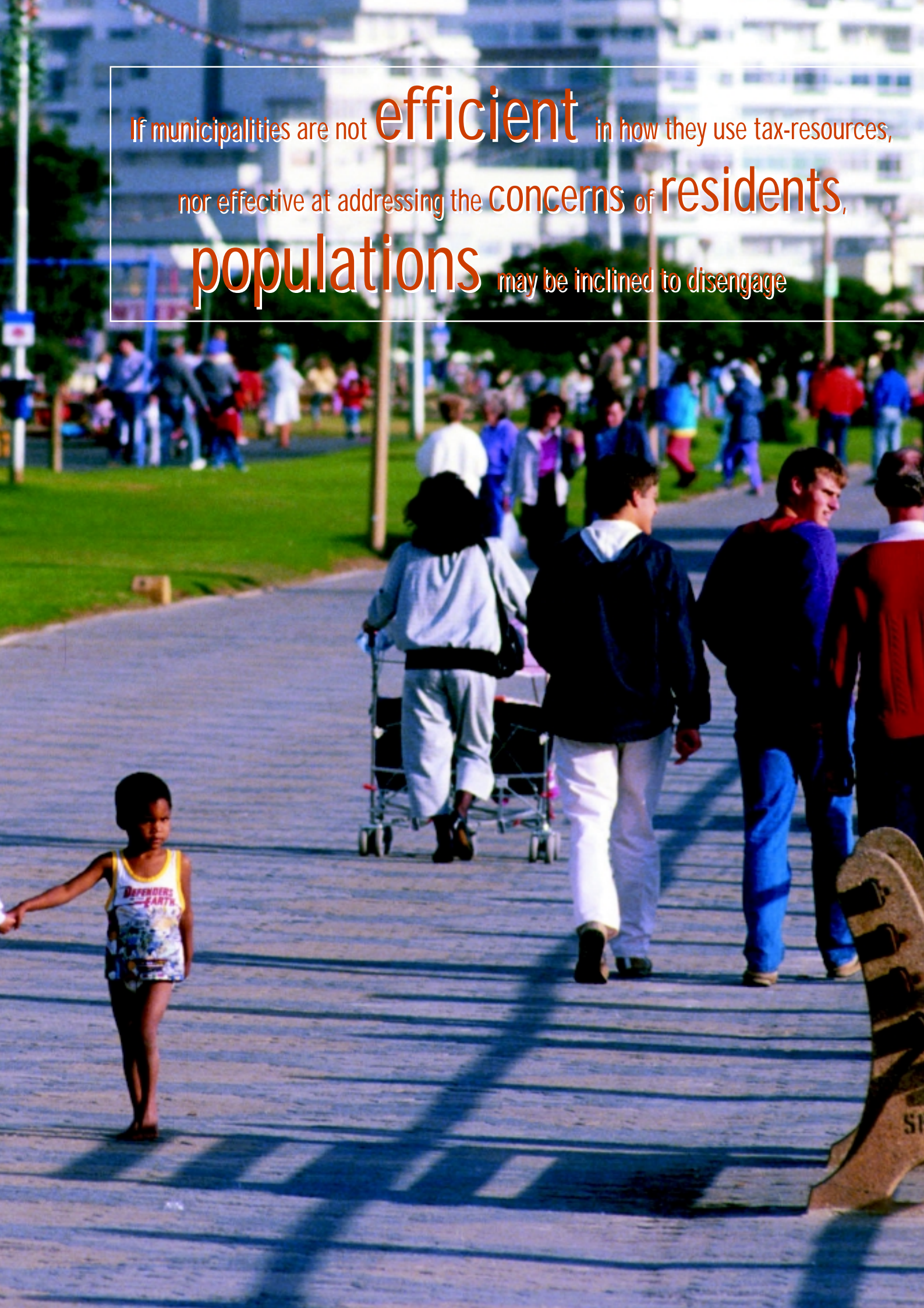


CHAPTER 7: WELL-GOVERNED CITIES



If municipalities are not **efficient** in how they use tax-resources,
nor effective at addressing the **concerns** of **residents**,
populations may be inclined to disengage



CHAPTER 7. GOVERNANCE TRENDS AND THE STATE OF THE GOVERNANCE CITY

THE CHALLENGE OF GOOD GOVERNANCE

Cities are complex entities that cannot be reduced to the municipal entity, or even to the sum total of public sector interventions within a city. For this reason, the term 'governance' is commonly used to describe the way in which cities are run. As UN-Habitat's 2002 *State of the Cities Report* makes clear, 'Governance is more than government. At the city level, it can be defined as the sum of the ways through which individuals and institutions (public and private) plan and manage their common affairs. It is a continuing process that may either lead to conflict or a mutually beneficial cooperative action. It includes formal institutions and informal arrangements, as well as the social capital of citizens.'

The state of governance in SACN cities is not easy to gauge. The focus of the past ten years has been on the massive local government transition and transformation process, which has simultaneously involved *decentralisation* of powers and functions and *consolidation* of the number of local authorities. More recently, attention has focused on defining a system of intergovernmental relations. This means that governance indicators are still in their infancy, particularly with regard to relationships at city level between the three spheres of government, state-owned enterprises, the private sector, civil society organisations, communities and citizens.

Because of its impact on cities, this chapter describes the local government transition process in some detail, and attempts to evaluate some of its outcomes in the following areas: institutional capacity; service delivery performance; financial stability and spending efficacy; political efficacy; institutional experimentation; corruption and maladministration; citizen satisfaction and political participation; and engagement and disengagement.

The government of cities is assessed with reference to the internal performance of local government institutions and to the wider network of co-operative arrangements that municipalities have been able to configure. Governance of cities is assessed with reference to the surveyed level of satisfaction in the municipality, degrees of meaningful participation in the municipal processes, evidence of community harmony or disintegration, levels of crime and violence, and indications of movement towards private forms of government.

THE LOCAL GOVERNMENT TRANSITION: GEARING UP APPROPRIATE INSTITUTIONS, ADMINISTRATIONS AND POLITICAL SYSTEMS

The efficacy of local government is a very important determinant of whether the relations between residents and government are positive and constructive. If municipalities are not efficient in how they utilise tax-resources, nor effective at addressing the concerns of residents, populations may be inclined to disengage.



Local government in South Africa has seen the most remarkable transition during the past 10 years. From the racially divided and spatially fragmented arrangements inherited, local government has progressed to structures and systems much more capable of managing increasingly challenging urban environments in a coherent manner. This is a general picture of local government transition in terms of how it has affected the nine cities collectively.

In 1993 an overarching plan for the transformation of local government was set out in the Local Government Transition Act (LGTA) (Act 209 of 1993). This act outlined a three-phase transition for local government. The first phase, a pre-interim phase, was the period lasting from the publication of the LGTA to the elections for transitional councils. The second phase, an interim phase, was defined as the period lasting from the date of elections of transitional councils until the legislation and implementation of 'final arrangements' for local government. The LGTA did not explicitly define a final phase, but implicitly envisaged a further period of change as municipalities were re-established and restructured in accordance with the final legislative arrangements.

PRE-INTERIM PHASE

In the pre-interim phase negotiations were conducted between representatives of existing statutory bodies (including municipalities and the provincial administrations) and a non-statutory component of delegates from community organisations and the ANC. Some of the nine SACN cities were ahead of others in this process. For example, a form of negotiations between statutory and non-statutory groupings had started as early as 1990 in the Johannesburg Metropolitan Chamber. The LGTA simply formalised the process here and provided a national framework within which local negotiation could take place.

The negotiations led to the establishment of pre-interim councils. These pre-interim councils took the stop-gap decisions necessary to sustain governance and service delivery. More importantly, they laid a foundation for the first local elections by agreeing on areas which would be included in the new transitional local councils. Although the pre-interim phase paved the way to further transformation, and created conditions for the amalgamation of white and black local authorities, real change in local government was extremely limited. This phase was more about democratisation of local government than about its transformation.

INTERIM PHASE

In the interim phase three important developments shaped the transformation of local government.

Testing interim arrangements

First, the form and structure of the new system of democratically elected transitional councils was tested in practice. Across the country the new structures included:

- New Transitional Metropolitan and Metropolitan Local Councils in six of the largest metropolitan regions in the country.

- Transitional Local Councils covering newly integrated urban areas in the larger cities and smaller towns.
- Transitional Representative Councils and Transitional Rural Councils with limited powers in most rural areas (excluding KwaZulu-Natal and parts of the North West). These structures were required to represent the development interests of rural residents to the District Councils.
- District Councils, also called Services Councils in Gauteng and Regional Councils in KwaZulu Natal. These were indirectly elected, and given their powers and functions by provincial proclamation. They covered all parts of the country.

Municipalities in the nine SACN cities were differently affected by the shortcomings of the interim-phase system. For example, those municipalities that were two-tier Metros struggled with the fact that both upper-tier Metros and lower-tier Metropolitan Local Councils were given original powers. This meant that each could pass its own budgets, and were employer bodies in their own right. Each set about developing its own full complement of senior officials, even when spare capacity was available elsewhere in the Metro. This resulted in significant over-investment of staff capacity across metropolitan areas, relative to what was required. In addition, the operating budgets of the Metros and individual MLCs had to balance collectively, not individually. In some cities this meant that MLCs could safely assume that their shortfall would be covered elsewhere, meaning there was little incentive to contain expenditure. This resulted in extremely poor financial control.

A new policy: towards developmental local government

The second major development in the interim phase was the design of a new policy framework for local government. This policy process was initiated by the 1996 Constitution, which redefined local government as a sphere of government distinctive from, yet interdependent and inter-related with, provincial and national government. The Constitution also gave local government a new development mandate. It provided that a municipality must 'structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community and to promote the social and economic development of the community'. The Constitution also defined five objects for local government:

- a) To provide democratic and accountable government for local communities;
- b) To ensure the provision of services to communities in a sustainable manner;
- c) To promote social and economic development;
- d) To promote a safe and healthy environment; and
- e) To encourage the involvement of communities and community organisations in the matters of local government.

This mandate was more clearly defined in the White Paper on Local Government. This was published in March 1998 after a year of research and consultation on the purpose and structure of South African local government. The central policy pillar in the White Paper was a vision for 'developmental local government'. Developmental local government, as outlined in the White Paper, must work with citizens and groups in the community to find sustainable ways to meet their needs and improve the quality of their lives. The White Paper interpreted this to mean a number of specific things.

One, the White Paper proposed that municipalities must begin to focus their energies on a clear set of developmental outcomes that meaningfully address the impact apartheid has had on South Africa's human settlements. These outcomes were defined as: provision of household infrastructure and services; creation of liveable, integrated cities, towns and rural areas; local economic development; and community empowerment and redistribution.

Two, the White Paper proposed some of the new administrative systems that municipalities need to adopt to build a developmental approach. They include: integrated development planning; performance measurement and management; structures and systems to enable the active involvement of citizens and communities in the affairs of municipalities.

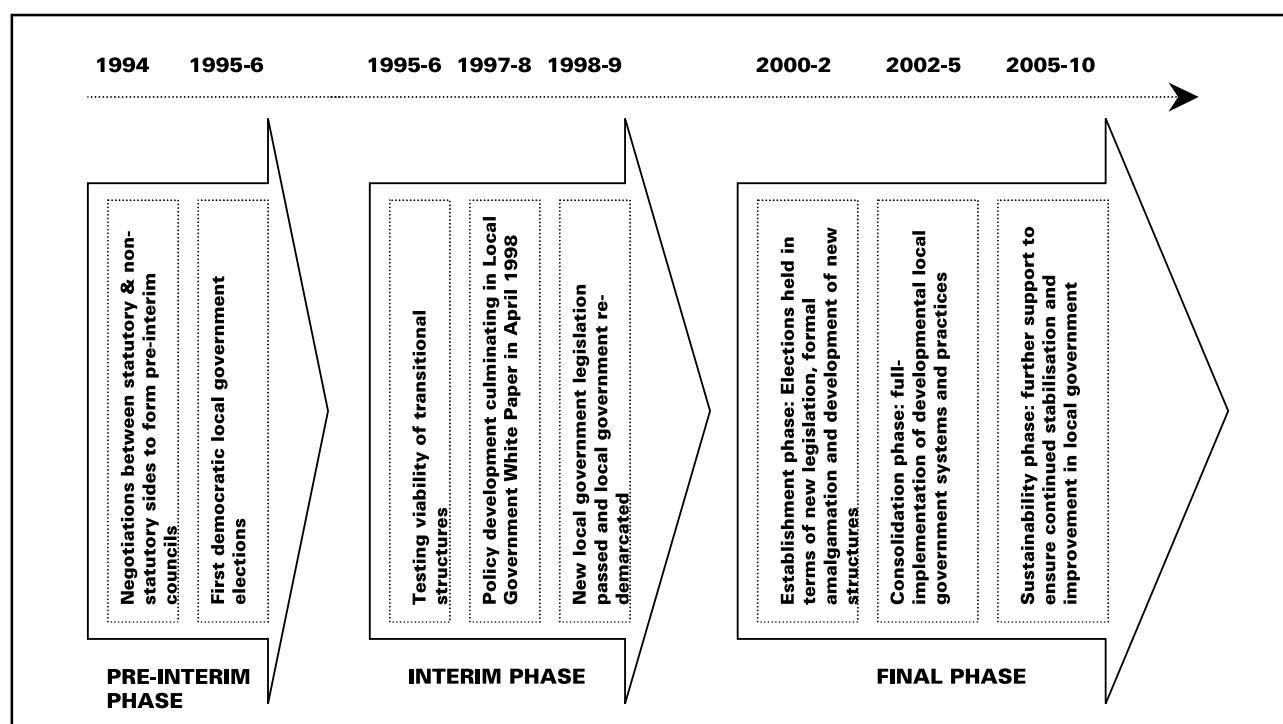
Three, the White Paper recommended a complete overhaul of institutional arrangements and re-orientation of the ethos of local government. One of its most important policy proposals was that South Africa move away from two-tier metropolitan arrangements and have a single-tier, integrated 'unicity' arrangement for metropolitan areas. This would complete the realisation of the one-city-one-tax base vision that originally drove the transition.

New legislation, re-demarcation and municipal level innovation

Following from the White Paper, the third interim-phase development was the passing of new laws, and the re-demarcation of local government boundaries, to achieve a final form of local government. Most notably, the Municipal Structures Act (117 of 1998, and amended in 1999 and 2000) and the Municipal Systems Act (32 of 2000) defined new institutional arrangements and new administrative systems to constitute developmental local government. The Municipal Demarcation Board reasoned that developmental local government could not be realised within the often fragmented boundaries drawn for the previous local government elections, and rationalised 843 municipalities into 274 more functional and viable jurisdictions.

A number of SACN cities did not wait for the finalisation of policy and legislation in the second half of the 1990s. Building on their own experience, they responded proactively to the financial and institutional difficulties they

Overview of the local government transition process.



were facing, even while national policy, legal and boundary demarcation processes continued. For example, in Cape Town a Unicity Commission was established a year before the 2000 municipal elections to look at a range of institutional, organisational and service delivery management options. The Johannesburg Metropolitan Council embarked on a fundamental institutional restructuring under a change-management process called iGoli 2002. It initiated a number of institutional arrangements that pre-empted key features of the legislation.

THE FINAL PHASE

The interim phase was characterised by the testing of transitional arrangements, by careful policy development which took account of the weaknesses in these arrangements, and finally by the re-establishment of local government in new structures and boundaries drawn in line with this policy. In the final phase of the transition, further local government change is being promoted by helping municipalities to transform themselves within new boundaries, and assisting them to fulfil their developmental mandate.

There is no doubt that the local government transition process has ensured that all the cities are now governed by more appropriate institutional arrangements. However, local government efficiency and efficacy will remain a challenge for some time to come.

LOCAL-GOVERNMENT EFFICACY TODAY

INSTITUTIONAL CAPACITY

Because they are the largest municipalities in the country with the biggest budgets and staff complements, there is sometimes a perception that the nine SACN cities have the most capacity in the country. However, capacity is always relative to context. Many of the municipalities face particular challenges, typical of large cities, that a smaller urban area would not be faced with. Two of the metropolitan municipalities – Ekurhuleni and Nelson Mandela – are new metros that have amalgamated a number of previously separate institutions. They have had to put huge energy into a comprehensive change management process. A number of the municipal areas now include extensive rural areas. Urban management expertise sometimes proves insufficient in the rural parts of eThekweni, Tshwane and Buffalo City. Tshwane faces unique intergovernmental relations challenges in being a cross-boundary municipality.

SERVICE DELIVERY PERFORMANCE

A critical issue for any municipality is service delivery performance. This has two efficiency components: 'operational efficiency' and 'allocative efficiency'.

Operational efficiency

This is a measure of whether residents receive quality services at the right price. Any resident paying rates or service fees is necessarily concerned about

Date	Efficiency of Call Centre
February-02	18,25
March-02	17,43
April-02	16,26
May-02	16,02
June-02	16,03
July-02	14,25
August-02	13,33
September-02	13,34
October-02	11,36
November-02	10,76
December-02	11,4
January-03	7,97
February-03	8,93
March-03	7,32
April-03	6,38
May-03	5,68

This table shows changing efficiency on a measure of efficient call-centre response to customer queries, from the National Treasury's mid-term review of Johannesburg's Restructuring Grant. The values are given by the formula:

$$[(A-B)/A] \times C$$

Where:

- A** is the number of calls taken in each month
- B** is the number of calls resolved in each month, regardless of which month the call was taken
- C** is the average time taken to resolve a query. The average (in days) time is based on all resolved calls, regardless of which month the call was taken.

The fewer calls received, the more queries resolved, and the less the time taken to resolve the query, the lower the efficiency measure. The results therefore show clear efficacy gains over the period.

	Joburg	eThekweni	Cape Town	Ekurhuleni	Tshwane	Nelson Mandela	Buffalo City	Mangaung	Msunduzi
Water Dept staff per 1 000 water connections	1,63	1,50	3,58		1,95	2,35	3,00	1,96	3,78
Electricity Dept staff per 1 000 electricity connections	6,75	3,22			9,05		2,17		2,52
Sanitation Dept staff per 1 000 sewer connections	2,2	2,09	1,99		1,61	2,23		3,00	2,16

		JOBURG	ETHEKWINI	CAPE TOWN	NELSON MANDELA	MANGAUNG	MSUNDUZI
OPERATING BENCHMARKS							
Number of water connections	n	519 621	480 000	663 000	173 400	83 570	58 516
Length of water network	Km	9 758	11 800	8 616	3 000	3 292	1 980
Length of network per employee	km / employee	10,3	17,7	11,8	11,7	13,1	9,9
Staff (distribution) / 1000 connections	n / 1000 connections	1,8	1,4	1,1	1,5	3,0	3,4
Network density (inverse)	m / connection	18,8	24,6	13,0	17,3	39,4	33,8
Metering efficiency	metered / supplied (%)	66%	74%	88%	80%	85%	70%
Bursts / leaks frequency	n/100 km of pipe / year	327	309	272	210	65	101
Operating cost (excl raw/bulk/pur/I/D)	R/connection pm	24,30	35,36		49,84	45,97	53,55
Salaries and wages	R/connection pm	14,43	19,97		12,40	15,10	39,59
Maintenance	R/connection pm	6,90	12,85		14,80	5,19	13,81
Energy	R/connection pm	0,72	1,22		1,59	0,34	0,14
General	R/connection pm	2,25	1,34		21,05	25,34	-
Operating cost	R/km per annum	15 526	17 263		34 567	14 004	18 990
Operating cost	c/kl	33	73		162	81	88
Operating cost (% breakdown)							
Salaries and wages	%	59%	56%		25%	33%	74%
Maintenance	%	28%	36%		30%	11%	26%
Energy	%	3%	3%		3%	1%	0%
General	%	9%	4%		42%	55%	0%
FINANCE BENCHMARKS							
Average water revenue	R/kl water distributed	3,16	3,88		3,48	3,03	3,23
Average water revenue	R / connection pm	202,39	168,92		94,63	170,77	168,05
Salaries expenses	% of water expenditure	7,40%	10,62%		17,01%	8,82%	19,33%
Maintenance expenses	% of water expenditure	2,54%	6,83%		18,31%	2,70%	6,75%
Interest expenses	% of water expenditure	6,44%	9,60%		1,33%	5,55%	9,18%
Debtor days for water	Days	437,31	154,55		75,99	325,25	90,01
Collection efficiency for water	% Collections / billed	76,55	100,00		66,23	100,00	90,00
Capital expenditure	% annual revenue	12,98	19,14		11,72	26,54	6,75
Bulk water capital expenditure	Rm per MI/d				0,09	0,02	
Retail water capital expenditure	R / connection	100,07	350,00		40,37	291,55	177,73

Figure 60a top and 60b: City of Johannesburg financial management targets set by National Treasury as conditions for its Restructuring Grant, and performance against these targets

		JOBURG	ETHEKWINI	CAPE TOWN	NELSON MANDELA	MANGAUNG	MSUNDUZI
BUSINESS BENCHMARKS							
Overtime worked	% std time	10%	13%		8%	0%	0%
Disabling Injury Incidence Rate	DIIR	1,9	3,6		2,2		
Overhead costs	as % "pure" opex	21%	0%		0%	0%	0%
Meter reading cost	R / meter read	4,39	2,08		5,40	1,82	10,99
Billing cost	R / bill sent	8,69	0,48		7,88	2,92	2,53
Billing frequency (water)	Days	76	46		41	29	30
Proportion bills estimated (water)	% of bills sent	26%	8%		6%	10%	100%
Consumer queries/complaints: Written	n/1000 water consumers	14	4		41		
Consumer queries/complaints: Telephone	n/1000 water consumers	75	1,521		110	20	133
CUSTOMER RESPONSE TIMES							
From metering to billing	15 days (% compliance)	100	99		95	95	100
To answer calls	30 secs (% compliance)	91	95		50	80	75
To reply to written account queries	72 hours (% compliance)	90	90		60	75	30
To water bursts/leaks (mains)	48 hours (% compliance)	72	100		95	90	25
To water bursts/leaks (connections)	4 days (% compliance)	82	100		80	80	20
To sewer blockages	24 hours (% compliance)	73	90		95	95	95
To water connection request	15 days (% compliance)	79	65		95	99	85
Benchmarking of water and wastewater services in six SACN cities conducted by Palmer Development Group (2003)							

Figure 60b con't. City of Johannesburg financial management targets set by National Treasury as conditions for its Restructuring Grant, and performance against these targets.

whether they are getting the 'biggest bang for their buck', and so municipalities must be concerned about the cost per unit of delivering any particular service. It is important for political stability that municipalities avoid this by ensuring that residents don't feel that Rands spent are being wasted on less-than-efficient municipal operations.

A solid benchmark-based comparison of service delivery efficiency is not available across the municipalities in the nine cities. However, the information that is available does indicate widely disparate performance on some key service processes, and very different costs per service delivery unit across the municipalities.

Figure 60a compares the number of staff per water and electricity connections in each municipality. And figure 60b gives a more detailed comparison of water service efficiency measures across six of the nine SACN city municipalities. They show very different cost structures. The figures obviously need to take into account complexities in the areas served, and the administrative structures that have been set up to manage the service in all its dimensions. For example, there are economies-of-scale-benefits at the managerial level the larger the serviced population is: smaller municipalities will invariably tend to have larger staff numbers per 1 000 connections. Some areas are also larger and may have less-dense settlement patterns, which may require a larger number of staff to ensure rapid response to service breakdowns. In addition, not all the municipalities have fully 'ring-fenced'

their service. This may mean that some corporate-services staff, whose time is spread across a number of functional areas, may not be included in the staff count for a particular service.

It is important to recognise that such benchmark comparisons, as with any performance indicator 'league table', is never useful by itself. By signalling major cost discrepancies they should prompt relatively poorly performing municipalities to do a closer investigation of what lies behind a particular cost structure. There may be efficiency gains to be realised. But there may also be good and unavoidable reasons why the efficiency level is as it is.

Allocative efficiency

Whereas operational efficiency is concerned with inputs and outputs, allocative efficiency is concerned with whether public resources are being channelled to the right things. A municipality can claim allocative efficiency when it is spending in line with its development priorities, and, over and above this, when the outcomes of spending justify the spending choices of municipalities. Allocative efficiency is becoming an ever-greater concern of municipalities, as it becomes clear that operating budgets, unlike capital budgets, are very hard to shift. This means three things.

First, the cost of some services may remain relatively high, even when a municipality has recognised that the expense relative to the benefit is not warranted. This is because of historically inherited cost structures that are very difficult to unwind.

Second, a greater share of council resources may still be going into those areas previously advantaged by apartheid. A municipality may want to improve delivery in an area, but it may be very difficult to shift staff because of the inflexibility of conditions of service – where job descriptions say staff should report to work each morning, and so on. It is sometimes extremely difficult for a municipality to keep track of how much money is being spent where. Expenditure items in global allocations to departments are not always

Figure 61a. Revenue Management, Johannesburg.

	98/99	99/00	00/01	01/02	Dec 02	Target
Debt Management Indicators						
Total debt / annual income	50%	42%	27,1%	32,5%	31,4%	38%
Capital charges / total operating expenditure	17%	14,6%	8,5%	7,3%	7,2%	15%
External Interest / Total operating expenditure	7%	4,8%	4,7%	7%	7,5%	7%
Total overdraft and call bonds (R'm)	(R189)	R0,3	R24	R92	R0	R0
Revenue Management						
Annual Debtors collection rate	86%	86%	87%	89,6%	88,3%	94,5%
Net Debtors / annual income	30%	30%	37%	34,4%	37,3%	12,5%
Capital expenditure						
Net annual increase in debt / Total annual CapX	0	0	0,02	1,41	0,26	0,75
Nominal capital expenditure (R'm)	R309	R295	R632	R1 105	R1 248	R1 200
Personnel cost						
Personnel cost / operating expenditure	27,8%	27,3%	26%	26,1%	28%	25%
Cash flow management						
Creditors days	118	118	32	31	60	60
Operating surplus / deficit (R'm)	(R82)	R153	R48	R187	R0	R0

automatically tagged for a particular area in budget and accounting systems. However, some municipalities, such as Cape Town, have started to develop systems that will be able to more accurately identify where operating budgets are being spent, on what and why.

Third, municipalities face an ever-more sophisticated set of cost-benefit calculations. For example, the City of Johannesburg's low level of expenditure on maintenance may be due in part to relatively high bulk-water charges. But it may also be due to a clear choice to protect short-term financial stability by budgeting more for Special Funds and Working Capital. Joburg allocated over R1 billion to these items in 2002/03, whereas the contribution of other similarly sized municipalities was negligible. This is understandable given the very severe financial crisis the city went through in the mid to late 1990s. But the benefit of short-term stability comes with the long term cost of mounting deferred maintenance. The city therefore plays a careful balancing game between allocating resources in order to weather future fiscal shocks, and allocating in the interests of preventing future service breakdowns.

FINANCIAL STABILITY AND SPENDING EFFICACY

Many South African municipalities went through very severe financial crises in the mid-1990s. This includes those municipalities that were disestablished to form the municipalities in the nine SACN cities. There were many lessons learnt. These municipalities now function within new jurisdictions, and one of the key aims of the demarcation process was to ensure that all municipalities have a more stable tax base and are better able to meet the expectations of residents. In spite of this, the nine SACN city municipalities have not been freed from financial pressure.

Two concerns remain.

First is financial management. Many of the nine SACN municipalities have invested in making sure that their budgeting, accounting, borrowings, expenditure control, and billings and revenue collection systems work well. Many meaningful improvements have been realised over the last few years, to the extent that it is now even possible for them to seriously consider re-launching a municipal bond market as the City of Johannesburg has recently done. However, even with the greatest discipline and drive to improve systems, good financial management can remain elusive.

Figure 61b. % of municipal debt over days outstanding, and the effects of margin squeeze in the City of Johannesburg.

	Joburg	eThekweni	Cape Town	Ekurhuleni	Tshwane	Nelson Mandela	Buffalo City	Mangaung	Msunduzi
% of municipal debt < 30 days	2	5			NA		5	8	35
% of municipal debt 30-60 days	5	2			17		4	4	4
% of municipal debt 60-90 days	3	2			6		4	3	4
% of municipal debt over 90 days	89	91			78		86	86	57
	1998/9	1999/0	2000/1	2001/2	2002/3	2003/4			
CPIX (annual % increase)	6,9	7,8	6,6	9,5	11,5	8			
Tariffs (annual % increase)	6,1	9	5,4	6,3	7,4	12,5			
Margin squeeze	-0,8	1,2	-1,2	-3,2	-4,1	4,5			

Figure 61a gives a sense of this. It shows the City of Joburg's efforts to reach efficiency targets set by the National Treasury as conditions for its Restructuring Grant. Some targets were met within the timeframes. Others remained out of reach. Most notable was the clear inability to achieve revenue management targets, even though the 94,5% target was itself revised downwards from an earlier hurdle of 97,5%.

The second is the fiscal capacity of municipalities relative to their growing responsibilities. With considerable political will, financial discipline and institutional innovation, municipalities survived the financial crises of the mid to late 1990s. But in truth this was a financial management crisis, brought on by uncontrolled expenditure in the face of insecure revenue streams in a new and dysfunctional institutional setting. The underlying fiscal weakness could not have been addressed by more realistic budgets and tighter expenditure management. Even with the best financial management systems possible, there is little that municipalities can do when less than half of their population can realistically afford the bills that a small household would normally attract. If they budget for it, the SACN municipalities can continue to write off debt. But if they are to effectively serve South Africa's major cities they cannot defer major new infrastructure investments and maintenance expenditures forever.

A full analysis of the fiscal conditions facing the nine SACN cities cannot be done here. But some of the difficulties that municipalities are under are illustrated in figure 61b. The first table shows that for most of the SACN municipalities between 80% and 90% of the debt owed by consumers of services is over 90 days overdue. This is effectively unrecoverable. Figure 61c shows the effects of 'margin squeeze' in Johannesburg, where efforts to keep the cost of a package of services in line with or even below inflation has meant that revenue growth has simply not kept pace with rising input costs, squeezing operating margins. This can only be managed by implementing occasional large, unanticipated and politically unpalatable hikes in rates and service charges.

The box that follows gives some sense of some of the future financial challenges still to be faced.

POLITICAL EFFICACY

As important as financial stability and service delivery is the effectiveness of political governance arrangements of municipalities. There are various concerns, ranging from the kind of political system that has been established to the efficiency of decision-making arrangements and the extent to which the channels of communication exist between councillors who work with communities and officials who manage resources on behalf of those communities.

Political systems

The municipalities in the nine SACN cities have established different political systems in terms of the Municipal Structures Act (Act 117 of 1998). The City of Joburg has an Executive Mayor and wards; Cape Town has an Executive Mayor with sub-councils; eThekweni has an Executive Committee instead of an executive mayor. Even between municipalities with the same 'type', there are important differences in structure, understanding and day-to-day practice. For example, two municipalities will have different configurations of Council and Mayoral committees and different processes for ushering a recommendation through the decision-making system.

MUNICIPAL FINANCIAL VIABILITY

None of the municipal governments of the nine cities of the network can afford to be relaxed about their financial condition. Even in the better-off cities, levels of poverty amongst significant sections of the citizenry mean that financial pressure on municipalities remains relentless.

Cities are, however, adjusting to the new financial environment. Senior political and administrative leadership is more aware of the possibility of financial failure and the need to avoid it. Thus cities are more readily prepared than before to limit expenditure in the face of revenue constraints. The kind of crisis that faced Johannesburg in the late 1990s has largely been avoided elsewhere.

In some cases, the financial pressure is forcing creative innovation as it becomes clear that old approaches are unsustainable. The new institutional initiatives undertaken by Johannesburg are probably the most powerful example of this, where bold new action was taken to break out of financial crisis and improve service delivery.

There is a danger, however, that expenditure constraints are being managed in ways that could lead to further problems in future. A build-up of maintenance backlogs and a failure to replace departing staff members in critical areas are not uncommon. Inflexibility in the human resources environment, in particular, often make it difficult to address these problems directly and quickly, with the result that understaffing and under-skilling can occur in critical areas even while overstaffing exists elsewhere.

Personnel costs as a percentage of total operating expenditure vary amongst the nine cities, ranging from about 25% to in excess of 35%¹. Above-inflation wage settlements for unskilled employees since the late 1980s have resulted in fairly high remuneration for these workers, relative to most of the private sector. Thus labour-intensive approaches to the provision of services have become increasingly unaffordable.

In some of the cities, overstaffing at senior and middle levels arising from the amalgamation of former municipalities remains a financial drain, while inherited service conditions mean that the costs of addressing this other than through natural attrition remain prohibitive.

Maintenance as a proportion of operating expenditure amongst the nine cities ranges between about 4% and 11% against a recommended benchmark of about 10% to 12%.

Given that the nine city governments are responsible for collecting the bulk of their income, effective revenue collection is the single most important key to financial sustainability in the short to medium term and a pre-requisite to financial health in the longer term, too. Innovation and modernisation in this area has not been as deep or widespread as might have been expected; although this has begun to change.

Currently in the nine cities, collections as a percentage of amounts billed tends to range from the mid 80s to low 90s, against a desired benchmark of around 95% to 97%.

The introduction of Regional Electricity Distributors could present a very considerable threat to municipal revenue. Focus tends to be placed on the potential loss of the surpluses that municipalities currently generate from distributing electricity, and which they use to help fund other services. The loss of surpluses would undoubtedly need to be compensated for; however, this could be done relatively simply through imposing a levy on electricity consumed, to be paid over to the municipality.

Far more serious is the fact that the billing and collection of electricity revenue is a key pillar of most municipal revenue systems. Not only do electricity billings represent over 40% of turnover, but most municipalities use their control over electricity billing in a variety of ways to enforce payment discipline in respect of other services. This ranges from piggy-backing billings for other services onto electricity pre-payment systems, to limiting the amount of electricity sold to those in arrears.²

A further threat to financial sustainability amongst the nine cities lies in possible changes to Regional Services Council (RSC) levies currently payable to metropolitan and district councils. These levies on turnover and remuneration, while small in relation to other taxes, bring in significant income to the cities. In Johannesburg, RSC levy income brings in more than half the amount collected in property taxes. While the current system has weaknesses, amongst its strengths is that it generates income in proportion to economic activity, allowing the cities to provide services to underpin and grow that activity. Replacing it with a formula-based grant from the centre could shift the basis of distribution to a less growth enhancing one, and if not managed well could reduce the income of the bigger cities significantly.

¹ Note that the figures are not always comparable since different municipalities have tended to use somewhat different definitions and accounting approaches; this will change with greater standardisation flowing from the introduction of Generally Accepted Municipal Accounting Practice from the 2003/04 year. In this article the statistics are intended to provide a broad indication of trends only.

² These measures are deemed to be more acceptable than cutting water supply, or possessing properties for non-payment of rates.

Adequate revenue streams are a pre-requisite to financial health. Over the longer term, however, unless scarce resources are wisely spent, economic stagnation will result in revenue streams not being maintained. Where more than a third of the city population lives in poverty and is largely excluded from the formal economy, creative approaches are required in respect of the nature of services provided, and how they are provided. Such approaches must be based on workable strategies for ensuring sustainable livelihoods for the poor in the face of current and future global economic conditions. Long-term financial sustainability will depend on cities developing a deeper understanding of these issues and how they could best be addressed.

Apart from establishing democracy, the constitutional and related changes have created scope for significant improvements in the overall management of city finances. Establishing single municipalities for metropolitan areas and cities has undoubtedly facilitated a more rational approach to municipal revenue and expenditure, and helped manage severe inequality. At the same time, competition between cities and reasonably effective structures for holding municipalities accountable has limited the potential for monopolistic abuse that some initially feared.

At an administrative level the new economies of scale are facilitating the implementation of powerful, modern financial management and related systems. Cape Town has already implemented a fully integrated Enterprise Resource Planning system, and Tshwane has decided to do the same.

The new Municipal Financial Management Act and related legislation will greatly facilitate the further streamlining and modernisation of municipal financial management, through establishing clearer accountability and setting common reporting and other standards. The introduction of Generally Acceptable Municipal Accounting Practice will bring South African municipal accounting in line with global best practice and enable much better identification and control of financial risk.

Financial sustainability and institutional strength are inseparable. With good leadership, the new system of municipal government creates scope for both to strengthen and thrive in South Africa's major cities.

There are also different schools of thought emerging over what executive decision making means. Some municipalities understand it to mean that the Mayoral Committee provides strong strategic oversight, with Members of Mayoral Committee (MMCs) having broad outcomes-defined portfolios such as 'economic development' or 'infrastructure'. In this system the Municipal Manager and Heads of Department are delegated responsibility to make day-to-day judgement calls on policy interpretation, strategy implementation and resource allocation. Others have preferred to follow a model tried and tested in provincial government. This sees MMCs working like provincial Members of the Executive Committee (MECs). They are given functionally defined portfolios that align with the allocated responsibilities of departments; and then each is located in a department and delegated authority to be strongly involved in leading its day-to-day management decision-making processes.

Efficiency of decision-making

Closely related to the structure and approach to political systems is the question of how efficient decision making in the municipality is. The executive system of government was introduced to ensure that critical decisions do not have to wait for full meetings of council, and to ensure that there is someone who can be held accountable if poor decisions are made or are not implemented effectively. However, there is no guarantee that the new systems will deliver fast and effective decisions.

Information on the length of time it takes for a recommendation from an official to move through the decision-making system is not available. Nor is data on the number of matters that end up at the Mayoral or Executive Committee meeting and the effect this has on the quality of consideration given to each. However, anecdotal evidence says that decisions still take far

too long to pass through the system and that Mayoral Committee and EXCO agendas are over long.

Communication between ward councillors, communities and the administration

Data on follow up of community concerns and feedback is not available across the SACN municipalities. However, there is evidence that relations between communities and municipalities are sometimes strained by the poor linkages into and out of local government offices. It is vital that ward councillors are able to feed community concerns through to the administration in a way that ensures they will be heard and taken seriously. It is also critical that there is an effective line of communication back to ward councillors to ensure that they can keep constituents informed about council policies, programmes and actions. Unfortunately, these lines of communication are not always strong.

INSTITUTIONAL EXPERIMENTATION

In this final phase, the municipalities in the nine SACN cities have moved fast to establish new institutional and administrative arrangements. Each municipality has taken a different approach to the design of their administration. In the process they have generated a good deal of home-grown institutional innovation. As a result the municipalities have taken divergent approaches to the same institutional design matter. For example, Joburg, Ekurhuleni, eThekweni and Cape Town have all established some or other form of regional administration. However, each has taken a slightly different view of the purpose of these. Joburg has given its Regional Administrations responsibility for social and community development services such as health, library services, building control and people's centres. eThekweni views its regional structures as agile units operating between the bureaucracies of different departments to facilitate and co-ordinate coherent area-based urban development programmes.

In an effort to improve governance in each city, the SACN municipalities have also launched a process of peer reviews. Peer reviews for Joburg and Buffalo City have been conducted to date. These give the reviewed municipality an objective assessment of how it is doing, and the reviewing municipalities key insights into institutional 'experiments' in companion cities.

The case study that follows highlights one set of innovations, that which has occurred in the City of Joburg under the banner of iGoli 2002, and points to some key lessons that have come out of a recent self-review.

MUNICIPAL INSTITUTIONAL INNOVATIONS IN THE SACN CITIES: IGOLI 2002

The iGoli 2002 change process was launched in early 1999, two years before the final phase of the transition. It was Johannesburg's own institutional solution to a deep financial crisis that almost crippled the municipality in 1997/8 and 1998/9.

As Johannesburg's political leadership and management understood it, one of the key underlying reasons for the financial crisis was a failure of accountability. Political authority was divided across the metropolitan area between the Metropolitan Council and MLCs. There was poor division of responsibilities across departments, and tension between councillors and officials, which meant there was often a tendency to shift blame when things went wrong. In addition, there was little discipline over resource allocation and expenditure control inside the administration.

iGoli 2002 did a number of things to fix this. First it introduced the idea of an institutional split between policy formulation/regulation and implementation. On one side of the line, a 'client' stayed responsible for planning, contract administration, corporate services like finance, planning and communication, and central policy direction in areas like housing, health and social development. On the other side, a number of operational entities were established to serve as 'contractors'. These were: (i) 11 new regional administrations for libraries, health and sports and recreation facilities, etc; (ii) a number of 'central distribution departments' such as Arts, Culture and Heritage, the Metropolitan Police Department and Emergency Management Services; and (iii) a number of financially ring-fenced, semi-independent, single-purpose entities to overhaul larger municipal services.

This last set of operational entities, collectively called UACs, was the major innovation of iGoli 2002. Three Utilities were established for user-charge based services – water & sanitation, electricity and waste management. Two Agencies were established – for parks and cemeteries, roads and storm-water – where expenditure would still largely have to be covered by rates income. And smaller Corporatised Units were set up for facilities like the zoo, bus services and the civic theatre. All were established as new companies, with Council as sole shareholder, but with boards of directors made up of outside specialists.

The key to the arrangement was the establishment of a Contract Management Unit (CMU). This is meant to regulate the UACs through a range of new instruments, including licensing agreements and annual Service Level Agreements.

Johannesburg conducted a comprehensive review of implementation of iGoli 2002 from February to May 2003. The review concluded that on the whole the iGoli 2002 had been implemented according to plan and had already achieved many of the results intended. However, it also noted that there had been key departures from the original model that may become challenges over time. The review drew out a number of key lessons. Two of the most important were:

- Accountability had been improved through the new institutional arrangements, but a new institutional architecture could not have addressed the quality of management and organisational culture throughout the organisation. These still need to be improved if the municipality is to govern more effectively and efficiently.
- The new institutional arrangements assume that the management of UACs will be allowed the freedom to manage without micro-political control. But this in turn assumes that Council will retain strong substantive control by firmly establishing policy and strategy, and rigorously monitoring performance against clear output and outcome targets. This has not been possible because the practice of economic regulation is still being established. The review concluded that unless the municipality is able to do effective economic regulation – where the performance commitments of the UACs, and the resource envelope they have to work is clearly defined, agreed, and monitored – the UACs will try to escape obligations and the political leadership will respond through ad hoc interventions, over-bearing managerial instructions and claw-back of decentralised responsibilities. This in turn will lead to a tendency for UACs to shift blame for non-performance, getting Johannesburg back where it started.

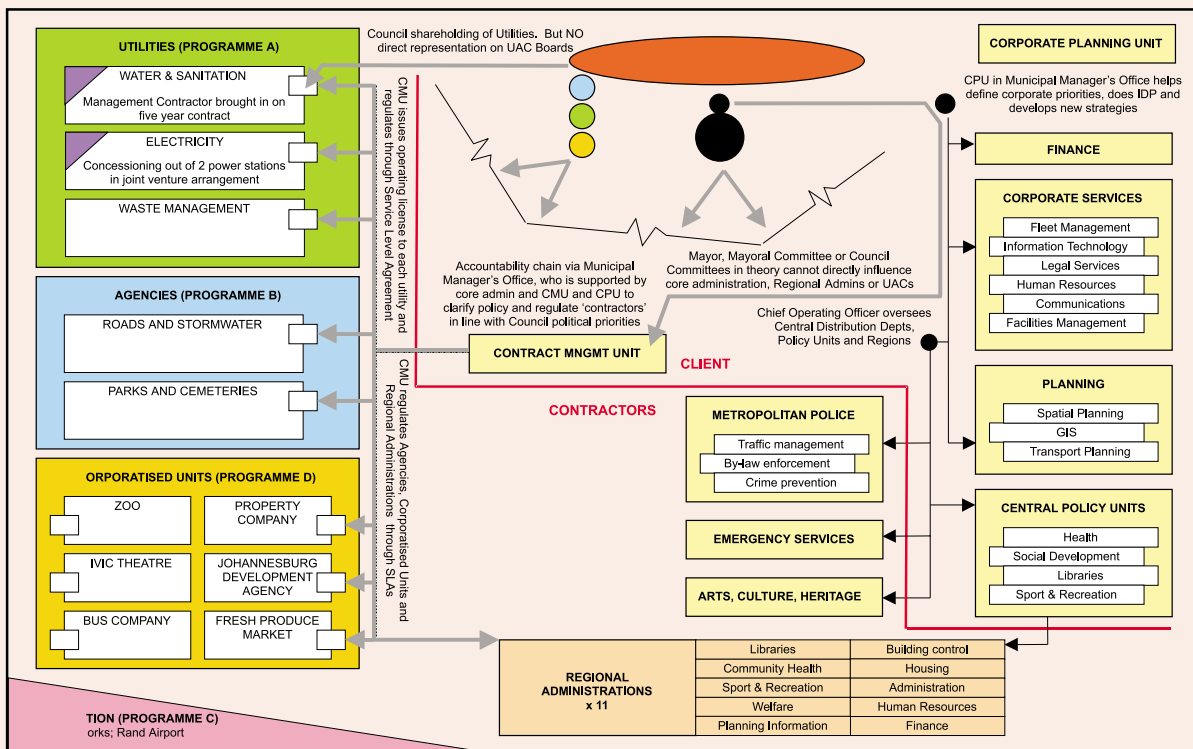
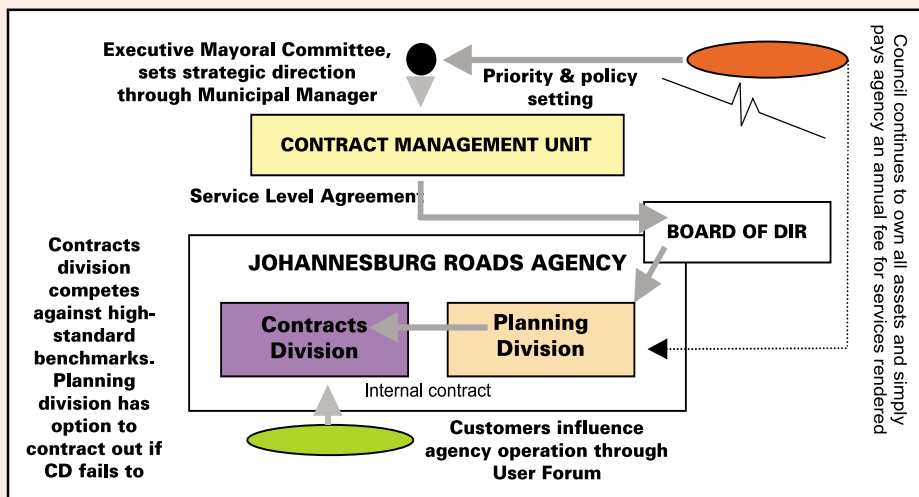
The descriptions and diagrams provide an overview of the architecture of the City of Joburg's institutions, and some of its institutional innovations.

KEY FEATURES OF THE ROADS AGENCY

iGoli 2002 established utilities for services that could operate on a cost recovery (and ideally profit margin) basis because they generated revenue from user charges. It established agencies for services that cannot collect user-fees, which are funded out of the rates account, but where improved business practices can still be applied. The Johannesburg Roads Agency (JRA) was established in November 2000 as a self-contained company owned by the City. It is responsible for planning, design, construction, operation, control, rehabilitation and maintenance of Johannesburg's road and storm-water infrastructure. Duties also include maintenance of the traffic signal system, road signs and road markings.

The JRA has a board of directors (8 members including specialists from the legal and civil engineering sectors) and a managing director. In the case of Utilities Council transferred all assets related to the services to the new companies, which means that in theory they can raise their own finance. In the case of agencies Council continues to own all assets. The JRA charges Council an annual fee for services rendered. Income is guaranteed for five years, but the JRA is expected to look for alternative income sources.

The JRA is divided into 2 divisions: 'planning' and 'contracts'. The planning division maintains a comprehensive roads maintenance system and has an 'internal contract' with the contracts division to perform all operational work. The planning division agrees an SLA with the CMU which outlines relevant performance benchmarks. The contracts division is required to compete against these benchmarks (failure to perform may result in services being contracted out). Benchmarks include: 90% of potholes repaired within three working days of logging; not more than 10% of traffic signals inoperative at any time; safety index score on all bridges



CORRUPTION AND MALADMINISTRATION

Local government

The Municipal Systems Act introduced explicit provisions to deal with corruption and maladministration. These cover the actions of local government officials and councillors. Seven of the nine municipalities surveyed in late 2003 said they had established some kind of office to investigate corruption in the municipality. Five of the municipalities indicated that they had established a functioning ombudsman’s office to respond to citizen complaints.

Other government entities

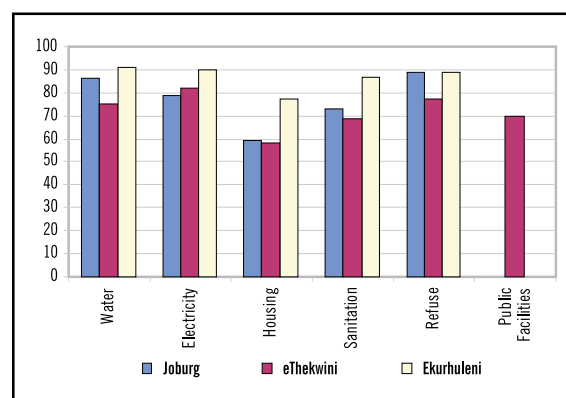
Although the extent of corruption and maladministration within municipalities is of primary importance in shaping residents’ perceptions of whether the local state as stable and effective, the behaviour in other spheres of government is also very important. Corrupt practices at the national and provincial government-resident interface may taint residents’ perceptions of the local state as a whole, regardless of how scrupulous municipalities are.

The Wits Forced Migration Studies Programme survey asked respondents whether they had ever had their identity documents taken away or destroyed by government officials in South Africa. 7,6% of non-South Africans and 2,8% of South Africans said they had experienced this. Municipalities may not be responsible for this, but their legitimacy is indirectly affected by it.

SATISFACTION AND POLITICAL PARTICIPATION

The relations between residents and municipalities in the nine cities (and therefore the potential for these residents to engage with or disengage from the local state) is indicated by assessed ‘levels of satisfaction’ in municipal performance and also by ‘willingness to participate in municipal affairs’.

Figure 62a top and 62b below. A comparison of levels of resident satisfaction with various services across three municipalities.



RESIDENT SATISFACTION SURVEYS

Almost all the municipalities in the nine cities have established one or other form of customer-care service. This may be in the form of an integrated call centre to receive and respond to residents’ queries and complaints; a back-office ‘customer-

Which of the following organisations were used in your last IDP/Budget consultation process with your citizens?	Joburg	eThekweni	Cape Town	Ekurhuleni	Tshwane	Nelson Mandela	Buffalo City	Mangaung	Msunduzi
Community/Civic Organisations	Yes	Yes	Yes	—	Yes	—	Yes	Yes	Yes
Ward Committees	Yes	Yes	No	—	Yes	—	Yes	Yes	Yes
City-wide Consultative Forum	Yes	Yes	No	—	Yes	—	Yes	Yes	No

care centre' to look into and deal with more complex resident concerns; or a 'customer service excellence campaign' to publicise standards of professional treatment to be adhered to by staff and expected by residents.

In addition to these measures, a number of municipalities have recently undertaken 'citizen satisfaction surveys' to determine the extent to which residents are happy with the performance of the municipality as a whole, and with specific services. These are slightly different from the quality of life surveys discussed in Chapter 5. Quality of life surveys ask residents whether they are happy with their lives. Satisfaction surveys ask whether residents are satisfied with government performance specifically. However, quality of life surveys frequently include questions on happiness with government and government-provided services.

Comparable results?

Comparable results?

The results from three surveys (conducted at different times between 2002 and 2003) for eThekweni, Ekurhuleni and the City of Joburg are shown in figure 62a. The results are largely consistent with a comparative analysis of service delivery in each city, both in terms of current proportions of households served and performance between the two censuses.

However, some of the results are a little surprising. For example, eThekweni is one of the best performers in ensuring that its population is adequately housed. Between 1996 and 2001 it was able to reduce its proportion of households living in non-formal circumstances from 29,5% to 27,2%. Yet Ekurhuleni scored much higher than eThekweni when residents were asked to rate satisfaction with housing services, despite an increase in the percentage of non-formal dwellings.

Differences by race and settlement circumstances

As with the quality of life surveys, all the municipalities that conducted resident satisfaction surveys have noted that satisfaction is far lower in African areas than it is in white areas.

The most telling survey results are from Joburg.

According to its survey of 3 328 residents responsible for paying for services, conducted in May 2003, some 27% of residents believe that the City of Joburg is doing poorly or very poorly. However, this figure is lower for white residents and higher for African and coloured residents. Some 29% of African residents and over 30% of coloured residents believed that the municipality was doing a poor or very poor job. Only some 18% of white residents felt this way.

The results are even more striking when broken down by settlement type. Only 22% of residents living in informal settlements felt that the municipality was doing a good or very good job. On average, 60% of residents living in still predominantly white suburbs saw the council doing good or very good work.

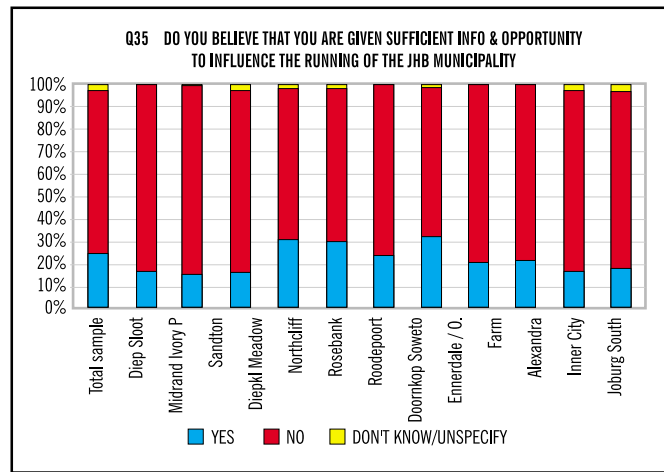


Figure 63. City of Joburg Residents Satisfaction Survey, September 2003, with results disaggregated by race and settlement type.

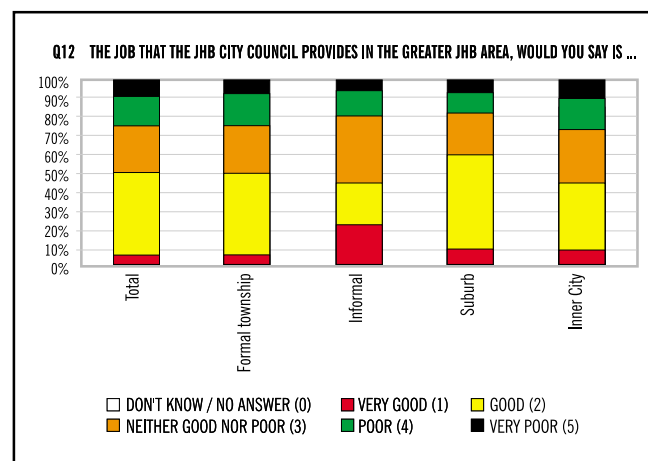
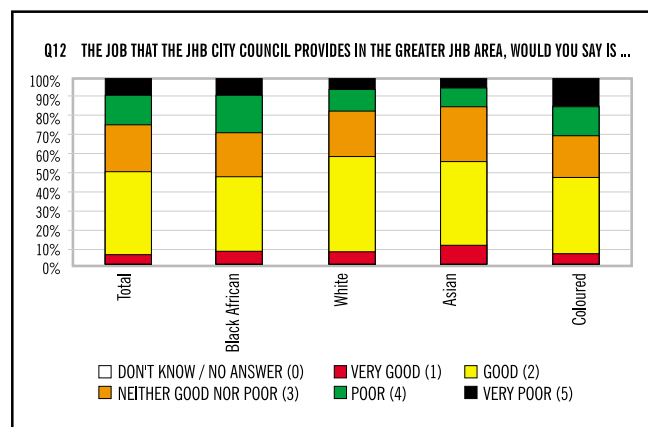


Figure 64. Mechanisms to facilitate participation across 9 SACN city municipalities; and City of Joburg Residents Satisfaction Survey results on perceived 'civic empowerment'.

PARTICIPATION

The Municipal Systems Act requires that municipalities establish systems of participatory governance to complement their systems of representative democracy. The Act specifies in some detail when and how municipalities must communicate and consult with residents and involve them in various structures and processes.

The extent to which residents participate in the affairs of municipalities is a far better indicator of the strength of municipality-resident relations than satisfaction levels. However, it is also a complex indicator. Residents often do not participate in government processes when they are entirely happy that government is performing well on its responsibilities. Low participation rates can be an indicator of resident happiness with, and confidence in, a municipality. However, experience from all over the world shows that low participation rates may also result from deep dissatisfaction. Residents may feel so negative about government that they no longer believe that government can attend to their needs and concerns and they may see no point in participating.

Two issues are important here: first whether residents are provided with means to participate in the affairs of the municipality; and second whether residents do in fact actively participate through these mechanisms.

Means to participate

A survey of all nine SACN cities late in 2003 showed that most had some means of involving their residents in critical decision-making processes, although different kinds of mechanisms were available. However, a more interesting story is told by resident satisfaction surveys from each city. Asked whether they were given sufficient information and opportunity to influence the running of the City of Joburg in its May 2003 survey, only 24,1% gave a definitive yes.

The results varied widely by race and settlement type. Approximately 26% of Africans felt they were given sufficient information and opportunity to participate as opposed to 19% of white residents. 29,3% of residents in formal townships felt they were sufficiently empowered, compared with around 20% for informal settlements and suburbs. Figure 63 shows the variation across the city's 11 regions. Positive results were noticeably lower in the regions dominated by large informal settlements such as Diepsloot, Orange Farm and Ivory Park. The inner city and Sandton were also low.

Some cities have gone beyond the legal requirements to become truly innovative in providing mechanisms for communities to participate. Residents' perception of whether they were given opportunity to participate does not always do justice to these innovations. Mangaung's community-based ward planning process was a pioneering attempt at participatory planning in all of its 43 wards. This initiative took place between September 2001 and February 2002 in a bid to decentralise decision making. It provided a way for citizens to engage directly in planning processes. The process took 3–4 days in each ward and included a vision-based methodology. Mangaung also provided R50 000 funding for each ward to facilitate participation in the process. The outcome of the process was the very real influence of local citizens on the Integrated Development Plan.

Petitions are an important part of the democratic life of our communities and represent the ability of members of communities to freely come together to articulate their needs for that community. In 2002, at the time this report was developed, a total of 149 petitions had been formally received by the City of Johannesburg.

To meet the requirements of any petition often requires operational budget and/or capital expenditure that have not been anticipated. Improvements in the active participation in the local integrated development planning process and associated budget will reduce the frustrations felt by the short term structural financial inability of council to respond appropriately to petitions. The important role of petitions will not be diminished and the volume of petitions is anticipated to increase as communities rightfully articulate their needs and the petition process is an important complimentary mechanism to increase participation of communities in local government.

Feedback to petitioners and communities by the relevant business unit with council is a cause for concern and there is a need for improved petition management and tracking systems to ensure resolution within the shortest possible period.
(City of Joburg, Public Participation Report to Executive Mayor, May 2003)

Actual levels of participation

Manguang estimates that 1,5% of its total population was involved in its community-based ward planning process. Some municipalities keep a partial record of the numbers of community organisations that regularly get involved in municipality-organised forums such as ward meetings. However, these indicators are unreliable and results cannot easily be compared across the cities. Information on actual levels of public participation is scarce.

ENGAGEMENT AND DISENGAGEMENT

The extent to which residents have engaged with or disengaged from the local state over the last decade is illustrated by a number of things: the extent of public violence and vigilantism; crime levels; the fragmentation of the city into privately governed enclaves, going hand in hand with a shrinkage of public space; the involvement of residents in well-structured and sustainable community organisations; and, closely related to this, evidence of destructive and competitive street politics.

PUBLIC VIOLENCE AND VIGILANTISM

Public violence was endemic in many South African cities in the highly contested period leading up to the 1994 elections. For example in parts of the City of Joburg and what is now Ekurhuleni, the early 1990s saw protracted street wars between supporters of different political movements. This level of open political conflict has not been a feature of the post-apartheid city.

Figure 65 below shows instances of public violence each year across a sample of police commissioner areas that can roughly be matched to SACN cities. It shows that in total the number of instances of public violence has remained relatively static across all cities between April 1994 and April 2003. The results are similar for the country as a whole. However, public violence has risen markedly in some areas in some years. It is noticeable that the incidents of public violence are high in East London and Port Elizabeth, relative to other centres, in the light of their much smaller populations.

Figure 65. Incidents of public violence in SACN cities in 1994-2003.

Public violence	April 1994 to March 1995	April 1995 to March 1996	April 1996 to March 1997	April 1997 to March 1998	April 1998 to March 1999	April 1999 to March 2000	April 2000 to March 2001	April 2001 to March 2002	April 2002 to March 2003
East Rand	66	121	28	75	44	82	64	20	33
Johannesburg	21	41	44	72	53	55	40	13	35
Soweto	45	32	17	22	19	22	20	12	26
Pretoria	10	25	41	47	39	56	45	27	27
Durban North	26	26	24	15	24	22	28	28	23
Durban South	9	12	16	25	23	15	13	8	20
Cape Western Metropole	93	38	61	70	75	73	105	86	77
Cape Eastern Metropole	75	65	54	49	66	48	65	42	92
East London	12	14	14	23	33	32	20	28	70
Port Elizabeth	63	36	48	18	50	28	16	22	28
Total	420	410	347	416	426	433	416	286	431

The Wits Forced Migration Studies Programme survey of South African citizens and foreign migrants in central Johannesburg, conducted March-April 2003, asked respondents what they would do if someone broke into their home and stole money or goods from them. 84,9% of South Africans indicated that they would go to the police, and 75,8% of foreign migrants said they would. However, only 63,3% of South Africans and a mere 40,1% of migrants thought going to police would do any good. Both groups cited reasons such as the need to pay police to investigate, and that police themselves were involved in crime, over and above explanations such as an under-resourced, sluggish and lenient criminal justice system.

CRIME

Crime as a governance challenge

Crime is an important indicator of governance. Levels of crime speak to whether residents are willing or unwilling to trust that the local state can continue to ensure their well-being. High crime levels signify a psychological disengagement – an opting out – by larger numbers of residents who are no longer prepared to invest their faith in the order and stability supposedly represented by government. Crime also has a potential knock-on effect on governance. The threat is that victims of and witnesses to crime, not just perpetrators, may disengage when they see the local state as unable to guarantee their security. Furthermore, crime may have serious consequences for community coherence.

Crime has become a very serious challenge in South Africa's key cities. In Johannesburg's May 2003 Resident Satisfaction Survey, crime was the number one development challenge identified by residents. It was judged as more serious than employment, health care, HIV and Aids and housing, the next four priorities in sequence, and well ahead of access to basic services as the ninth most important development priority. The prioritisation of crime held across all settlement types except informal settlements, which saw unemployment as the most serious challenge.

Varied levels across and within cities

The levels of crime vary considerably across cities, and the perceived lack of security also varies across parts of each city. In the Buffalo City Quality of

Figure 66. Crimes against person statistics for police commissioner areas roughly corresponding to some SACN cities: 2002/03.

	East Rand	Johannesburg	Soweto	Pretoria	Durban North	Durban South	Cape West Metropole	Cape East Metropole	East London	Port Elizabeth
Murder	941	971	614	627	1 093	1 070	1 258	1 361	589	602
Attempted murder	1 637	1 619	990	1 805	1 455	1 883	2 007	1 887	926	812
Culpable homicide	432	412	202	517	457	433	368	451	216	171
Rape	1 978	1 612	1 779	2 427	1 946	1 919	1 760	2 049	1 212	1,463
Indecent assault	312	316	157	451	378	388	743	917	149	301
Crimen Injuria	1 515	1 729	1 353	3 689	3 112	1 520	3 208	3 818	1 385	1,614
Child abuse	194	205	248	156	149	117	321	420	73	131
Kidnapping	148	162	242	117	192	201	176	168	31	58
Abduction	269	274	186	268	161	114	261	243	66	100
Assault with GBH	8 757	8 927	8 376	10 396	5 619	6 703	7 231	10 575	7 660	6,791
Common assault	12 359	11 089	8 972	17 098	10 050	7 914	12 656	15 399	4 588	7,773

Life Survey conducted in August 2001, 30% of residents said they had been a victim of a crime against property and 14% said they had been a victim of a violent crime. Percentages of residents who said they felt unsafe at night varied by areas of different housing type, as follows: formal African 24%; formal coloured 31%; formal white 46%; formal Asian 52%; traditional African 43%; and informal African 17%.

Similar feelings were expressed in the eThekweni Quality of Life Survey 2002/03. 32,2% of all residents said they felt very unsafe or a bit unsafe. Asked to rate their perceived levels of safety from crime in their own community, eThekweni residents responded as follows: very good 13,8%; good 19%; neutral 16,7%; bad 27,3%; and very bad 23,2%. The most unsafe communities were perceived to be informal settlements. Different racial groups in eThekweni were more likely to be victims of crime than others. Figure 67 compares percentages of different population groups who were victims of crime in the year before the 2002/03 survey was conducted.

In the Wits Forced Migration Studies Programme survey, 42,9% of South Africans living in suburbs in or near to the Johannesburg city centre said they or someone they lived with had been a victim of crime. 71,5% of non-South Africans surveyed were victims of crime.

Figure 66 compares reported crimes against persons across police commissioner areas for 2002/03. It is not possible to do a meaningful per capita comparison because the total population of each area is not known. However, some areas seem to have relatively high levels of some crime given their likely populations. The high levels of assault and assault with intent to do grievous bodily harm in the Cape metropolitan area are noteworthy.

Municipal responses

Many of the municipalities in the nine SACN cities have re-established their traffic departments as 'metropolitan police services'. These now divide their time between traffic control, by-law enforcement and crime prevention or crime response working in conjunction with the SAPS. A range of other safety and security initiatives have been launched, (see box right).

URBAN FRAGMENTATION

The institutional developments over the last 10 years have resulted in the political and administrative re-integration of South African cities. By and large, the one-city-one-tax-base principle that rallied many anti-apartheid urban social movements and NGOs is now a reality. But this does not mean that the impulse towards spatial and institutional separation is no longer a feature of the SACN cities.

Cluster developments

In recent years South African cities have seen some new trends towards spatial and institutional fragmentation. One trend is the shift in residential living patterns in wealthier suburbs to supposedly more secure townhouse and cluster complexes, golf-estates or equivalents, and walled and gated suburbs. Various forms can be seen, from the subdivision of larger suburban properties into between four and six self-standing units, through to the exclusive and controlled-access golf-estate or mock-game-park/eco-park lifestyle community developments on the peri-urban edge. Some lifestyle communities are almost

Programmes in Tshwane

- Tshwane Community Safety Forum established to coordinate policing efforts
- Crime Prevention Strategy with a focal cluster approach. These are:
 - Policing: Crime prevention based on information and intelligence
 - Environmental design: Managing the environment to minimise the opportunities for crime
 - Social crime prevention: Identifying and addressing the causes of crime
- Metro policing services in eight regions – core functions being road policing, by-law policing and crime prevention
- Public-private partnership for speed law enforcement
- Innovative social crime prevention projects to minimise involvement of street people in crime – provision of food in structured way; database to register informal job seekers
- The Tshwane Tshwaraganang programme focussing on youth and school projects to combat crime
- Evaluation plan to monitor the effectiveness of the Crime Prevention Strategy.

Programmes in Ekurhuleni

- The establishment of Ekurhuleni Metropolitan Police Department to ensure zero tolerance in the area
- 150 new EMPD members recruited
- Training and education campaigns on crime awareness and anti-hijacking conducted with the community, at schools, churches, retirement homes and businesses
- 'Vuka Campaign' carried out with the taxi industry to improve taxi conflict resolution. This included vehicle legalisation, pro-active attention to the democratisation of the industry with elections concluded at both association and regional levels, the hosting of a successful Bosberaad with taxi leadership in March 2003, and the establishment of a regional taxi office in Kempton Park
- Key safety and security projects aimed at crime prevention and management – the installation of surveillance cameras (CCTV) in three municipalities, as well as the provision of street lighting. Plans to install this system in other strategic areas.
- Campaigns such as Arrive Alive, in consultation with GAUTRANS

(Consolidated mid-term report of municipalities in Gauteng, Gauteng Department of Development Planning & Local Government, November 2003)

entirely self-contained 'new towns' designed to include schools, shopping, centres, office parks and recreation facilities.

In some SACN cities these developments now account for a third of all new residential property value, as illustrated in figure 67a. In 2002, 19,6% of the value of new residential building plans was passed for townhouse developments. This figure was much higher for specific cities, notably Johannesburg at 28,5% and Tshwane at 35,8%. By contrast, only 13,3% was for residential accommodation in new homes less than 80m², although this value was as high as 39,4% in Nelson Mandela and 43,8% in Buffalo City.

This form of development may go hand in hand with kinds of private government. Cluster homes and golf estates often have body corporate arrangements that impose their own fee structures for the maintenance of the common property, and administer their own sets of regulations on the conduct of property owners.

Private government is not an automatic result from cluster living. Nor are rules to manage the upkeep of property within agreed standards or to moderate the interactions between residents who share a place necessarily inconsistent with the governance of society more generally. But if taken to extremes, the trend in favour of clusters and golf estates may have negative effects. It may politically and administratively fragment the city into, on the one hand, publicly governed space and, on the other, exclusive territories whose residents mistrust the local state to such an extent that they would prefer to retain resources to manage their own shared space and individual household service arrangements, usually at standards well above that which is sustainable across the entire city.

Gated / enclosed communities

A further, related trend is the fencing off of access roads to some wealthier neighbourhoods that have experienced high levels of crime. Access is controlled through a single boomed or gated road staffed by security personnel. These gated communities give residents a sense of security, but they also have negative effects. They may restrict mobility of residents from other neighbourhoods who may have used the roads within the gated communities to get to work. In some cases, this severely impacts traffic flow as fewer roads are used by more people. They may also jeopardise the speedy reaction of emergency services to calls from parts of the city now turned into a maze of blocked routes.

Some municipalities are attempting to manage the trend towards gated communities more systematically. For example, Tshwane has developed an enclosed-communities policy that carefully weighs the right to security of residents within the communities against other rights, notably city 'legibility', mobility and broader safety. The policy then sets out a clear application procedure. Other municipalities have taken the view that gated communities will not be a feature of their cities. They have simply torn down those gates for which residents associations have not applied for or received planning permission.

Victim of Crime	African	Asian	Coloured	White
Rape	3,3		5,5	
Assault	8,3	1,7	11	3,4
Robbery or mugging	12,5	11,4	9,1	12
Hijacking	2,3	6,1		2,3
Burglary	17,1	13,4	11	19,9
Theft	11,8	12,1	5,5	19,7
Car theft	3,2	4,0	3,6	16,0
Theft out of a car	1,5	15,2		21,5
Stock theft	0,8			5,6
Fraud	0,8	0,7	5,5	

Figure 67 top. Percentages of different population groups in eThekweni who have been victims of specific crimes in the year before the 2002/03 Quality of Life Survey. Figure 67a below.

	Total value of townhouse building plans passed in 2002 (R '000)	% of townhouse building plan value to total residential building plan value
Joburg	552 244	28,52%
eThekwini	176 015	15,67%
Cape Town	215 795	7,36%
Ekurhuleni	160 563	16,39%
Tshwane	692 624	35,75%
Nelson Mandela	39 929	10,26%
Buffalo City	1 432	0,68%
Mangaung	85 300	33,90%
Msunduzi	4 832	7,44%
Total of Nine Cities	1 928 734	19,63%

SOCIAL FORMATIONS AND STREET POLITICS

Social formations

Social movements focused on service delivery and urban environment concerns, independent community-wide development associations, rate-payers associations, community-based organisations (CBOs), not-for-profit non-governmental organisations, ad-hoc special-interest groups and campaigns, and other civil society formations are all extremely healthy features of the political life of cities. This is true even when they protest against the state or challenge the political authority of democratically elected parties within their own constituencies.

Social formations do two things. They stabilise the social body by channelling expectations and potential grievances into structured processes and forums that contain and organise what citizens are thinking and feeling. They also alert government to issues bubbling up from below that they would have no other way of knowing about. Local states that do not have strong civil society formations run the risk that residents will have no clear way to ensure that their ever-changing concerns are heard and taken seriously. They face the prospect of sudden anticipated outbreaks of violence, as concerns become serious grievances with no outlet but public displays of dissatisfaction.

The breadth and depth of civil society in the nine cities is not easy to measure or analyse. However, anecdotal evidence suggests a significant depletion of civil society in the mid-to-late 1990s. Although unique characteristics specific to inner-city neighbourhoods skew these results, the Wits Forced Migration Studies Programme survey of Johannesburg inner-city residents in May 2003 suggested that very few were members of any organisation at all.

Just as noteworthy is the political reaction of governments to the presence of civil society formations. Not all cities seem equally tolerant of interest groups. Councils sometimes view civil society formations as a political challenge to their legitimacy and authority within communities. Their long-term contribution to politically stable societies is not often recognised.

Street politics

The fact that there are not strong and vocal civil society formations does not mean that a city's population is politically undifferentiated. An important feature of many developing world cities is a trend towards highly unstable forms of self-interested 'voluntary action'. Much of this involves the disconnected attempts of small groups of individuals to establish a 'presence' on the street or in the community. These collaborations are not civil society in

When Californians talk seriously about the future, they inevitably focus on *Blade Runner*, the 1982 cult movie that made a star of its director Ridley Scott. It depicts the future of the Golden State as a civil liberties catastrophe. (In the film) the pollution is horrendous. The rich have withdrawn into fortress-style towers. The avenues teem with unruly, eccentrically dressed immigrants who speak a rough street language instead of English. Fear of *Blade Runner*isation and the belief that the affluent should spend their tax dollars only on themselves have generated a pattern of civic secession. Wealthy and middle-class Californians have increasingly withdrawn into gated communities that thrive while the older, poorer counties they have fled struggle along on a diminished tax base. The people in the new, homogenous communities tend to be extreme localists who drop out of the broader civic life. When they do engage statewide politics, they tend to do it with ballot initiatives that slash tax revenues, hamstringing the legislature and generally cut the civic ties that bind citizens in one place to those at the far end of the state. California's response to the pessimistic future in *Blade Runner* is a clear indication of what Californians fear and what might be in store for the rest of us if the appetite for secession spreads across the country. Bear in mind, however, that the breakaway communities in California have deepened the civic problems they hoped to flee. The barriers they erect destroy the ebb and flow through which newcomers have historically become part of the mainstream and moved into the middle class. The fortress-style villages – with affluent whites shut up inside and immigrants outside the gates – are hastening the development of the science-fiction scenario that terrified Californians in the first place.

(*New York Times*, 10 November 2003, *Viewing California Politics through the Lens of a Science-Fiction Movie*)

'No' to question of membership of:	South African	Non-South African
Political organisation or party	81,7%	95,0%
Police or security committee	90,7%	94,2%
Cultural organisation	83,9%	85,4%
Religious organisation	52,2%	43,4%
Sports club	77,3%	80,8%
Savings club or rotating credit association	82,0%	86,0%
Student organisation	88,7%	89,5%
Co-operative	93,3%	93,0%
Any other organisation	95,0%	91,6%

Figure 68. Inner city residents' membership of organisations. From unpublished dataset from survey conducted in March-April 2003 as part of 'Johannesburg in the 21st Century: Forced Migration, Survival, and the Socio-Politics of Urban Space. Johannesburg: University of the Witwatersrand's Forced Migration Studies Programme.

the ordinary sense. They do not represent interests or try to engage government around a definable issue. Instead they are highly fragmented and transitory clan or gang-based formations, subject to intense internal political contestation and geared primarily towards competition for space and resources (which may be anything from community status to control of the informal trade sector) with identified economic and social competitors.

When these kinds of formations multiply, cities may become very complicated places for ordinary people. Survival may depend on a person 'knowing' the politics of a street or community: which block of flats belongs to whom; what household goods and resources it is appropriate to ask from and share with neighbours; what will get one labelled as 'rude' or 'disruptive' if asked for; and how much 'rent' one needs to pay to walk where in order to avoid being robbed or assaulted. Statistics cannot identify or explain street politics. But it is nevertheless an important feature of all South African cities. When it proliferates it marks a worrying trend towards disengagement. It signals that individuals and communities no longer trust government to effectively regulate public life, and/or that they believe that government codes can be bypassed with impunity.

URBAN POLICY, INTERGOVERNMENTAL CO-ORDINATION AND STAKEHOLDER COLLABORATION

The municipal area is not the exclusive territory of the municipality. Local government delivers on its constitutional mandate within the municipal area while national and provincial government, working at a scale which stretches across any one municipality, provides for a different set of functions in the same area. This means that municipalities do not govern cities alone. In the same way as residents' perceptions of SACN municipalities are affected by corruption and maladministration in other spheres, the governance of cities is therefore contingent on all spheres of government performing efficiently and effectively.

This in turn raises the question of whether the SACN municipalities are able to shape inter-governmental collaborations that are mutually supportive, and that work in harmony towards common city development goals.

The intergovernmental regime has evolved considerably over the last decade:

- Huge changes have been made in the intergovernmental fiscal arena – from the replacement of intergovernmental grants administered by provincial government with direct transfers of local government's 'equitable share of nationally raised revenue', all the way through to the proposed restructuring of the Electricity Distribution Industry.
- The architecture of intergovernmental decision-making structures has been overhauled, following the launch of SALGA and the introduction of various structures, such as the President's Co-ordinating Council (PCC) and the Budget Forum in which SALGA represents local government interests.
- The intergovernmental planning system is taking shape, especially with Integrated Development Plans accorded new legal status.
- The national and provincial legislative framework defining the functioning of local government – in areas of concern as diverse as requirements for

administrative justice, water resource management and water quality control, and establishing a public private partnership - has been completely changed and is still changing;

- The distribution of powers and functions between national, provincial and local government is being re-examined to address overlap and confusion and to mitigate the effects of unfunded mandates; and
- The conditions and procedures for provincial interventions in the affairs of local government have been defined in law, and continue to be clarified in practice.

All of these intergovernmental-relations developments have impacted on governance in the nine SACN cities in the last 10 years. Two key trends are worth highlighting.

URBAN POLICY

At root a national urban policy must be about two things. First, it is agreement around where and how to allocate scarce public sector resources, on the basis of a clear understanding of how country-wide settlement patterns are naturally evolving, and how they should be encouraged to evolve given what will enable the most rational allocation of resources in the future. Second, it provides for a set of institutional arrangements that allow all actors with responsibility for managing urban growth and change to perform their mandates well, both separately and collectively.

Neither aspect of urban policy is easy to achieve. And both have proven elusive in South Africa.

Urban policy after 1994

The post-apartheid era has been marked by fragmented attempts to come to grips with what is and should be happening to the country's distorted settlements. Some of the initiatives over the last 10 years include:

- Under the auspices of the RDP office an Urban Development Task Team (UDTT) was established. This was chaired by the national Department of Housing and involved representatives from State Expenditure, and the Department of Constitutional Development. The UDTT was mandated to: set a framework urban development that would steer RDP funds to address urban backlogs and promote the development of the urban economy; ensure co-ordination of urban development projects and programmes driven by line departments; initiate lead/presidential and Special Integrated Projects (SIPS) that would catalyse sustained urban development. Its various programmes of work laid a basis for the Municipal Infrastructure Investment Framework (MIIF), the Consolidated Municipal Infrastructure Programme (CMIP) and the National Urban Development Framework.
- The Municipal Infrastructure Investment Framework (MIIF) built on earlier work conducted by the World Bank in the early 1990s as well as DBSA models coming out of its 20 Towns Study. It pegged average costs for a basket of services (water, electricity, sanitation, roads and waste) at various levels of supply (basic, intermediate and high) in both rural and urban areas. It then projected a total capital and operating cost of infrastructure to eliminate backlogs across the country. The MIIF

established in principle that the country was unlikely to be able to afford more than a basic level of infrastructure in many places. It informed various capital grant programmes such as the CMIP and the Department of Water Affairs's Community Water and Sanitation Services (CWSS) programme.

- The UDTT led the production of an Urban Development Framework. This was then transferred to the National Department of Housing where it was simplified in redrafting and formally issued. Unfortunately it had little impact on the planning of settlement-related infrastructure.
- Before the RDP Office was closed in 1996, it worked with the Forum for Effective Planning and Development (FEPD) to develop a National Spatial Development Framework. The FEPD brought together the national Ministers of Land Affairs, RDP and Housing with provincial MECs for Development Planning. The RDP office and FEPD helped provincial governments think through the spatial implications of their Growth and Development Strategies. They also initiated the work in CSIR on a national spatial Geographic Information System (GIS) that would eventually inform the NSDP. Later, in late 1996, FEPD also launched a Development Planning Commission that systematically reviewed the countries planning legislation.
- The Green Paper on Local Government developed a settlement typology and considered whether the final categories and types of local government, defined in outline form by the Constitution, could be directly informed by the spatial character of settlements being governed. The logic was not carried through into the final White Paper.
- Provincial Departments responsible for housing and or local government have developed their own urban policies and frameworks. One example was Gauteng's Vusani Amadhlola framework. This tried to identify key development nodes in the province. It also led to the establishment of a fund, which for a brief period financed creative development programmes and projects proposed by Gauteng municipalities.
- More recently, the Department of Provincial and Local Government has drafted an Urban Development Strategy. The draft re-establishes the importance of investing in urban development, and proposes a number of focused institutional initiatives to strengthen the hand of municipalities in managing rapidly changing urban environment.

The most important recent urban policy initiative has been the development of the National Spatial Development Perspective (NSDP). Cabinet adopted the NSDP as an indicative framework in 2003.

The aims of the NSDP are ambitious. It aims to address distortions arising from the inherited apartheid-space economy by developing a framework that would guide all forms of planning for infrastructure investment and development spending. The NSDP takes the view that it is ultimately impossible to map exactly where people will be moving. Hence, the focus of government expenditure should be on people, not places. The potential of people should be developed irrespective of where they are located. As a result, investment promotion should focus on human resource development, labour market intelligence and social transfers in order to empower citizens. However, the NSDP also affirms the idea that social objectives can best be achieved by focusing on economic growth. Hence, where lump fixed investments are made these should be steered towards areas of the greatest potential for sustainable

economic development and the potential to alleviate poverty and promote economic growth. Areas of limited potential still need to get a level of basic services, but prioritisation should favour those areas with the largest economic footprints. These areas are invariably the countries major urban centres.

The NSDP is an important intervention. But it is only really meaningful to the extent that it influences choices. The NSDP work could easily be taken forward into stronger guidance to departments and spheres of government about what its principles mean in practice. Whether this will happen remains to be seen. The Accelerated Depreciation Allowance that will give businesses investing in inner-city Urban Development Zones across the country a key tax incentive, implicitly follows the NSDP. But it is not yet clear that the Perspective has had a real impact on emerging infrastructure policy.

For example, implicit in the approach motivated by the NSDP is the idea that there needs to be high level strategic assessments as to where infrastructure should be placed. Yet the new Municipal Infrastructure Grant (MIG) is premised on the idea that we need to move away from national departments strategically planning for municipal infrastructure. Instead a formula-driven municipal infrastructure grant dispersal system, wherein allocations will be made per municipality on the basis of assessed backlogs, will dictate the geographic spread of funds. This is not to suggest that the MIG runs against the NSDP. It deals with basic infrastructure after all, and the NSDP is clear that everyone should get basic infrastructure wherever they live. But there is a difference of principle and approach that may need to be re-examined in future.

INTERGOVERNMENTAL COLLABORATION

A single overarching urban policy orientates all stakeholders to the same long term strategic goals. It therefore helps local government work with other spheres of government to meet shared urban challenges. However it can never anticipate all urban management demands.

Urban development is an open-ended bargaining game. What is critical is that all stakeholders can come together to first contest and then collectively agree shared goals, and to figure out ways for each to contribute individually and collectively to the realisation of these. This in turn requires clear rules of the game for how this bargaining will take place, and how accountability to the agreed outcomes and actions will be enforced.

This is an area that has seen mixed success. Local, provincial and national government do work together on a daily basis in a myriad ways. However, key opportunities to structure collaborative cross-government development partnerships have also been missed. In the process a practice has evolved of each sphere of government, and departments, guarding the territory of their specific competence, and shifting responsibility for complex development and urban management challenges that cannot be managed by one agency alone. Hence, intergovernmental forums at provincial level have often become mere talk-shops where information is shared. There is little involvement of national or provincial departments in the development of key municipal plans such as IDPs. And key national policies and strategies, such as a micro-economic reform strategy, are launched and implemented without consideration of how city-level actors can play a role.

Incentives to boost inner city growth

From July, developers who invest in the Joburg inner city will get a special tax incentive as part of government's new intervention to regenerate inner cities across the country.

This is in terms of the new Revenue Laws Amendment Act promulgated in December, which provides for developers who refurbish existing buildings in designated areas to receive a 20% depreciation allowance over a period of five years. In terms of the Act, developers who construct new buildings are to get a 20% tax write-off in the first year followed by a 5% annual write-off over a 16-year period. The Act requires municipalities to speed up the processing of planning approval applications. In its February sitting, the city council resolved to endorse the inner city of Johannesburg as its urban development zone in line with the Act. The City had initially earmarked four areas to benefit from the plan: the inner city, and the business districts of Roodepoort, Lenasia and Randburg, with the inner city being given priority. However, the National Treasury limited the extent of the incentive. This means the inner city is now Johannesburg's designated urban development zone.

(Jones, 17 March 2004)

The Intergovernmental Relation Bill is currently before parliament. It provides for the signing of protocols between spheres of government around issues of common concern. If these protocols are seen as flexible instruments that spheres of government can use to figure out, agree, and hold each other accountable on shared strategies, they may be a very important innovation in the governance of cities.

CORPORATISM

In a well-known political science textbook – *Who Governs?* – often prescribed to first-year students, Robert Dahl showed how an American city was ‘really governed’ by a complex web of informal interactions between elites in both government and business. This analysis is now taken for granted in many cities around the world. But it cannot be assumed for South African cities. Most local government leaders and senior officials come from an anti-apartheid struggle background. They have no natural connections with the still overwhelmingly white business elite that control wealth in the cities. Although this is an important development in the shift away from apartheid governance, it also has drawbacks and costs.

Most large-scale city development strategies and concrete programmes cannot be run with public money alone. The buy-in of the private sector, and the contribution of private sector resources, is essential if success in many initiatives – the rejuvenation of inner cities, the spatial re-integration of a divided city form, the mitigation of high urban living costs on the poorest of the poor, etc – are to be successful. At the moment municipalities have little leverage with the private sector to mobilise these resources. Worse, relations between municipalities and key private sector actors are often characterised by mutual mistrust.

The burden of good governance of South Africa’s key cities cannot rest on public sector shoulders alone. It is important that municipal leaders in the nine SACN cities look towards establishing new formal relations with the private sector.

FUTURE IMPLICATIONS OF CURRENT TRENDS

Of all the progress made in transforming South Africa’s apartheid cities the most significant has been in relation to the institutional arrangements required for good governance. Monumental effort has been put into configuring appropriate institutions and administrations to manage South African cities, and to reincorporating citizens who had never been allowed to participate, and who had actively disengaged, into normal political life.

This road has not been easy. Policy debates and institutional change initiatives have been complex, sometimes abortive. At times citizens have taken up their rights but not their obligations; in particular failing to meet their service payment obligations to the state. Poor reading of underlying fiscal conditions and poor financial decisions and oversight have led some of the cities into dire financial crises that have limited their capacity to see through development programmes. In spite of all this good progress has been made. On the whole, South African cities today have stable local states, where most citizens still

look to government to see their needs and aspirations realised, and where all spheres of government work effectively and efficiently to serve residents.

However, this does not mean that this dimension of the urban challenge does not need further attention in future. All cities are invariable contested places. It cannot be guaranteed that residents will continue to see competing interests mediated through the efforts of government to build cities for all. If government efficiency and effectiveness wanes disengagement from the local state may follow as it has in many other parts of the world where governance relations remain fragile.

There is evidence to suggest that the risk may be more immediate than some would care to admit. Low levels of satisfaction, weak participation, levels of crime and violence, urban fragmentation into enclaves of wealth with forms of private government, an enervated civil society, and a city underbelly where an inscrutable street politics structures public interactions all suggest the potential for disengagement. In addition government capacity, efficiency, financial stability and ability to co-ordinate effective cross-department and multi-stakeholder responses to urban challenges all still need further attention if South African cities are to continue to be well-governed.

THE N8, MANGAUNG

Roads are usually built and used to link different areas. Although, functionally, the N8 between Bloemfontein, Botshabelo and Thaba Nchu fulfilled this aim, historically it was used to separate white and black people.

Apartheid's macro-political goal was to ensure that whites were in the majority in so-called white South Africa. New black urban spaces into which black urbanisation could be channelled were created far enough not to be part of white South Africa, but close enough to allow workers to commute to the economic heartland on a daily basis.

In 1969 the boundaries of Mangaung – the 'Place of Cheetahs' as the former black township in Bloemfontein was known – were frozen. Subsequently, black urbanisation was channelled to Thaba Nchu, 'Black Mountain', but when this was declared an independent state for Tswanas in 1977, Sotho-speaking people began to be urbanised in Botshabelo – the 'Place of Refugees'.

The lifeline that connected these two ethnic entities with Bloemfontein was a single road, the N8. This road was particularly important for the dormitory township of Botshabelo and in 1987, 55% of its inhabitants worked outside the area.

To make this spatial distortion viable and ensure that poor black people were kept at a distance, a highly subsidised commuting bus system was introduced between Bloemfontein, Botshabelo and Thaba Nchu. As volumes of traffic grew, so did the accident rate and the N8 became notorious for road deaths.

Historically, the road also linked the white population of Bloemfontein with the casino at Thaba Nchu, contributing to a bizarre two-way traffic. In the daytime poor black people commuted to Bloemfontein to sell their labour, while at night well-to-do white people travelled from the city to the Thaba Nchu Sun to gamble away their money.

Traffic reached a peak in 1987 when 14 500 people were travelling daily to Bloemfontein by bus. By April 1990 this figure had decreased to 10 500, while only about 8 500 people commuted in 1996. Although there is evidence that the number of taxi commuters is increasing as buses compete with the taxi industry, it is also clear that large numbers of ex-Botshabelo residents have settled in and around Bloemfontein. Research cites the desire to avoid long hours of travelling as the main reason for settling in Bloemfontein on a more permanent basis – or at least during the week.

The N8 also played an important role with regard to industrial development.

In 1982 Botshabelo was declared an industrial development point, while a so-called border industry was created halfway between Bloemfontein and Botshabelo next to the N8 (called Bloemindustria). Industrialists travelled on a daily basis from Bloemfontein to Botshabelo, but this area still relied on the airport and main rail links in Bloemfontein, and the N8 provided the link between the industrial areas and the national rail, road and air network.

Along the road, industrial areas and an elite suburb developed in Botshabelo, known as Block H, formed a buffer between the N8 and the poverty-stricken areas of Botshabelo further south – in effect a 'curtain' to make the area's intense poverty less visible from the N8.

Today, there is change along this corridor. Parts of Bloemindustria are being transformed into a middle-class suburban development, which is, to some extent, integrating the Bloemfontein, Botshabelo and Thaba Nchu regions. Although some spatial integration has taken place since the democratic transition and the birth of modern Mangaung, state subsidies and commuting between Bloemfontein, Botshabelo and Thaba Nchu remain a reality, a consequence of apartheid planning that will remain for decades to come.

