

CITIES IN TRANSITION TOWARDS AN URBAN POLICY FOR A DEMOCRATIC SOUTH AFRICA

**MISSION REPORT
SEPTEMBER 1992**

**ARCHIV
95388**



The International Development Research Centre is a public corporation created by the Parliament of Canada in 1970 to support research designed to adapt science and technology to the needs of developing countries. The Centre's activity is concentrated in six sectors: agriculture, food and nutrition sciences; health sciences; information sciences; social sciences; earth and engineering sciences; and communications. IDRC is financed solely by the Parliament of Canada; its policies, however, are set by an international Board of Governors. The Centre's headquarters are in Ottawa, Canada. Regional offices are located in Africa, Asia, Latin America, and the Middle East.

Le Centre de recherches pour le développement international, société publique créée en 1970 par une loi du Parlement canadien, a pour mission d'appuyer des recherches visant à adapter la science et la technologie aux besoins des pays en développement; il concentre son activité dans six secteurs : agriculture, alimentation et nutrition; information; santé; sciences sociales; sciences de la terre et du génie et communications. Le CRDI est financé entièrement par le Parlement canadien, mais c'est un Conseil des gouverneurs international qui en détermine l'orientation et les politiques. Établi à Ottawa (Canada), il a des bureaux régionaux en Afrique, en Asie, en Amérique latine et au Moyen-Orient.

El Centro Internacional de Investigaciones para el Desarrollo es una corporación pública creada en 1970 por el Parlamento de Canadá con el objeto de apoyar la investigación destinada a adaptar la ciencia y la tecnología a las necesidades de los países en desarrollo. Su actividad se concentra en seis sectores: ciencias agrícolas, alimentos y nutrición; ciencias de la salud; ciencias de la información; ciencias sociales; ciencias de la tierra e ingeniería; y comunicaciones. El Centro es financiado exclusivamente por el Parlamento de Canadá; sin embargo, sus políticas son trazadas por un Consejo de Gobernadores de carácter internacional. La sede del Centro está en Ottawa, Canadá, y sus oficinas regionales en América Latina, África, Asia y el Medio Oriente.

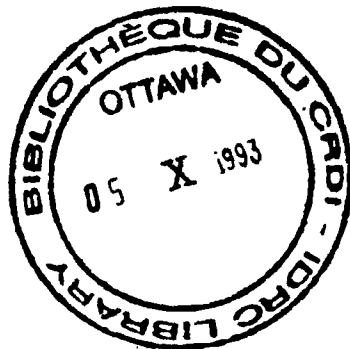
IDRC - Lib

95388

CITIES IN TRANSITION

TOWARDS AN URBAN POLICY FOR A DEMOCRATIC SOUTH AFRICA

**MISSION REPORT
SEPTEMBER 1992**



ARCH 127

242.1:233.6(680)

MISSION MEMBERSHIP

External Members

Dr. Patricia McCarney (Leader)
Associate
Centre for Urban and Community Studies
University of Toronto
Toronto, Canada

Dr. Pierre Beaudet
Researcher
Centre d'information et de documentation sur le
Mozambique et l'Afrique australe
Montreal, Canada

Dr. Mohamed Halfani
Senior Lecturer
Institute for Development Studies
University of Dar es Salaam
Dar es Salaam, Tanzania

Dr. Richard Stren
Director
Centre for Urban and Community Studies
University of Toronto
Toronto, Canada

Marc Van Ameringen (Coordinator)
Regional Director
Regional Office for South Africa
IDRC
Johannesburg, South Africa

South African Members

Thozamile Botha

Head

Department of Local and Regional Government and Planning
ANC

Johannesburg, South Africa

Vakele Mayekiso

Northern Orange Free State

ANC

Welkom, South Africa

Moses Mayekiso

President

South African National Civic Organization

Johannesburg, South Africa

Penny Narsoo

Administrator

South African National Civic Organization

Johannesburg, South Africa

Dr. Michael Sutcliffe

Southern Natal Region

ANC

Durban, South Africa

CONTENTS

1. INTRODUCTION	1
2. BACKGROUND TO THE MISSION	4
2.1 OBJECTIVES OF THE MISSION	4
2.2 METHODOLOGY	5
3. INSTITUTIONAL CAPACITY	7
3.1. IMPORTANCE OF INSTITUTIONAL CAPACITY	7
3.2. DEVELOPMENT AGENCIES	8
3.2.1. International organizations	8
3.2.2. National development and finance institutions	9
3.2.3. National parastatals	9
3.2.4. Government	10
3.2.5. Service organizations	10
3.3. RESEARCH AGENCIES AND TERTIARY EDUCATIONAL INSTITUTIONS	11
3.3.1. Parastatals	11
3.3.2. Universities, technikons and training colleges	12
3.4. POLITICAL ORGANIZATIONS	13
3.4.1. Civics	13
3.4.2. Trade Unions	15
3.4.3. The African National Congress (ANC)	16
3.5. RESEARCH AND TRAINING CAPACITY	17
4. PRIORITY ISSUES IN THE URBAN SECTOR	19
4.1. INTRODUCTION	19
4.2. CONSTITUTION AND GOVERNMENT	19
4.2.1. Present situation	19
4.2.2. Constitutional principles	20
4.2.3. Local-level negotiations	21
4.2.4 National-level negotiations at the Convention for a Democratic South Africa (CODESA)	22
4.3. LAND	23
4.3.1. Introduction	23
4.3.2. Background	25
4.3.3. The privatization trend and access to the cities	25
4.4. HOUSING	26

4.4.1. A Housing Crisis?	26
4.4.2. Housing finance and housing institutions	27
4.4.3. Violence Threatens Urban Reconstruction	29
4.5. THE RURAL CONTEXT	30
4.6. LAND USE, TRANSPORTATION AND BULK INFRASTRUCTURE	31
4.6.1. Introduction	31
4.6.2. Issues	32
4.7. RESEARCH AND TRAINING CAPACITY	33
4.7.1 ANC	33
4.7.2. Civic Organizations	33
4.7.3. Service Organizations	33
4.7.4. University Research and the Urban Sector	35
4.8. DESEGREGATING THE CITY	36
4.8.1. Description	36
4.8.2. The process of desegregation	37
4.8.3. Issues	37
4.9. FINANCING URBAN DEVELOPMENT	38
4.9.1. Introduction	38
4.9.2. Housing as a possible "lead sector"	39
4.9.3. Identifying the Conditions	40
4.10. MOBILIZING RESOURCES	41
4.10.1. International and national resource mobilization	41
4.10.2. Identifying resource needs	43
4.10.3. Existing approaches	43
5. RECOMMENDATIONS: TOWARDS AN URBAN POLICY FRAMEWORK	45
5.1. INTRODUCTION	45
5.2. PRINCIPLES FOR A NATIONAL URBAN POLICY	45
5.3. KEY COMPONENTS OF A NATIONAL URBAN POLICY	47
5.4. AN AGENDA FOR ACTION	51
5.4.1. Introduction	51
5.4.2. Recommendations: ANC Department of Local Government	51
5.4.3. Recommendations: Civics	52
5.4.4. Recommendations: Trade Unions	53
5.4.5. Recommendations: Service Organizations	53
5.4.6. Recommendations: Government Institutions	54

5.5. ESTABLISHMENT OF A NATIONAL URBAN INSTITUTE AND URBAN RESEARCH GROUP	55
5.6. EXTERNAL ASSISTANCE AND SUPPORT	57
APPENDIX: LIST OF ORGANISATIONS MET ON THE MISSION	58
NOTES	60

1. INTRODUCTION

Compared to other sub-Saharan African countries, South Africa is unique in almost all respects. Economically, South Africa's gross national product (GNP) per capita – at an estimated US \$2,470 in 1989 – is very high in a continent where the average figure is no higher than \$340. This income is very unequally distributed, however, among the various "racial" components of what has been an extremely differentiated population. In addition to its high average income relative to other African countries, South Africa has a strong industrial and manufacturing base, accounting for some 68% of its gross domestic product; agriculture accounts for only 6% of the total. By contrast, the other sub-Saharan African countries derive only about 38% of their gross domestic product (GDP) from industry and manufacturing; and 32% from agriculture.

South Africa's economic growth has proceeded apace with another component of social development – urbanization. In a continent where only 28% of the population lives in cities and towns, South Africa's level of urbanization was estimated at 59% in 1989. The United Nations has projected that, by the year 2000, fully 64% of the country's 47 million people will be living in urban centres.

With industrialization and the elaboration of effective networks of transportation, South Africa has developed a relatively balanced urban hierarchy, with a small number of very large cities, a level of medium-sized cities, and a large number of smaller towns spread throughout the country. At the top of this hierarchy is the large metropolitan region which includes Pretoria, Johannesburg and Vereeniging, in the southern Transvaal area. This so-called PWV region will have a population of approximately 12,3 million people by the year 2000 (of which about 6,5 million will be in Johannesburg and its immediate surroundings). At the next level of the hierarchy are the two metropolitan regions of Durban (in Natal province), and Cape Town (in the south-west corner of Cape province). The Durban metropolitan region is projected to grow to 4,4 million by the year 2000, with Cape Town reaching 3,3 million. Not only will the vast majority of the new residents of these areas come from the black population, but the South African urban population – which is already close to half black in (and around) the largest cities – will become even more predominantly black. At the same time, the black population is already, and will continue to be, predominantly urban. To the extent that current trends continue, most urban blacks in the year 2000 will be poor, incapable for economic reasons of constructing anything but the most rudimentary shelters for themselves, have low levels of formal

education, and poor access to health and other urban facilities.

There is no question that a major challenge for the democratic movement in South Africa will be to reverse the trend towards poverty and political marginalisation for an increasingly urbanized population. But the situation in urban South Africa is considerably complicated by the legacy of apartheid. Under this system, which has a long history in South Africa – reaching its apogee with the Group Areas legislation of the 1950s and 1960s, according to which racial groups were consigned strictly to delimited areas – both urban land use and the control over the movement of individuals were very tightly controlled in the interests of the white minority. With the unbanning of the African National Congress (ANC) and other prescribed political organisations in February 1990, and the subsequent repeal of most of the apartheid legislation in 1991, the stage has been set for a redressing of the historical imbalance among major racial and ethnic groups in the country.

But as recent experience with negotiation has shown, change is likely to be very difficult to achieve. Indeed, as a result of the tremendous backlog for urban housing and services among the black population, combined with rent and service strikes and the disintegration of urban governance in some black townships, urban violence and the prevalence of intense political negotiations, it can be argued that South Africa has entered a period of “urban crisis”.

This urban crisis can be explained by the intersection of two crucial factors, which reflect both function and form. Thus, while the city in South Africa has been the main fulcrum of macro-economic development, it has also been at the receiving end of all the distortions of apartheid. Not only is the physical form and configuration of South African urban centres reflective of the brutal exclusion of the black majority, but the whole range of dysfunctions and antagonisms which the system generates are concentrated in the cities. This creates an inefficient urban system pervaded with high costs of production and reproduction, high levels of resource wastage, reduced human dignity for large numbers of residents, and high levels of absolute poverty.

The current urban debate in South Africa deals with extremely important questions for both the present political struggle, and for the future political dispensation. This debate deals, among other issues, with the major struggles over land, rent, education, local government, electricity, transport, basic services and affordable staples and consumer goods. More often than not, these struggles have been defensive, reactive and piecemeal, although the democratic movement has consistently argued for the creation of an overall urban development plan which can guide local decision-making and accommodate the needs of the disadvantaged in particular.

In recognizing the need for a coherent urban development framework which can address the needs of the poor and consequently can contribute to the establishment of a nonracial, democratic, united and nonsexist South Africa, democratic formations have utilised expertise within NGOs and even the state itself. But the movement's own institutional capacity to develop policy for the urban sector is limited. Moreover, the current constitutional negotiations do not recognize an "urban sector" as such. Partially as a result, no consistent and coherent programme of action has emerged to create such a national urban framework. The major purposes of this report, therefore, are

- to develop a process which can strengthen the institutional capacity of the democratic movement in the urban field; and
- to indicate some of the most important questions which must be addressed by the democratic movement in any coherent effort to articulate a national urban policy.

2. BACKGROUND TO THE MISSION

In attempting to address the democratic movement's need to construct a framework for a national urban policy, the convenor of the Department of Local and Regional Government and Planning of the African National Congress (ANC), Thozamile Botha, and the President of the newly formed South African National Civic Organization (SANCO), Moses Mayekiso, asked the International Development Research Centre (IDRC) in Canada to sponsor an Urban Sector Mission to South Africa, consisting of international urban experts and South African leadership.

This urban sector mission is a continuation of a number of activities initiated between IDRC and the democratic movement in South Africa. IDRC is a publicly funded organization in Canada which is governed by an international board of governors. The Centre's mandate is to improve research capacity and knowledge within developing countries. Since 1987, IDRC has supported research focusing on the restructuring of the urban sector through funding workshops and research projects. Projects being supported cover a range of topics and include research on migrant labour and the housing crisis; the single city; urban township violence; life in the hostels, which house migrant workers; and a large network of researchers across the country investigating local government issues (the Local Government Project, referred to as LOGOPOP). IDRC is also active in a number of other areas in South Africa, including economic policy, education reform, land use and land reform, health policy, gender, science and technology policy.

This urban sector mission reflects a continuation of this set of activities, which seek to develop a process which can strengthen the institutional capacity of the democratic movement in the urban field, and identify some of the most important questions which must be addressed by South Africans in a coherent effort to articulate a national urban policy.

2.1 Objectives of the Mission

In discussions between both the South African and the international members of the Mission team, and in a preliminary meeting in Johannesburg with the broader community of the democratic movement from across the country, the objectives of the Mission were established.

One of these objectives was to assist the democratic movement in identifying key elements or building blocks for a national urban policy in South Africa. As a first step in policy formulation, it was the intention of the

Mission to identify the central urban issues throughout the country that would begin to construct an integrated framework within which the democratic movement could develop a national urban policy.

A central concern of the Mission was to support a process for capacity building in the country for urban policy formulation, implementation, evaluation and long-term management of the urban sector.

Further specific objectives of this Mission included:

- To assist the democratic movement (particularly the ANC and civics) in establishing priorities for policy, development and research work.
- To identify support required to help build the capacity of the democratic movement.
- To assist the democratic movement in its preparations for relations with national and international organizations.
- Where appropriate, to make recommendations on specific key initiatives, projects and programmes which would assist the democratic movement.

2.2 Methodology

In carrying out these objectives, the Mission was conscious of the collaborative nature of the exercise. The democratic movement has both requested this Mission, and is intimately involved in both its analysis and conclusions. In practical terms, this involved the Mission travelling as a group to the three major metropolitan centres of the country (Johannesburg, Durban and Cape Town), with two additional visits to smaller towns (East London and Bloemfontein).

In order to encompass a wider range of rural-oriented settlements, the Mission endeavoured to pay shorter visits to one or two of these towns, and to encourage key actors from these areas to meet with it during its travels. For example, people living in the rural areas of KwaZulu met with the Mission while in Durban. In Bloemfontein, the Mission met with representatives of community organisations from the Northern Orange Free State, the Northern Cape and the Southern Orange Free State. While in Johannesburg, the Mission met with people from the rural areas, including KwaNdebele and the squatter residents of Zevenfontein, Tamaho and Weiler's Farm. In each of the cities and towns which it visited, the Mission had discussions with representatives of the democratic movement, local government institutions, civic associations, service organizations, researchers and academic institutions, development agencies, foundations and other elements of the private and public sectors.

The Mission undertook its work over a two-week period during the first part of April 1992. Between April and September 1992, various drafts of the report were prepared and circulated for comment prior to release of the final

Mission Report

text. It is important to note two limitations placed on the Mission: time, and an inability to meet with all groups who had been contacted. Given these constraints, this Mission Report was written with the intention of providing only a broad overview of the issues of importance in this complex area, rather than attempting a comprehensive analysis of all aspects of the South African urban sector. Nevertheless, this first urban sector mission is part of an ongoing process of discussion and debate which may lead to specific project initiatives aimed at levelling the playing field of policy discourse on a post-apartheid urban development strategy.

3. INSTITUTIONAL CAPACITY

3.1. The Importance of Institutional Capacity

The democratic movement in South Africa is faced with the formidable task of redressing the effects of an apartheid-based pattern of urban development in order to achieve a system which is nonracial, democratic, efficient, integrated and sustainable.

A major prerequisite for achieving these goals is the development of sufficient institutional capacity to manage, efficiently and effectively, the process of policy formulation, implementation, monitoring and evaluation. On the one hand, the democratic movement has created a highly conscious and organized civil society which has a tradition of constantly engaging – through negotiation and protests – with the policy process. On the other hand, the existing institutional and organizational framework has alienated the majority of the population, is highly overloaded in relation to the size of its present clientele, and treats the black population as residual to the urban system. Enhancement of institutional capacities within the democratic movement and parallel restructuring of existing state institutions are critical and urgent tasks.

The building of institutional capacity for managing urban development in South Africa entails two major elements:

- Re-examination of the degree to which the existing organizational structures can incorporate the felt needs and interests of all sections of the South African population in the process of policy formulation and implementation.
- The eventual elimination of the dysfunctions and distortions through a comprehensive process of restructuring and capacity enhancement. This will involve democratizing institutions such as development agencies and financial institutions, widening the scope of municipal activities, restraining and reorientation of personnel, and strengthening of managerial capacities within the democratic movement itself.

The focus of institutional re-examination and enhancement is multifaceted. It involves for example, the consolidation of grassroots organizations such as civics, trade unions and community associations; the strengthening of linkages between local authorities and metropolitan governments on the one hand, and organs of central government on the other; the free and efficient transmission of decision inputs, outputs and feedback; the assignment of proper functions at different levels; and the allocation of proper authority. But in addition to these basic managerial functions of planning, there will

have to be more participatory and people-oriented, and less technocratic institutions, which will have to recognize the low-income nature of a major part of the urban society.

Capacity enhancement also involves increasing knowledge and skill levels for decision-making/negotiation, implementation, monitoring and evaluation, from community to national level. And finally, it involves an improvement in the level of resource allocated for capital equipment and personnel. The quantitative and qualitative dimensions of these elements, as well as the manner in which they are mobilized and deployed, have a critical bearing on institutional performance.

By addressing the above institutional concerns, the democratic movement can confront the basic challenges of urban development both as they manifest themselves today and as they will appear in the future.

3.2. Development Agencies

Five sets of development agencies are identifiable during the present phase in the transition to a nonracial, nonsexist, united and democratic South Africa. These agencies function from the international to the local level.

3.2.1. *International Organizations*

Of the international, multilateral organizations presently operating or beginning to operate in South Africa, the World Bank is clearly the largest and most important. Worldwide, the Bank's total disbursements during the fiscal year of 1991 reached \$16 billion. The Bank has invested a significant amount of expertise in arranging a number of missions to South Africa, with a large focus on the urban sector. In preliminary discussions, the World Bank has indicated that its investigations show that approximately \$800 million in loans for urban development could be available.

Bilateral development agencies have also begun to develop programmes in the urban field. USAID is the largest of these, having identified housing, as well as education and training, as two of the key sectors to be targeted. More modest initiatives from the Commonwealth Secretariat, European Economic Commission, Canada, Australia, Sweden, Britain and a number of other northern countries have primarily targeted education programmes, policy development and capacity-building as their major points of entry into the South African development scene. However, they include modest initiatives related to the urban sector.

Of the large number of foundations and overseas research centres that have been involved in South Africa, very few have been actively engaged in the urban sector. Where support has been provided, it has focused mainly on service organizations.

With the exception of service organizations which draw heavily on international support for their work, there is relatively little understanding on the mobilization and use of international resources within the democratic formations in South Africa.

3.2.2. National Development and Finance Institutions

The Development Bank of South Africa (DBSA) is presently the largest development agency operating in South Africa. The accountability structures of the DBSA are a direct product of the bantustan system, although the operational structures of DBSA are modelled after the World Bank. Funds are presently received from the South African Treasury, although the DBSA is gearing itself to manage funds from abroad as well. The activities of the DBSA consist of lending to homeland governments, technical support to homelands, and infrastructural financing.

The Independent Development Trust (IDT) was created in 1990 with a grant of R2 billion from the South African government. Overall control of the IDT is vested in the hands of a Director and a Board of Trustees, who oversee the policy matters and the operations of the trust. Areas of operation include housing (the major programme here is supporting site and service schemes where R750 million has been allocated for capital subsidies of R7 500 per site), education, health and rural development.

The Urban Foundation (UF) is a private sector organization involved in both policy formulation and a wide variety of development initiatives. On the housing front, the Urban Foundation controls a number of utility companies which focus on developing serviced sites. In addition, the Urban Foundation is involved in a number of *in situ* upgrading projects and a Group Credit Company which makes small loans available for upgrading housing and shelter at the bottom end of the market.

The South African Housing Trust (SAHT) is involved in providing access to shelter and over the past five years some 30 000 families have obtained housing through developers and contractors working with the SAHT.

3.2.3. National Parastatals

A variety of national parastatals have an important bearing on urban development primarily for two reasons:

- they deliver bulk services and/or infrastructure (such as the Electricity Supply Commission or the Water Boards which operate at national, regional and local levels); and
- they are presently involved in developing large tracts of land and creating frameworks for development which will have significant

implications for the urban future. As an example of the latter pattern, the operations of the transport parastatals bear mention in this context.

3.2.4. *Government*

Because of its size and regional diversity, and because of the imposition of apartheid policy for so many years, South Africa has developed an extremely complex system of government. This structure includes a variety of institutions at the national level (including, for example, a Tricameral Parliament, a national system of ministries, parastatals and specialized departments, the Transkei-Venda-Bophuthatswana-Ciskei homeland governments), the regional level (including both Provincial and "homeland" authorities), the sub-regional level (including a range of Regional Services Councils, Joint Services Boards, and Metropolitan Authorities) and the local level (where there are white Local Authorities, Advisory Boards, and black Township Authorities). Within every sector of urban development, this fragmented institutional pattern results in a lack of effective coordination within government; a continuation of racially-based, and uneven policy formulation, development and implementation; and very little development actually being realised on the ground.

Adding to the problems of fragmented authority, there are problems of race and of gender. Thus, although the people of South Africa can no longer be legally defined according to their race, government still operates and is structured to deal with different race groups. This exacerbates any attempt to begin to create a nonracial society. At present, all indications are that this will continue even through the negotiations process. In addition, the bureaucratic system is still controlled by white civil servants. For example, of the approximately 3 000 senior public servants in South Africa (excluding TBVC) less than 20 are of African origin.

Finally, there is a gender problem. Not only are women substantially under-represented in government and development agencies, but the approaches to urban policy, research and development are gender-blind. Examples of this include the fact that the needs of women and single-headed households are rarely considered in planning programmes, yet they constitute a significant fraction of the urban population.

Whatever the present situation, however, it is important to recognise that South Africa is in a state of flux. Negotiations at a national level could well result in substantial reorganization of the key development institutions, particularly those linked to the state.

3.2.5. *Service Organizations*

The means by which local organizations have most often dealt with their

organizational limitations in the context of the current negotiation process is by engaging "service organizations" to work on their behalf. Service organizations – a particularly South African form of NGO – involve groups of committed professionals who work on the basis of request with mass-based formations throughout the country. There are five or six large service organizations in the PWV region, Cape Town, Durban and the Eastern Cape, which work largely in the urban sector. Altogether, some 13 service organizations have formed themselves into an *Urban Sector Network*. While the professional, non-volunteer members of the service organizations are remunerated for their work, the organizations themselves do not make profits. Generally, their funding comes from international donor agencies, in order to support the needs of the civics or other mass-based groupings that request services. A large service organization in Johannesburg was closely involved with civic organizations in arriving at the important Soweto and Alexandra Accords in 1990 and 1991, respectively, which were reached after lengthy negotiations between local civic associations, the government, and other authorities over complex issues of housing, urban services and local government. Another service organization in the Western Cape has participated in numerous struggles on behalf of squatters, in order to prevent eviction and to develop better living conditions for disadvantaged and dispossessed people. In addition to their direct participation with civics and local communities, the service organizations organize conferences and seminars, write policy papers on request, and carry out research on policy-related questions. They have also worked closely with political organisations and the trade unions.

3.3 Research Agencies and Tertiary Educational Institutions

There are a variety of institutions which have the potential to, and in many cases do, address research, training and development capacity. The institutions are as follows:

3.3.1. *Parastatals*

A number of research institutions were created by the government to service its needs for research as well as provide a central facility to deliver research on a national scale. The main institution in this area which addresses urban issues among its wide range of programmes is the Human Sciences Research Council. Other parastatals involved in the research field which have supported research related to various aspects of the urban sector include the Council for Scientific and Industrial Research, the Foundation

for Research and Development, and the Medical Research Council.

Over the past few years these parastatals have undergone a process of rationalization and with reduced state subsidies now rely for ever-increasing proportions of their budget on commissions from the private sector or other state Departments. While attempts are now being made to make these institutions more relevant and their staff complement more representative of society at large, progress has been slow.

3.3.2. Universities, Technikons and Training Colleges

Three groups of Universities presently exist in South Africa. The first consists of the Afrikaans speaking Universities which are mainly white, well-endowed with large foundations and generally have a very well developed infrastructure. This infrastructure has been, and still is being, used to service the Afrikaans private sector and the government. The second group consists of the English speaking Universities, which also consist mainly of white students and staff. These Universities are also fairly well endowed with research and training infrastructure, although in general terms their clients are the private sector and parastatals. The third category of Universities are the historically-ethnic institutions which consist of a range of Universities created by the state for non-whites and which were established primarily as teaching Universities. These Universities are in the process of very dramatic transformation although their endowments and research infrastructure are poorly developed. Nonetheless, important initiatives are taking place in historically black universities in areas such as development policy and graduate programmes that address the needs of black researchers.

In addition to the Universities, a number of more technical institutes – known as Technikons – exist in South Africa. To date, they have functioned as largely technical training institutions, with very little research and policy capacity. However, the potential exists for technikons to play a much more active role in training and capacity building.

Technical and training colleges are primarily teaching facilities used for technical or sectoral training (such as teacher-training colleges). No capacity for research and policy development exists at such institutions.

In all of these institutions, the skills and capacity breakdown is a function of apartheid: black institutions tend to have very little spare capacity, are underresourced and undertake little research and policy development.

3.4. Political Organizations

3.4.1. *Civics*

Since the late 1970s, the civics – mass organisations based in the Black townships – have been at the forefront of the struggle both at the level of community issues (rents, services, education) and at the level of the political battles against the government. Civics have been associated with the vast range of anti-apartheid movements from the political liberation movements to other social movements such as the trade unions. By the late 1980s, a number of regional civic structures emerged, such as the Transvaal-based Civic Association of the Southern Transvaal (CAST), the Border Civic Organisation (BOCCO) and other networks in most parts of the country. Although regional conditions have imposed different agendas, the aims of these networks have developed along similar lines.

In March 1992, the expansion of civic structures led to the launch of the South African National Civic Organisation (SANCO), which is in the process of consolidating itself through the establishment of linkages to all regions of the country.

Civics have very meagre resources with which to address an immense set of issues in the townships which include land, housing, infrastructure, transport, health, education and others. Many civics are still structurally weak and the organizations are resource-starved.

In addition, the rapid pace of change has placed many of them under acute stress, having to cope with a very wide variety of problems such as housing, conflicts and local negotiations. Each township has a complexity of needs that sometimes conflict with each other, for example, the needs of hostel dwellers vs shack dwellers vs backyard tenants vs tenants. In this context, the capacities of the civics are stretched, particularly as they are moving from mass protest movements to organizations involved in local development issues. This transition implies deep structural changes although the “protest” component of the civic’s role is still on the agenda. The challenge is to find a balance between different priorities, being the voice of the poor and the underprivileged on the one hand, building these demands as part of a comprehensive programme of change, and at the same time developing as a community development movement capable of identifying and eventually changing the conditions in the townships.

Since February 1990, the new context within South Africa prompted many civics to engage with the state at both national and local level. A variety of negotiations have started over the provision of services and the structure of local political power. Various initiatives such as the

Johannesburg Metropolitan Chamber and the Alexandra Accord have brought a wide range of actors – central government, local white authorities, civics, business and labour, service organizations and anti-apartheid political organizations – to the negotiating table. A debate is presently underway regarding these negotiations, with some civics arguing that they should be held on the backburner until national negotiations have created a national framework for local government.

Civic structures at regional and local level face many challenges in these engagements, where they attempt to co-ordinate and influence the pace and implementation of development. Moreover, civic involvement occurs within a context of transition and large-scale destabilisation and violence, especially in the Transvaal and Natal. In many instances, this violence has been directed against civic leaders and structures, especially where community organisation has been visibly strengthened through the initiatives of civics.

Civics are expected to remain key actors for a long time to come. Many grassroots activists within the mass democratic movement argue that organs of civil society are needed for a healthy society. However, more immediate challenges facing the civic movement are:

- The reintegration of the cities; the one city-one tax base objective remains a key feature. For civics, township upgrading cannot be a substitute for the reintegration of the post-apartheid city.
- Housing and land allocation; the civics feel that a massive programme of housing should be undertaken using a variety of actors and employing the broadest possible community participation. One way of carrying out such a programme would be the allocation of land to the communities through different mechanisms, including Land Trusts.
- Provision of basic services; in the short term, the upgrading of the hostels, an adequate transportation system and access to land and housing are key areas.

From the standpoint of civics, these challenges can only be addressed within the context of a community-based development framework, with active participation and monitoring by communities.

In our visits to, and discussions with, the civic organizations, the Mission was struck both by their high level of dedication and enthusiasm, and by their generally low levels of organizational infrastructure. The low administrative capacity of the civics is a function of their informal nature, the abject poverty of most of the communities within which they work, and their recent arrival on the urban scene. This low administrative capacity may not have been a handicap in generating support for rent or service charge boycotts. But it may be a real limitation when a civic needs to play a more

active role in a regional or even national civic organization, or when it needs to sustain an effective presence at the sort of lengthy and intense negotiations that are currently taking place in many urban forums. Furthermore, if civics are to transform themselves – as some wish to do – from a political protest movement to a more developmental orientation, they will need trained and even professional staff to carry out research, prepare proposals for funding, and negotiate with granting agencies for project support.

3.4.2. Trade Unions

The re-emergence of the trade unions in South Africa from the mid-1970s onwards is one of the central features of the development of the democratic movement. Currently, more than two million workers are unionised in two labour federation of which the Congress of South African Trade Unions (COSATU) represents, by far, the most important.

Over the years, the trade unions have been closely associated with the other components of the democratic movement, including the civics. An important part of the activist and leadership base of the community movements overlaps with that of the trade unions. Important joint initiatives have been and are currently underway, bringing these movements together in efforts to tackle some of the most pressing social and economic problems.

COSATU has initiated important programmes to study and assess the state of the South African economy. Research projects like those undertaken by the COSATU-affiliated "Economic Trends Group", or in collaboration with the ANC on "Macro Economics", are in the early stages of being translated into policies. Last March (1991), an economic conference laid down some of the principles that the trade unions are proposing as part and parcel of an overall development policy. These include intensifying "efforts to establish a national economic negotiating forum and ensuring that these forums provide jobs, housing, health and other basic needs."¹

These directions are also being translated in the fields of housing and township development. Two unions are particularly involved, the National Union of Metal Workers (NUMSA) and the National Union of Mineworkers (NUM). NUMSA's efforts are presently concentrated in Natal where "joint working committees" have been established with the ANC to deal with township reconstruction, especially in areas affected by violence. NUM, on the other hand, is working on hostel upgrading and transformation. A large part of the mining work force is composed of migrant workers living in hostels, especially in the Transvaal and the Orange Free State. NUM's plans include a massive housing programme around these mining areas.

3.4.3 The African National Congress

The African National Congress is at the centre of the democratic movement in South Africa. Its policies in the different fields are setting up the agenda for a whole range of political and social organisations working for black emancipation. In many regions, the activities and structures of the ANC overlap with those of the civics. Because the ANC is rooted in the black urban areas, it has centred its efforts there in mobilizing township communities against the apartheid policies of the government. Now that the terrain is shifting towards reconstruction, the ANC is trying to redeploy its local structures so that they remain at the centre of urban reconstruction and development.

In the urban field, the ANC has identified a number of global objectives and set up a number of commissions to investigate and define much clearer guidelines. Such work is presently being undertaken by the Land Commission, the Science and Technology Committee (which is looking at issues such as water, transportation and infrastructure) and more centrally by the Department of Local and Regional Government. Additional inputs are being made by other ANC departments such as the Constitutional Committee ((regionalisation) and the Department of Economic Policy (urban finance).

The activities of the Department of Local and Regional Government embraces three dimensions: constitutional work, development, and the servicing of community needs.

Constitutional work: The Constitutional Committee and Department of Local and Regional Government of the ANC are presently engaged in establishing proposals for a future local and regional government, and proposals for an interim government arrangement.

Development: The Department of Local and Regional Government is presently engaging with a variety of government authorities, parastatals and private sector groups in order to negotiate an urban development policy. The need for housing, the hostel crisis, electrification of the townships, and provision of water and sanitation, are some of the areas presently being addressed.

Servicing community needs: Given the poor living conditions in which disadvantaged communities find themselves, the department has also focused on supporting community struggles at the urban level.

The Department of Local and Regional Government is involved in preparing a number of policy inputs providing the guidelines to future ANC policy in a number of specific areas, including urban development and planning; principles for local government (delimitation, administration,

finance etc.); regional development and planning; housing; transportation and infrastructure; land use development; and education and training.

It is working on a number of specific projects which have been centralised around the Local Government Project (LOGOPOP). This project has undertaken a number of research and education activities and has focused on the future system of local government for a democratic South Africa. The following principles and objectives have thus far been defined in this area:

- the future local government will be nonracial, nonsexist and will ensure democracy, accountability and a strong civil society at local level;
- it will be unified and effectively structured;
- it will redress the injustices caused by the apartheid policies and will ensure the equitable distribution of resources;
- it will be effectively financed and will ensure the provision of affordable services to all.

The general objective is the establishment of "one city-one municipality", with a single, nonracial voter role and a single tax base. Municipalities reconstructed in this way would incorporate the whole functional area of the city or town, including artificially created Bantustan or commuter towns. In order to ensure fair distribution of resources, the towns would also be integrated into larger metropolis as a second tier structure. These metropolitan structures (to be directly elected) would control the primary sources of urban finance and be responsible for allocating funds for development and services.

The capacity of the ANC's Department of Local and Regional Government to undertake and absorb policy research remains weak. The Department has been only recently established, and has a small core of full-time personnel at ANC headquarters in Johannesburg. The ANC regions have also focused on local and regional government, but capacity at this level is very uneven.

3.5 Research and Training Capacity in Local Authorities

As a new majority government reflects on the institutional and policy changes needed to translate needs into practical reality, it will have to come to terms with massive shortages in trained and experienced human resources in many fields. Paradoxically, in many respects and for certain sections of the population, South Africa is very developed in terms of research and training capacity. In the urban sector, the major city councils in metropolitan areas such as the Western Cape, the Durban Functional Region and the PWV already employ very large staff components and dispose of

considerable annual budgets. In 1991, for example, the City Council of Cape Town employed almost 16 000 staff, many of whom were highly trained professionals; the Council collected R300,2 million (about CAD\$ 130 million), with a total budget of R1,18 billion (about CAD \$500 million).

Both the Durban and Johannesburg City Councils had even larger budgets and larger professional staff complements. The capacity of these councils to carry out or commission their own independent research is very high. Most have various departments engaged in in-house research and draw heavily on government parastatal bodies, universities, institutes and private sector firms to meet their research needs. By contrast, the black local authorities have very small budgets and very limited professional staffs, even though the aggregate urban population they represent – if the squatter areas on their borders are included – are at least equal to the population in the formal city council areas.

At present, there is very little capacity to train new local government staff for black local authorities. A Training Board exists to train local and regional government officials, both elected and administrative. But given its apartheid base and the fragmentation of authority which presently obtains, few meaningful training programmes have been established, particularly for black officials. Without the recruitment of trained personnel, there will be weak administrative capacity to deal with improved services for the newly enfranchised groups except through the medium of what have thus far been white-controlled urban local governments.

But whatever structure of local government training is developed, it will have to have deeply embedded in it the principles of democratic accountability, proactive sensitivity to the needs of the poor and disadvantaged, and professional dedication. As they take over their new positions, mindful of these objectives, the new recruits will operate more as development administrators and less in the traditional local government role of control and provision of services.

4. PRIORITY ISSUES IN THE URBAN SECTOR

4.1. Introduction

The Mission has endeavoured to identify key issues as part of its objective to assist the democratic movement in identifying the main elements for the development of a national urban policy. This identification of key issues was made in a highly complex urban sector, and in a very short period of time. Although the list is in no way exhaustive, it is hoped that this effort will be useful to the democratic movement in developing a national urban policy.

The following have been identified as priority areas for policy consideration and are seen as the building blocks for an integrated national urban framework.

4.2. Constitution and Government

4.2.1. *The Present Situation*

Over the past few decades, communities have waged an intense struggle against apartheid local and regional government. The struggles have been both over the immediate conditions of everyday life – housing, health, electricity, water and transport provision; and against the systems of representation themselves (from the Urban Bantu Councils to the institutions of the Tricameral Parliament).

This rejection has made itself felt through massive sustained rents and rates boycotts, campaigns for the resignations of councillors, and demands for “one city-one municipality”. Over half the Black Local Authorities have collapsed and others are bankrupt. Local negotiations over services have commenced in hundreds of communities between the democratic movement and local/provincial authorities. Because many local-level negotiations by-passed government structures, the government enacted the Interim Measures for Local Government Act (1991) to formalise these processes of local negotiations. This Act injected new life into the Black Local Authority system and other advisory structures through transforming them into formal governmental structures, and creating multiracial authorities.

The democratic movement has rejected this Act because it permits reform to take place in a constitutional vacuum, without a nationally-agreed set of guiding principles.

4.2.2. *Constitutional Principles*

There is no agreement on South Africa's future constitution between the major parties contending for power. Although some progress has been achieved in the negotiation process, at the time of writing this report the Government and democratic movement remain far apart in their visions of a future democratic South Africa. These conflictual views exist in regard to national, regional and local levels of government, as well as their functions and powers.

The government and ruling National Party seem to favour a relatively weak national government, but strong regional government with a high level of devolution of powers to semi-autonomous regions. The criticisms levelled against this "federalism" are that it would result in the hardening of the existing gap between privileged regions (mainly inhabited by Whites), and under-developed and impoverished rural or semi-rural areas, mostly in the homelands.

At the level of local government, the government and National Party seem to support a similar kind of decentralisation of power, where white-inhabited cities would be able to retain a significant amount of their formal powers. Black townships around the white cities, while being partially integrated in a undefined metropolitan authority, would basically have to take care of their own needs.

Faced with these proposals, the ANC and other organisations have argued that a strong national government will be necessary to redress the inequalities and imbalances created by apartheid. Regional powers would be limited. At the local level, strong metropolitan structures would permit the reintegration of the inner-city with the surrounding townships. While this view is widely shared by the democratic movement, a number of debates are currently being waged as part of defining these policies more clearly. The issues involved in this debate can be summarized in the following way:

- What is the social, political, economic, geographical and financial basis for breaking the constitution down into three levels of government: national, regional and local? Representation and administration are important reasons for dividing up a country, but there needs to be a political rationale as well, otherwise power bases and regionalism could emerge as by-products of the system created. As witnessed in the current debates on decentralization in many other countries of the world, the central-local financial relationship is a critical issue to be examined in the constitutional debates on the long-term viability of effective local government.
- How does one resolve the fact that there might be different geographical

levels of service distribution. For example, in the present debate, the major political parties in South Africa have suggested they want the future constitution to have three elected levels of government: national, regional and local. But in geographical terms, there are at least four levels of settlement form (national framework, regional systems, metropolitan/ sub-regional systems, and local authorities).

- What principles should be used in delimiting regions and localities? How does this delimitation of boundaries affect electoral processes and future systems of governing?

These are some of the key issues emerging for a local government agenda, which will have to be addressed by the democratic movement at a constitutional level.

4.2.3. Local-Level Negotiations

A wide variety of local-level negotiations are taking place throughout the country. There take three forms:

- Negotiations around service provision: here, the negotiations are usually around payments for already existing housing, electricity, water, public transport, health and community facilities, as well as negotiations over rents/rates. Invariably, the purpose is not to restructure the local or regional authorities, although discussions on creating interim facilitating mechanisms do occur.
- Negotiations around development: in many areas the authorities and community-based structures (civic and political) are engaged in negotiations around development issues. These include the provision of housing, upgrading areas or negotiations to halt removals.
- Negotiations around structures of interim local government: in some communities, the authorities and community-based organizations have been engaged in negotiations around interim arrangements for replacing local governments/authorities with a multiracial (but still apartheid-based) structure.

In some parts of the country, the democratic movement has started engaging the authorities around crucial aspects of a future local and regional government system. These more proactive forms of negotiations have addressed the conceptualization of the future city, as well as concrete issues such as creation of integrated housing lists and revision of by-laws.

In addition to the authorities themselves, the ANC and civics are the major actors involved in local-level negotiations. In some specific contexts, however, other political forces have been involved in local-level negotiations.

For the democratic movement, these important local-level negotiations

hold out both a promise and a problem. Their promise is that they will allow a national-level dispensation to be implemented more effectively given that the key actors will already have begun the process of discussions. The key problem, however, is that these local-level negotiations might bind some communities to a process which will conflict with the national-level dispensation and limit flexibility to plan and govern under a future, democratic government. Worse still, some local-level negotiations might even create unnecessary tensions within the democratic movement if some key political or community organizations are left out of the process. In addition, the democratic movement could find that the negotiations are not sufficiently representative of their base, as technocrats take over the process and move it to levels well beyond community expectations and understandings.

4.2.4 National-Level Negotiations at the Convention for a Democratic South Africa (CODESA)

Most major parties accept that the local and regional government constitutional arrangements will be drawn up by an elected constitution-making body. However, one of the agreements reached at CODESA is that, during the period of interim government rule (while the constitution is being drawn up), multi-party committees for local and regional government will be established. These interim forms of government will oversee the key issues of concern for local and regional government.

The apartheid-based national organization of municipal government (United Municipalities Executive) has created working groups to feed information into CODESA on how local government should be restructured. The ANC has rejected this, as it believes the constitutional details of a local and regional government framework should be drawn up by a Constituent Assembly.

While national negotiations within the framework of CODESA have since collapsed, they present a number of important challenges for the democratic movement. The government has been able to call on a massive array of expertise and experience in preparing its proposals for discussion and debate. The democratic movement, on the other hand, has very limited resources, experience and capacity in this regard. The Local Government Research Project, based at the University of Western Cape, has been investigating aspects of housing and local and regional government powers, functions, finances and delimitations. As such, it is beginning to inform the democratic movement in its negotiations. However, this input is minuscule in comparison to the resources available to the state.

4.3. Land

4.3.1. *Introduction*

The most remarkable spatial characteristic of South African cities is the residential occupation of land according to race. The development and enforcement of this pattern by the South African state involved a long historical process, culminating in the Group Areas Acts of 1950 and 1966. These laws, in effect, divided urban areas into racially exclusive, virtually watertight zones. To some extent, official justification for this abhorrent practice grew out of an earlier age of European colonialism, whereby nineteenth century town planners and urban engineers separated the white areas of tropical colonial cities from the residential areas of other races in order to "protect" the white settlers from what were presumed to be disease vectors. When the medical argument lost credibility, the Pegging Act showed that economic competition was the real issue. As other tropical countries dismantled segregation with the march towards independence, South Africa intensified the pattern of racial controls.

This zoning of residential land in and around the cities was accompanied by an almost total segregation of education, health and social services facilities, and of the local authorities that administered the separate areas. Through the agency of these local authorities, and reinforced by strong central government powers which ultimately controlled the allocation of all land, the major South African cities became a racial patchwork, with whites occupying the best land near and around the central business district, Indians and so-called "coloured" communities living somewhat further out, and the black populations consigned (when they had any rights to land at all) to the periphery of the urban agglomerations and more distant rural areas and so-called "homelands". Industrial areas were typically located near the outer borders of the larger municipalities, with "buffer" zones (made up of golf courses, open land, parks or transportation corridors) separating the residential zones of racial groups from one another. As well as being profoundly unjust, this system has been inefficient and costly both for those disadvantaged under apartheid and, increasingly so, for the state.

The Land Act and the Group Areas Acts were formally repealed in 1991, and all races can now in principle obtain residential land anywhere. But the legacy of the apartheid city is a heavy burden. Assuming the present population groups retain control over the land they currently occupy, changes in the current pattern will be slow, costly, and require political imagination and administrative dedication. Under a system of freehold tenure where there is a substantial speculative market, the cost of obtaining

new land for residential housing tends to elevate the cost of development beyond the point where low-income groups, particularly the black majority, can afford to buy. On the one hand, the disparity between residential density in white and black areas is very high. For example, the Sandton municipality in the PWV area (until now a white area), permits a density of from 2,5 to 3,5 units per hectare. Adjacent to Sandton is Alexandra, a large and densely populated black municipality, where the densities (including both formal houses and backyard shacks) have been estimated to number at least 160 units per hectare, representing a nominal difference in built occupation of over 40.

The high residential densities in black areas do not correspond to any criteria of industrial efficiency, since the time taken to get to work often exceeds two hours in each direction, and is very costly in terms of expenditure and physical energy. As a general rule, the poorest groups in South Africa must travel the furthest and pay the highest proportion of their incomes in transport costs. The efficiency of urban infrastructure is also compromised by the apartheid city. Reversing the normal pattern of land use in capitalist cities, densities initially decline outwards from the core area, but then peak further from the city centre than would be expected.

To change this unjust and inefficient system, urban land allocation will have to be tackled in a direct fashion. Currently, it is estimated that there are some 15,000 hectares of available residential land in the PWV region that could theoretically be used for housing. In the Durban Functional Region, a comparable estimate puts the figure at 30,000 hectares. Considerable tracts of unused land are under the control of city councils, Eskom, Telkom, the military, mining houses, and other large corporations and parastatals. As Africans flood into the cities, land for housing them and their families will have to be found much closer to their places of employment than has been the case in the past.

Land tenure for Africans will become a major issue in post-apartheid South Africa. Over the years, 3,5 million people – most of them blacks – have been forcibly removed from their land. Currently over half the urban black population lives in informal settlements with no security of tenure. Consideration needs to be given to various tenure options, including the granting of tenure (perhaps with development conditions) to those who presently live in “shacks” as so-called “squatters”. Experience in other countries has shown that security of tenure is a crucial prerequisite to the progressive development of neighbourhoods by poor communities. But a flexible titling system might recognize customary tenure coexisting with freehold tenure in some rural areas. Collective ownership of land may also be a viable option.

4.3.2. Background

Just as the key strategy in operationalizing apartheid has been in controlling land – the allocation, spatial distribution, use and ownership – so also is land the key to political, social and economic reconstruction of a post apartheid South Africa. Land must therefore become the focal point for the democratic movement if the apartheid legacy is to be overcome.

For the democratic movement to develop an effective urban policy, it is critical to address both urban and rural land.

The ANC Land Commission and National Land Committee have been working mainly on rural land issues, addressing questions of land claims, redistribution, agricultural productivity and rights for farm workers. A similar set of activities on urban land and housing policy could be considered by the new Department of Local and Regional Government with a view to establishing a comprehensive land policy. This would fill a critical policy vacuum that exists on this front.

The capacity of the democratic movement to enter into urban land negotiations also requires attention. This requires study and information gathering on a range of subjects: potential directions in land registration systems; the tax base – both existing potentially under different governing boundaries; land use planning for not only residential (thus far the main focus) but also commercial/industrial uses; the viability of land invasions (their effectiveness, limitations and viability as a policy option) at least for the interim; the phenomenon of “war-lordism” as an element of land management in the informal settlements; and data collection on affordability options for reaching the lowest income groups.

4.3.3. The Privatization Trend and Access to the Cities

The key to dismantling the apartheid city rests in control over urban land, and it is precisely here that the most pressing short-term requirements for action are needed by the democratic movement.

There is a serious information gap when it comes to urban land. An assessment of land ownership and a mapping of vacant land and under-developed land in the cities is a critical starting point for the development of plans for new use of land. Most city councils in the so-called “white” cities own large tracts of land, as do other levels of government and parastatals. There is an increasing tendency to privatize this prime real estate, for largely non-residential uses. Some city councils are transferring such land at highly subsidized rates to the private sector (both domestic and international firms) for industrial and commercial development. Other councils and senior levels of government are selling this land to the private sector at market rates.

This places future democratic and nonracial local governments at a serious disadvantage in addressing the demand for low-income residential housing in the cities.

The privatization of large tracts of government or council-owned land in the cities suggests that urban land use in the future will be structured by the past legacy, but along class rather than racial lines.

CODESA considered the retention of expropriation powers by government with some reasonable and/or just compensation. The ANC Land Commission has also considered the establishment of a land claims tribunal to deal with competing claims to land according to established criteria such as previous title, market value and use characteristics. While these medium-term goals are important, immediate consideration on how best to halt the trend towards privatization of government-owned land in the urban areas must be a high priority for the democratic movement in general and for an interim government specifically.

4.4. Housing

4.4.1. *A Housing Crisis?*

Many countries in the southern hemisphere can legitimately claim to be experiencing a "housing crisis", with far too few acceptable houses in serviced neighbourhoods being built to respond to rapidly increasing urban populations. But South Africa has an even more serious housing crisis than most countries, since lack of access to urban land and the poverty of the bulk of the African population have to be added to the more general problems of urban population growth and serious construction shortfall. Half-hearted or purely incremental measures taken by a new government to deal with the housing question are likely to be seen as inadequate by the majority of the black population. As discussed in the preceding section, land, and particularly urban land for residential development, is a critical starting point.

As we have pointed out above, most of the urban population growth in South Africa over the next decade will involve the black population. Based on commonly cited estimates, over seven million people currently live in what can be called "spontaneous informal housing" (consisting mostly of simple shacks with no services) in South Africa's cities. This includes over half the black urban population in these areas. Because of political uncertainties and economic stagnation, house construction even for the white, Asian and coloured communities has declined in terms of need; but of the 338,800 units that need to be built annually to meet population growth

and redress the housing "backlog", fully 80% are required by African households. And, given Africans' generally low incomes and the cost of land and conventional housing, 90% of the Africans housed in this fashion will need a subsidy in order to afford repayments.² According to this calculation, most of the building for the existing "backlog" would consist of replacement of existing informal housing for blacks who live in unregulated and unserviced housing areas distant from the major sources of employment.

A challenge for the democratic movement lies in the definition of "housing". Emphasis on conventional measurement of the housing product in the form of finished housing units or even of serviced sites tends to obscure the view of housing which sees it as a process of development, integrally related to income-earning opportunities, questions of location and political power.

Thus, one cannot "solve" the housing "problem" unless there is a comprehensive assault on poverty (both rural and urban), and on hitherto low levels of community empowerment in the planning process. Experience in other countries shows that massive state-based housing projects may lead to widespread bureaucratic corruption. In the delivery of state-based housing projects, it is extremely important that democratic systems of accountability are ensured.

4.4.2. Housing Finance and Housing Institutions

The importance of housing finance as a key element in a viable housing policy for the democratic movement cannot be underestimated. The effectiveness of housing delivery will depend heavily on a mixed package of financial options to assist low income households currently living in abject conditions of poverty.

Apart from government, the four largest South African institutions (some parastatals) currently addressing housing include the Independent Development Trust (IDT), the Development Bank of Southern Africa (DBSA), the South Africa Housing Trust (SAHT) and the Urban Foundation (UF). These have been described above.

In addition, private sector financial institutions play a role, although currently their target groups for financing start just below middle-income households. Private financial institutions will have to become more flexible and innovative in both lending terms and eligibility requirements if they are to service a wider spectrum of the market in the future.

A significant institutional gap therefore exists in providing finance to low-income segments of the housing market. This gap has to do with both mortgage (or bond) financing and construction financing. In many of the serviced sites, for example in the sites and services schemes planned to date,

there is an absence of construction financing for the households moving onto these sites. Collateral for the housing construction loans, where the subsidized site is transferred to the new owner, should not be an issue once title is secured. However, there is something of a vacuum in the small loan market for housing finance. Currently, there are no institutional mechanisms for housing finance to this housing sub-market.

Credit is required for a whole range of housing development activities, including credit to assist on initial deposits where applicable; to purchase sites, core units, and/or finished housing; to purchase building materials; to hire contractors and other labour for housing construction; and to upgrade housing. Some of these micro-issues require attention and research to further knowledge and ultimately strengthen future delivery systems in the housing sector.

Consideration is being given to ways of filling this institutional gap. For example, community housing trusts, cooperative credit funds, revolving funds, the Stokvel system which incorporates the principles of small credit institutions using group financing methods where peer pressure ensures good recovery rates, and other forms of low-income housing finance are under investigation.

This financial gap is an institutional one on the supply side, where capacity to construct and manage housing at the local level also exists. The capacity to develop sites, design plot subdivisions, service them with basic infrastructure, construct basic units of shelter, and manage various tenure systems (for example rental collections, cost recovery on mortgages, property tax collections, etc.) constitute an entire range of activities requiring training and capacity building.

It is essential to address the question of subsidies when considering a housing policy to alleviate the extreme poverty engendered by the injustices of apartheid. Subsidies are often challenged on the basis of structural inefficiencies (for example, subsidies often leak to non-eligible, higher income recipients); in terms of market inefficiencies (subsidized interest rates stimulate demand for more expensive housing causing low-income households to "overconsume" housing); and on the grounds of replicability (no government can sustain to any large degree and in any long-term sense a housing subsidy scheme, particularly since subsidies tend to benefit only a limited number of people amidst a very broad sector of need and demand). While many of these challenges to subsidies are valid, a strong interventionist strategy is required by government to alleviate the housing crisis. This must include subsidies to facilitate access to a housing market which low income residents in the country have been barred from in the past.

Subsidies can be considered in a broader context of socio-economic

production which indirectly assists in low-income households' access to housing. For example, subsidy schemes can be linked to employment creation in the townships which indirectly helps to improve access to housing while also infusing much-needed economic activities into the area.

Subsidies can take a number of forms and be applied in various sectors of the housing market itself, for example, in land transfer arrangements whereby existing tenants are simply given title reflecting past rents, or where the land is sold to existing residents at a subsidized rate. Subsidies can also be applied to interest rates to assist access to credit by low-income households. Subsidized loan schemes which include longer-term pay-back periods, longer grace periods and low or non-existent administrative fees are other methods of improving access by low-income households to the housing market.

Subsidising low-cost housing through a number of imaginative ways will only be one part of the solution. National and local governments will also have to work on the "supply-side", facilitating or creating stronger structures to produce the necessary housing for the poor. Currently, these structures are totally privately-owned, either through housing and building firms or through conglomerates engaged into the production of housing and infrastructure supplies (cement, steel, electrical supplies, etc.). These firms, like the economy of South Africa generally, are highly monopolized, causing weak competition and high costs. At another level, traditional policies of apartheid made life almost impossible for small, black entrepreneurs involved in the delivery of housing.

Strategic interventions by the state in this sector would probably encourage transformation. They could entail various mechanisms, including state control over key production facilities involved in the sector, and a national programme to support the development of local entrepreneurship through credit, training and other means.

The objective of these initiatives would aim to reduce the costs of housing, thus facilitating access. It could also have a trickle-down effect at the local and micro-level, creating more jobs and reducing the capital costs of these jobs. It could also facilitate democratisation since local governments would be less dependent on the central state for resource allocations and finance.

4.4.3. Violence Threatens Urban Reconstruction

Since the late 1970s, the apartheid state has introduced a number of changes in its urban policies. These aimed to accelerate the process of social differentiation within the black community, creating a "critical mass" of support for the white minority government. This led to a process of

devolution of power to the homeland structures and the "BLAs" (Black Local Authorities) in the urban townships. Parallel to this, a number of social and economic programmes were introduced to upgrade the standards of living for a minority of middle-class blacks (public servants, merchants, etc.).

These transformations created a fertile ground for the intensification of conflicts within black communities. Over recent years, such conflicts have erupted mostly around hostel and shack dwellers, the most underprivileged sections of the community.

4.5. The Rural Context

The peculiar linkage between the rural situation and urban development in South Africa does not involve a simple association between systems of production (i.e. agriculture and industry); rather, it should be seen as the annihilation of one system by the other. An African agricultural system was physically destroyed through the process of land alienation, while at the same time restricting migration and destroying the social fabric. Parallel to this, the white agricultural system was strengthened.

This process created a cheap and politically quiescent labour force, with enforced linkages to rural areas through the system of migrant labour. Employers were able to pay low wages to this section of the labour force because the rural areas could, at a primitive level, subsidize part of subsistence.

The establishment of homelands did not alter this basic dynamic. They have served as ethnic enclaves which facilitate the management of labour reserves and act as a cushion for the discontent and unrest emanating from the parasitic rural-urban linkage.

The impact of the above dynamic on the process of urban development has led to a very rapid increase of urban growth in the last five years, especially after the relaxation of 'influx' controls. Cities which were designed without the facilities to accommodate new rural immigrants have had to cope with a massive population growth, sometimes doubling their size in a short period.

The previous shelter and spatial designs of the urban centres (especially of the townships) could not absorb the 'surplus' population. The consequence was the emergence of new squatter settlements bigger and more populated than the planned city. These new settlements lack basic services and are prone to severe social malaise, especially with the deprivation of privacy.

The perverted rural-urban linkage has generated a proliferation of institutions which are not properly synchronized. An average province has

more than sixty agencies handling the association between urban and rural sectors. The consequence is inefficient resource utilization, functional overlap, poor coordination, costly overheads, and an alienation of the people.

The deliberate reinforcement of primordial identities (such as ethnicity) in the rural areas has created a problem of social interaction in resettling in urban centres. Factional conflicts, often believed to be incited by state institutions, have created insecurity and undermined civic organization in a number of townships.

Despite this linkage between urban and rural dynamics, the policy process – even within the democratic movement – seems to be dominated by an urban bias ideology. The conception of South Africa as an industrial country is not uncommon. The urban bias is reflected not only in the vision of the future, but also in the activities of service organizations and research institutions.

The challenge facing the democratic movement is to develop strategies which can lead to the evolution of integrated cities, a balanced urban system, and an organic rural-urban linkage.

4.6. Land Use, Transportation and Bulk Infrastructure

4.6.1 Introduction

The Mission did not engage in any in-depth, technical analysis of issues facing South Africa in the fields of land use, transportation and bulk infrastructure given that two World Bank missions preceding this one had already developed extensive and detailed infrastructure investment programmes and appraisals. The Bank has extensive experience in large-scale infrastructure planning, and has undertaken valuable research demonstrating the important economic effects of urban infrastructure on the whole process of development.

While the Mission did not focus on the technical aspects of the infrastructure sector, it did seek to provide insight from a more institutional viewpoint that could assist the democratic movement in its handling of this sector. For example, the Mission found that the extreme institutional fragmentation amongst actors within South Africa, especially in the light of massive investments into urban infrastructure by foreign donors, demands caution. The infusion of large investments into this institutional setting could involve a loss of control over an area of investment that will be central to a new government. There are key questions as to who will administer the investment projects; what agencies can and should execute the foreign

funded projects; who will manage their implementation and follow up day-to-day operations; and who will maintain the services and finance their recurrent costs. These questions must be raised and discussed as part of the immediate and short-term investment programming exercise of the democratic movement.

Certain key elements of existing urban infrastructure – land use, transportation and bulk infrastructure – have created significant inefficiencies and inequities in the society. For example, given that the poor are often located in settlements distant from major centres of employment, a wide variety of transport inefficiencies obtain. Commuter vehicles must traverse long distances at low density, thus adding to the costs and burdening poor commuters with long hours of travel. Again, the forced removal of people into settlements far from the urban conglomerations presents a serious constraint on servicing these settlements with infrastructure. This involves a heavy financial burden which will have to be confronted by the democratic movement.

There has been a significant devolution in authority and function in provision of urban services. This has not only exacerbated an already fragmented apartheid authority system but has often forced the poor to pay higher service charges as they buy services from the wealthier areas. In many areas where the Black Local Authority system has collapsed, the white local authorities have been asked to step in and provide services. This has not been an uncomplicated process, sometimes involving the retrenchment of black workers who formerly worked for the BLAs.

There is a very significant fragmentation of authorities in provision of urban services. Not only do the different service areas and boundaries run counter to any principles of effective planning, but the separation of transportation from land use planning compounds the inefficiencies and inequities with respect to both access to, and provision of, key services and infrastructure.

4.6.2. Issues

To begin to respond to these problems, a number of key issues must be addressed. The democratic movement must look at the effective rationalization and restructuring of institutions dealing with land use planning, transportation and the provision of bulk infrastructure. In the process, it must consider an integrated approach to both land use and transportation planning. Such an approach would deal with the need for servicing outlying settlements, reducing the penalty of distance from work and education which the poor (most of whom are black) are presently forced to pay.

4.7. Research and Training Capacity

4.7.1 *The African National Congress*

As indicated earlier, the ANC has very limited capacity or resources available within its organisation to undertake or support research or training in the area of local government. While efforts are now being made to address these difficulties, considerably more attention should be directed to this area given the importance of sound policy options for negotiations, and trained blacks who will be required to assume important positions within all levels of the state structures involved in local government.

At the same time, there is confusion within the democratic movement in terms of the roles of the various structures involved in the area of local government. This has hampered efforts to marshal the capacity available to the democratic movement to address the urgent needs at hand.

4.7.2 *Civic Organizations*

Aside from the obvious challenge of providing facilities for the training of professionals in the field of local government as it is conventionally understood, a whole new cluster of training needs have grown up in response to the development of civic organizations throughout the country. During the 1980s, civics became very important actors in forcing the issue of urban services in the black local authorities and squatter areas onto the political agenda. More recently, civics have been actively participating in numerous formal and informal negotiations over the future form, content and jurisdiction of urban government.

4.7.3 *Service Organizations*

Without diminishing the extremely important function that the service organizations currently perform within the larger democratic movement, there are three questions about their future role.

Firstly, is there not a serious imbalance between the resources which the service organizations can bring to bear on any question, and those of the civic organizations that are engaging them? Virtually all the service organizations are physically located in the large metropolitan areas. One organization in Johannesburg, for example, employs 33 trained professionals; another group in the Western Cape employs 12 full-time staff and taps into the services of from 65-70 volunteer professional members. Since in some (but not all) cases, the most active professionals in these organizations are white males, does this not create a situation in which poor

black community organizations are ultimately dependent on the same kinds of structures that they are attempting to change? Service organizations answer that they only act on request from the civics, that they as individuals are committed to the mass democratic goals of the organizations they work with, and that they are making major efforts to bring in more black professionals and develop training and outreach programmes. It should also be noted that the argument about imbalance in structure comes more often from national organizations than from the local civics working directly with the service organizations.

A second concern relates to research. To the extent that the service organizations use the good offices of the civics and other groups to carry out research on joint projects, they may indirectly use this information and experience to obtain further external contracts. Meanwhile, the civics have not developed their own research capacity, and the information collected may not be in usable form by them. This raises the question of the degree to which civics should be trained to carry out some kinds of basic research on their own, and the broader question of the kind of action or community-based research that donor agencies (both inside and outside of South Africa) may wish to support. On the one hand, there is the argument that civics should not develop a specialized research capacity (however basic this research may be), since the development of such a capacity would detract from their basic goal of dealing with grassroots problems and engaging in political protest. On the other hand, some argue that structures should be established to involve civics and other community organizations in local research projects of their own choosing, so as to empower them to select needs and priorities on the basis of information they themselves generate.

A third area concerns the manner in which service organizations conceive of their work. At the present time, most of the work undertaken by the service organizations is reactive in nature. There is a serious need to move to more proactive work: communities face a threat (usually from the state) and the service groups then step in and help to service the community-based need to engage the state. Increasingly, however, these service organizations are coming to realize that they must contribute, through research and analysis, to the development of policy options for mass-based formations. As they become more proactive, however, they need to sort out the financial questions as well. Since most of their funding comes from overseas donors, where will the funding come from should they define their research and action agenda more in accordance with the needs of the civics and the democratic movement in general? Even when the donors are generous and flexible, the accountability of the service organizations

presents a real dilemma. External funding may allow for the development of innovative programmes; and at the very least makes possible some projects that would not have otherwise taken place. On the other hand, both the service organizations and the democratic movement need to come together on a plan, or an agenda, in order to use the talents and resources of this very important sector in a fashion that best reflects the needs of South Africa.

4.7.4 University Research and the Urban Sector

The wider question of university research in the urban sector needs to be addressed at this juncture. Three important questions immediately arise: who sets the research agenda? who carries out the research? and in whose interests is the research carried out?

In discussions which the Mission had with local university researchers, it was observed that – at least in the urban sector – the research agenda through the 1970s and into the early 1980s was essentially set by individual researchers themselves. Funding came largely from the state-linked Human Sciences Research Council (HSRC), or to a lesser extent from University sources on the basis of individual project applications which included a peer review element. From the early 1980s, however, some university researchers began working more closely with trade unions and civic organizations. And by the mid-1980s business groups, acting largely through the intermediary of the Urban Foundation, began to fund urban research on a commission basis. A final element which the 1980s brought was the involvement of a number of university professors (who, of course, are also researchers almost by definition) as active members of service organizations, involved in practical action and community-based research. While most university researchers continue to work on their own carrying out more traditional scholarly research, and some clusters of researchers continue to set their research agendas in relative independence of the specific demands of the union and civic movement, the overall level of research engagement with the agenda of the democratic movement seems to be increasing.

There are, however, two important caveats to this brief picture. One is that the social profile of most of the urban research that is published within South Africa (or outside by South Africans) continues to be white, middle-class and male. Few women are active in this process, and even fewer black. This is a serious limitation, although there are constructive approaches afoot to redress the imbalance.

The second caveat arises out of the distinction which must be made among the three major categories of universities in South Africa that were mentioned in Section 3 above. The older, Afrikaans-language universities have solid experience in both basic and policy-oriented research. Their work

has, predictably, not moved in the direction of either the research agenda or the policy goals of the mass democratic movement. As for the open English-language liberal universities, a small, but increasing proportion of their research work has been oriented to the agenda of the democratic movement, particularly during the 1980s. The weakest university group consists of the historically ethnic institutions created by the state. Their research weakness does not necessarily derive from lack of sympathy for the goals of the democratic movement, but rather from very heavy work and teaching loads on their staff. With very large classes and no marking assistance, and with a high proportion of students who need close personal help, the teachers at these institutions – most of whom are black or Asian – have little time for research, let alone writing and publication. Like women researchers, they are outside the networks of active research activity. This is a pity, since their teaching would be enriched by more research activity, and since many of their students will move directly into positions of influence in restructured local and national institutions in both the private and public sector. Indeed, these universities are likely to be the major source of training for new entrants into the more democratic, accountable local government system that will be a central element in post-apartheid South Africa.

4.8. Desegregating the City

Planners and government policy makers concerned with the mammoth task of desegregating the cities of South Africa will face three major constraints. These include the entrenched system of apartheid-created infrastructure which effectively divides the cities and towns along racial lines; the fragmentation of authorities governing urban development in South Africa; and the current limitations of development agencies concerned with planning, local governance, infrastructure provision and local service supply. Each of these represent serious development obstacles for the democratic movement in considering how to proceed with desegregating the cities.

4.8.1. Description

The spatial form of the urban areas may be described as follows:

- The racial territorial divisions are stark.
- There is substantial fragmentation of local authorities.
- The poorest people live furthest away from jobs and have the worst housing with no water, electricity and sanitation.
- Workers have long distances to travel to work, often have to walk many kilometres and wait many hours for transport.
- Housing and sites are unavailable for most people because of affordability constraints.

- Violence is increasingly playing a part in creating large numbers of internal refugees.

4.8.2. The Process of Desegregation

Over the past few years a number of studies have appeared suggesting possible effects the repeal of the Group Areas Act might have on the spatial form, social composition and conflict levels of the South African city. The vast majority of the studies have been comparative in nature, arguing that important lessons may be learned from the recent experience of, for example, Harare, Mafikeng and Windhoek. These studies suggest that a similar process of change was experienced by each city, and that various factors contributed differentially to the process of "integration" within each of the cities studied. In addition, and importantly, these studies suggest that, at least in the cases of Harare, Windhoek and Mafikeng, a radical transformation towards more integrated cities has not occurred. Rather, there appeared to be something of an ad hoc process of change.

In the South African case, effective monitoring processes should be set up to guard against negative practices such as blockbusting and redlining. In addition, comparative studies should be encouraged into the whole question of neighbourhood change. As a nonracial democracy is born, the process of change will require monitoring as a way of identifying ways in which state and other interventions can facilitate the process of change towards a nonracial, united, nonsexist and democratic society.

4.8.3. Issues

Desegregating the city is a process of dealing with both subjective and objective conditions. Subjectively, providing people with the vote, moving towards constitutionalism and the creation of a culture of democracy are important mechanisms for developing the conditions under which desegregation might occur. The ANC's proposals on constitutionalism which have a direct bearing on desegregating the city include: ensuring there will be no discrimination; that all will have equal protection before the law; and that people's social, economic and cultural rights will be respected. These basic principles have interesting implications for creating a desegregated city. However, substantial work remains on identifying the implications of such principles to future planning for a desegregated city. For example, if one applies the principle of equal protection, then all urban residents should enjoy the same rights to street lighting, garbage collection, pavements and other urban services.

Creating the objective conditions for a nonracial democracy also provides interesting challenges. For example, desegregating the city involves

developing appropriate spatial options and mending divided cities. In addition, the call for "one city-one municipality" holds a number of important implications for the future tax base of integrated cities.

In desegregating the city, there is a need to develop principles along the lines of

- *Nonracialism*: This does not mean that the poor are planned for in the way black people were planned for in the past. Poor and working people must be integrated into the fabric of the entire city, in inner city areas, high income suburbs and all urban residential areas without regard to race.
- *Democracy*: Communities must be involved in planning decisions and must be equipped with technical and financial resources for direct action at the community level.
- *Nonsexism*: Women must be integrally involved in planning to ensure the situation is not created where women, as happens now, are generally prisoners in the townships, far removed from opportunities for work, facilities and access to urban services.
- *Unity*: The geographical, political and social fabric of cities must be reknit to provide a quality of life to urban residents which reflects the new united South Africa.

Finally, it is important to note that desegregating the cities will require a whole new way of thinking about cities, planning for the people living there and implementing decisions reached collectively and democratically. Community participation, mixed-use neighbourhoods, assisted housing in higher income neighbourhoods, cross-subsidies between neighbourhoods, and a wide variety of other principles will have to be used to significantly upgrade townships and provide a broader range of opportunities for the poor. The planning profession will undoubtedly have to change and could well require mid-career courses and retraining for professionals and substantial changes to existing syllabi for new students.

4.9. Financing Urban Development

4.9.1. Introduction

The urban crisis has been amply demonstrated elsewhere in this report. On top of the backlog in terms of housing, in the field of essential infrastructures such as water supply and sanitation, development agencies value the cost of bringing up to standards local services in the black townships at more than R16 billion.³ Not more than 30% of black urban residents have access to electricity in their homes. A programme to electrify all houses in South Africa in 20 years would cost about R800 million per

year. If the state was to undertake a massive programme of transfer and achieve racial parity in such key areas as education, social pensions, health and housing, it would require a massive increase of state expenditures, from their present level of 10,7% of the GDP to more than 34%. This would, in the short term, have an important inflationary impact.

Thus, the immensity and the complexity of the present problems seem insurmountable. However, looked at from another angle, the rebuilding of the post-apartheid city could fit into a global restructuring approach. Current research conducted by a variety of "think-tanks" and organisations on this question estimate that rebuilding the city could be realistic in terms of the current financial possibilities of the country. Moreover, it could act as a "kick start" for the weakening South African economy.

The DBSA, for example, believes that financial resources in the order of R4-5 billion per year could be raised for a major rebuilding programme of the cities. According to some of the major South African financial institutions which recently conducted a "scenario planning" exercise, the South African government could facilitate economic recovery by setting up an ambitious housing programme to establish more than 400 000 new sites and 200 000 cheap housing units each year until 1995.

4.9.2. Housing as a Possible "Lead Sector"

The democratic movement in South Africa has started to address this issue of housing as a possible lead sector to "kick start" the macro-economy.

The urban and housing debate is one important part of a larger macro-economic programme initiated by the ANC and COSATU in 1990. The framework adopted by the ANC and COSATU, termed "growth through redistribution", is focused on long-term development which combines accelerated economic growth with a redistribution of income and resources in favour of the underprivileged majority of the population. It emphasizes the provision of housing and services as well as the expansion of the industrial and mining sectors (growth) as the main means to put the South African economy "back on track". This model assumes that redistribution will contribute to growth through the expansion of the domestic market, induced by a restructuring of industrial production.

It is estimated in that context that a massive programme of housing would have a "trickle down" effect on the whole economic structure while meeting a basic need.⁴ It would be a "lead sector" as part of a larger programme implying major restructuring of the economy.

The objectives of this programme would be to sustain long-run growth of the macro-economy through development of the domestic market, localise economic development within the marginalized communities, limit the need

for imported inputs, and sustain redistributive gains by minimizing dependency on wage incomes earned in the core economy.

This would be made possible because of the presumed strong backward linkages of the housing and construction industry, thus generating major spin-offs for the domestic economy. Because housing cannot be detached from the provision of basic infrastructure such as water, sewage, electricity and transport, a national housing programme would benefit many industrial sectors, thus expanding employment in particularly labour-intensive and semi-skilled sectors. To the extent that additional income is earned by those with a low propensity to consume imports or to save, the income multiplier effect would also be high.

4.9.3. Identifying the Conditions

If there is a wide consensus around the intuitive appeal of such a programme, debates are presently raging on its feasibility. Certain sectors of the business community have raised doubts about its financial soundness and are promoting instead the view that South Africa should first come out of its present economic lull through an "export-led" growth model. Others wonder about the actual import content of such a scheme, and the capacity of the local economy to respond without creating upward pressure on prices.

In order to respond to this criticism, the democratic movement has initiated a number of research projects to examine in some detail the implications of the "housing as a lead sector" hypothesis. Part of this research has been converging with some of the DBSA's findings, according to which R4-5 billion could be tapped annually from the already existing fiscal and urban systems. The breakdown of this is as follows:

- R1,6 billion from the home loan finance private funds;
- R1,6 billion from state funds allocated for housing and development;
- R2,4 billion from Regional Service Councils, the DBSA and the SA Housing Trust for upgrading.⁵ It is to be noted that three times more investment is committed to housing from the public sector.

Some of this analysis has been further developed by progressive service organisations working with the ANC in an exploratory "modelling" exercise around the impact of housing financial schemes. Using variables such as differentiated housing programmes (site and service, affordable housing, infrastructures) and family income potentials, different possibilities have been established which would resolve the present urban backlog while facilitating economic recovery.⁶ The same preliminary exercise has been done in the field of electrification where it is presumed that the state corporation Eskom has more financial flexibility than usually presented and could therefore self-finance a large programme of township electrification. It

even seems that Eskom would not even need to borrow substantial financial inflows overseas for such a programme.⁷

Even if the public sector could take a larger responsibility in such a major housing programme, there is a broad consensus about the necessity of bringing in many more actors than the government. Already large private institutions are active.

Moreover, a number of important initiatives have been taken by the NGOs and mass formations on the ground. In Durban, for example, these community-based initiatives are going to account for more than 7 000 housing units within the next 12-36 months.

Elsewhere in the country, community development trusts are being set up to finance low-cost housing and servicing. In Alexandra, for example, the civic organization was able to obtain a large track of land which is going to be developed in a variety of ways. Consideration is also being given to the establishment of community financial institutions, as a lot of community-owned credit is not being properly used and controlled by the township population. In Durban, community organizations are looking at taking over the large vacant area known as Cato Manor, while in Cape Town such a project is under way around the old mixed area of District Six. Being based on community participation and involvement, these approaches require comprehensive participatory planning processes. These requirements are often not recognised by private and public developers and financial institutions, and fall back on resource-starved community-based organizations and their supporters such as the service organizations. Unless major investments are considered at this level, it is unlikely that this local and community-based productivity will be tapped.

4.10. Mobilizing Resources

4.10.1. International and National Resource Mobilization

In this period of transition and development reconstruction, the international community can play a positive role in supporting the process of change. Financial resources as well as international experience and technical and human resources could play a critical role in assisting in the transformation of apartheid structures and in addressing the inequalities in urban living conditions. While the potential exists for the international community to have a positive intervention, it is important to ensure that this engagement benefits specific targeted groups in the country. It is, therefore, important that the democratic movement becomes informed about the development experience elsewhere in the world, and establishes a strategy to maximise the benefits that the international community has to offer to post-apartheid

urban development.

The international resources potentially available in South Africa emerge from the following three sources:

- international organizations which would include the United Nations bodies, such as the international financial institutions (World Bank and International Monetary Fund), development agencies (UNDP, UNICEF, UNCHS, WHO, etc.), and bilateral aid agencies (USAID, CIDA, GTZ, etc.);
- private sector institutions that would entail private banks and lending institutions and corporate investment and service groups; and
- non-governmental organizations and institutions.

There are obvious advantages and disadvantages to mobilizing resources from each of these sources which cannot be elaborated in detail here. However, a number of key issues related to international resource mobilization deserve mention:

- The extent to which resources are available from the international community will be determined overwhelmingly by the development model selected by a new government and its implications for redistribution and macro-economic balance; and the degree of political/social stability in society.
- The degree to which the democratic movement and a new government can retain autonomy and be in control of the development process will be crucial for ensuring the effective use of international resources. The extent to which local resources are successfully harnessed for the development process will determine, to a large degree, the amount of control that can be exercised.
- International resources in almost all instances are dispersed with attached conditions which can undermine the development process. Knowledge of these conditions and an assessment of their cost and benefit is essential if international resources are to support the development process.
- The absence of coordination in the use of international resources can lead to inefficiencies in the national development process. The coordination of international institutions and agencies is, therefore, of critical importance.

There are many other issues that could be extracted from the vast body of literature on international development. What is most important for the democratic movement at this stage in the transition process is to establish a coherent strategy for mobilizing international resources for urban development. Such a strategy must be an integral part of its policy formulation process for the urban sector. The interest and willingness of institutions like the World Bank to provide resources for urban development

in South Africa demands that the issue receives urgent attention in the democratic movement's efforts towards urban development policy formulation.

While international resources will be important to the development process, it is critical that this process be led by South Africans and that national strategies to mobilize local resources also be implemented. There is clearly enormous potential for local resource mobilization. Not only the state, but the private sector as well, has the capacity to deliver resources on a massive scale for urban development. The democratic movement must give urgent attention to research aimed at determining the potential for local resource mobilization and identifying strategies for marshalling resources in this area.

4.10.2. Identifying Resource Needs

What, then, might be some of the areas in which resources are required at present? In general terms, provision should be made to help in the process of constructing a new vision for South Africa. This is in part a political exercise and resources should be made available for political and community-based organizations to develop, for example via urban demonstration projects, a concrete vision for cities in a post-apartheid South Africa.

The second broad area is to build the capacity of South Africa to address the broad range of developmental needs. This capacity-building process must, however, recognise two realities: programmes of capacity-building must empower blacks and women directly; and some existing institutions such as Universities provide the easiest and most cost-effective means of gearing up to build capacity, training people, and so on. Given that affirmative action must underpin such policies and that the more progressive, historically black Universities are underresourced, they could be singled out for help in creating that capacity.

The third broad area of need is allowing the disenfranchised to access finance and resources. This is a crucial factor, particularly given that such resources have traditionally been controlled by the white minority government.

4.10.3. Existing Approaches

Funding has been viewed as a zero-sum exercise: many of the South African groups have tried to position themselves as recipients for the funds, putting forward what they view as the single best solution to the inequities of apartheid and redress the wrongs of the past. Interestingly, the organizations most based among the oppressed have either had least opportunity or been

most unable to adequately address and underline the importance of a diverse range of initiatives required.

The approach has been geographically very restricted. The approaches have not presented the range of needs at the variety of geographical scales. For example, what are the requirements of the southern African region as a whole, South Africa in general and the various regions in particular? And what about the rural areas? Indeed, what has often emerged is a view from the Pretoria-Witwatersrand-Vereeniging region rather than one which is regionally and locally sensitive.

Institutional change cannot simply be reduced to an educational process: resources and real power must begin to be transferred to those disadvantaged by apartheid. In addition, resources should be used to give effect to strategies of affirmative action and institutional change which empowers the disadvantaged.

Overall, there is a need for strategic vision in a qualitative and quantitative sense.

5. RECOMMENDATIONS: TOWARDS AN URBAN POLICY FRAMEWORK

5.1 Introduction

The urban sector in South Africa is not only complex but also incoherent as a result of a political system that has fragmented the administration and conceptualization of urbanization. The urbanization process, however, has been proceeding according to its own dynamic in spite of the attempts of the state to restrict its form and pace. In searching for an urban policy framework as South Africa embarks upon a new, democratic phase of its evolution, this Mission has proposed an urban development approach. Such an approach emphasizes the interdependency of the many sub-sectors that comprise the urban realm, stresses the expansion of opportunity for those who have been excluded in the past from the benefits of urbanization, and attempts to bring the urban policy arena more directly into relation with the reality of a new, democratic and nonracial, and accountable political system at all levels.

In the spirit of this approach, the Mission proposes a number of measures to strengthen the process of formulation of an urban policy framework – a process that is currently taking place at many levels both within the democratic movement and between the democratic movement and other elements. In the measures proposed, an attempt has been made to deal with both the process of formulation of ideas and solutions, as well as the substantive purposes to be served.

These measures fall into three major categories:

- *Principles for a national urban policy*, outlining and recommending what ought to be the key governing principles of a new urban policy in South Africa.
- *Key components of a national urban policy*, identifying the key building blocks of a national urban policy for consideration by the democratic movement.
- *An agenda for action*, which details potential actions and strategies to be taken by the democratic movement for developing and implementing a national urban policy in South Africa.

5.2 Principles for a National Urban Policy

The many sub-sectors that comprise the urban realm are vast and interdependent. Our emphasis in that context explicitly stresses the

expansion of opportunity for those who have been excluded in the past from the benefits of urbanization and attempts to bring the urban policy arena more directly into relation with the reality of a new, democratic, nonracial, nonsexist and accountable political system at all levels, but specifically including the local, municipal level.

This involves reintegrating the South African city, eliminating once and for all the racial divisions imposed by apartheid which fragmented the urban terrain between the white inner city and the peripheral black township. This reintegration must be nonracial and democratic. It has to empower the underprivileged and especially look after the interests of the impoverished black population and black women in particular, the most disadvantaged underclass in South Africa.

In the lengthy process of democratization, the democratic movement will need to counter bureaucratic confidentiality and strive to make the government (current and future) more transparent, more accessible, and more accountable. All citizens will need to access government information about planning and policy processes and assessments in order to participate fully in government and society.

In other words, a bottom-up process which includes the active involvement of a wide range of popular movements must form the basis for action. Such a process is a political lesson of the urban movement itself in South Africa. It is profoundly anti-technocratic, and must inform future planners of South African cities who will design and build the cities of the future with the direct participation of the citizens themselves. While technology is important in modern, large-scale urban growth, it is not a sufficient condition for successful development without meaningful, democratic political activity at all levels.

We therefore recommend that:

- The short and long-term priority in this area should be to empower those disadvantaged by apartheid. Particular attention should be paid to the democratic movement active in the urban sector, especially those elements which involve civics, the trade unions and the ANC. This has to take the form of various programmes to build their own capacities in terms of urban development, with the aim of building the democratic, nonracial and nonsexist city in all its dimensions. While external assistance will be necessary to build these capacities, the process will have to be South African-led, South African-designed and South African-implemented.
- The empowerment of those disadvantaged by apartheid will come through a reconceptualization of the urban sector, involving a holistic development approach on the multifaceted urban problems. Until now,

there has been extreme fragmentation both in the policy-making and management aspects of the urban sector. At a minimum, urban development involves housing, land and local government, but it also involves a whole range of urban services (such as education, health, and the protection of the environment) which cannot be isolated in the planning and development process.

- The Mission proposes that the democratic movement exercises an explicit political mandate to integrate the various sectors of the urban development process. An interdisciplinary approach is required to link closely the everyday, concrete problems facing people living in the urban areas of South Africa. The solutions to the urban crisis will have to be identified and implemented beyond what is generally presented as "town planning". It will have to create a balanced and generative relationship between urban centres and their rural hinterlands, emphasizing social and economic linkages and incorporating employment generation as a critical factor.
- To achieve these aims, a new urban framework will have to be built in the context of an overall, global macro-economic framework. The urban crisis will not be resolved outside of the global, structural problems which affect the society and economy of South Africa. Redefining a growth path which will address these structural problems and create jobs, provide basic services and permit capital accumulation will be indispensable in building the foundations of a new city. On the other hand, defining how, for, and by whom the urban areas will be rebuilt will constitute a major condition for setting this new growth path in motion.

5.3 Key Components of a National Urban Policy

A number of issues addressed in some depth by the Mission and in varying degrees within each of the regions, are highlighted in Section 4 above. These issues are critical entry points for the democratic movement in establishing an urban policy framework and in considering immediate action plans for implementation during an interim government. The issues include land, housing, housing finance and credit, local government finance, transportation and infrastructure.

ON LAND, the immediacy of the move towards privatization of urban land by current government agencies and local authorities, and the implication of this trend for future governments, demands the development of an interim policy governing such land transactions. Without a policy position on this issue, the hands of future democratic governments will be tied in attempts to allocate land use for development, particularly for low income residents previously barred from settlement in the apartheid cities.

The democratic movement should therefore move quickly to undertake the following:

- Immediately assess the urban land situation nationally (cataloging key sites, open or underutilized sites, ownership and availability) by building on local and regional surveys already done or in progress.
- In the short term, develop a national policy to control privatization of urban land and in particular privatization of the key sites catalogued.
- In the medium term, seriously consider a policy for a new democratic government when faced with a loss of land assets as a result of recent privatization actions taken by previous authorities. Such a policy could include: guidelines for keeping open the power of expropriation rights or the power of eminent domain for future democratic local authorities; determination of compensation guidelines to accompany such powers; and consideration of the creation of a land claims tribunal or a higher level "municipal board" to hear and settle land disputes, competing claims and compensatory disputes.

ON HOUSING, South Africa has an even more serious crisis than most countries, since the problems of urban population growth and serious construction shortfall are exacerbated by questions of access to urban land and the extreme poverty of the bulk of the African urban population previously denied such access. For this reason, urban housing has reached the political agenda as an explosive issue in South Africa. Half-hearted or purely incremental measures taken by a new government to deal with the housing question are likely to be seen as inadequate by the majority of the black population.

We therefore suggest to the democratic movement that:

- An important challenge lies in the definition of "housing". It is important to move beyond the conventional measurement of the housing product in the form of finished housing units or even of serviced sites. This tends to obscure housing as a *process of development*, integrally related to income-earning opportunities, location and political power.
- It is also important to overcome hitherto low levels of community empowerment in the planning process for housing development. Experience in other countries shows that massive state-based housing projects may lead to widespread bureaucratic corruption. In the delivery of state-based housing projects it is extremely important that democratic systems of accountability are ensured.
- It is essential to address the question of subsidies when considering a housing policy to alleviate the extreme poverty engendered by the injustices of apartheid. Subsidies are often challenged on the basis of structural inefficiencies (for example, subsidies often leak to non-

eligible, higher income recipients), in terms of market inefficiencies (subsidized interest rates stimulate demand for more expensive housing causing low-income households to "overconsume" housing) and on the grounds of replicability (no government can sustain to any large degree and in any long-term sense a housing subsidy scheme, particularly since subsidies tend to benefit only a limited number of people amidst a very broad sector of need and demand). While many of these challenges to subsidies are valid, a strong interventionist strategy is required by government to alleviate the housing crisis. This must include subsidies in order to facilitate access to a housing market which low income residents in the country have been barred from in the past.

- Subsidizing low-cost housing through a number of imaginative ways will only be one part of the solution. National and local governments will also have to work on the "supply-side", facilitating or creating stronger and more performing structures to produce the necessary housing for the poor. Firms engaged in the production of housing and infrastructure supplies (cement, steel, electrical supplies, etc.) are highly monopolized, causing weak competition and high costs. Strategic interventions by the state could encourage transformation of this sector along more productive lines. This could involve a national programme to support the development of local entrepreneurship, through credit, training and other means. This would reduce the costs of housing, thus facilitating access and could have a trickle-down effect at the local and micro-level, creating more jobs and reducing costs and increasing affordability.

ON HOUSING FINANCE, the Mission identified a significant institutional gap in getting credit (both finance for land and housing construction) into the low-income segments of the housing market. There are a whole range of credit needs in the housing sector if low-income households are to have access to housing markets in the cities at affordable scales. These needs include credit for a whole range of housing development activities, including credit to assist on initial deposits where applicable; to purchase sites, core units, and/or finished housing; to purchase building materials; to hire contractors and other labour for housing construction; and to upgrade housing. It is important for the democratic movement to address this vacuum in meeting low-income demands for land and housing finance.

We therefore suggest that the democratic movement

- in the short term, investigate, through commissioned research briefs and short case studies, the possible range of credit institutions that could begin to bridge this institutional gap in the housing sub-market. A sample of institutional options encountered in the course of this Mission which could be a starting point and which other more exhaustive experience

could no doubt inform, includes community housing trusts, cooperative credit funds, small savings and loans operations, the Stokvel system and revolving funds. As part of this set of studies, the question of subsidies, particularly as they relate to housing finance, should be examined in depth so as to position the democratic movement in the debate and to argue the issue effectively vis a vis national and international development agencies with already established positions on the issue;

- in the medium term, to investigate how such institutional structures can be established and funded vis a vis existing large credit institutions in the country including private commercial banks and the development agencies.

ON TRANSPORTATION, in order to improve urban commuter services and reduce transport costs for the majority of users who are low-income earners, consideration may be given to pressuring the government and employers to design subsidy mechanisms within the wage and fiscal structures. At the same time, the process of urban restructuring has to involve efficient land utilization which takes into account the transportation factor. Some increase of densification and compaction within the core city may be part of necessary remedial measures.

ON URBAN INFRASTRUCTURE, the distribution has, until now, followed the fault lines of the apartheid system. Apart from being extremely inequitable, the current system imposes very high production costs on the South African economy. The democratic movement needs to rationalize the institutions that make decisions on transportation and large-scale infrastructure. In the process of restructuring, the new institutions should be mandated to deal in an integrated fashion with land-use and transportation planning. Only an integrated approach can deal with the enormous challenge of servicing both the former white local government areas, and the black townships and other outlying areas – where distance from work and other urban facilities is inversely proportional to capacity to pay for transport.

ON LOCAL GOVERNMENT, the Mission supports the principle of reform, through local negotiations within a national framework. At the local level, second-tier (metropolitan) institutions will almost certainly have to be developed in the major urban areas of the country, in order to accommodate the wide range of local government structures currently functioning in a highly fragmented fashion. Both local and second-tier institutions will need to be democratically restructured, effectively financed, and given sufficient powers by the central government to successfully engage with, and adequately respond to, the strong demands of civic associations at the local level.

5.4 An Agenda for Action

5.4.1. Introduction

Within South Africa, broad agreement exists on the need for urban reconstruction within new parameters of nonracialism and democracy. South Africans within and outside the democratic movement are actively engaged in research and policy formulation in support of negotiations related to the transition of the urban sector. Although an enormous amount of effort has been focused on this area, a coherent national urban policy framework has yet to be developed. Given the extent of the crisis in the urban sector and the rapid pace of political change, it is critical that the democratic movement work towards the rapid establishment of a national urban policy framework that articulates a clear approach to urban reconstruction.

While the importance of the urban sector in the building of a post-apartheid South Africa is now receiving recognition within the democratic movement, an urgent need exists to expand capacity and resources to engage not only in research and policy formulation but to play a major role in directing the future course of urban development.

An agenda for action is needed which relies on domestic and international resources to develop both a national urban policy framework and the capacity necessary to guide its implementation.

5.4.2 Recommendations: ANC Department of Local Government

Since its unbanning, the ANC has been faced with the enormous task of both establishing a legal presence inside South Africa and developing organizational capacity to engage in negotiations and prepare for a future role in government. In this context, the ANC has only recently been giving the urban sector the attention it deserves. The recognition of the importance of the urban sector is reflected in the recent decision to transform the Local Government Commission into a full Department of Local and Regional Government based at ANC Headquarters in Johannesburg. Efforts are now well advanced in hiring staff for the Department which should lead to the establishment of a small group of individuals to perform the ANC's work in this sector. However, for the ANC to play a critical role in the urban sector, it will be necessary to build capacity in a number of areas as well as develop linkages with other parts of the ANC and the democratic movement. Particular attention should be paid to actors outside the political alliance that are engaged in work related to this field where important expertise and knowledge exists related to urban transformation.

It is therefore recommended that:

- The ANC's Department of Local Government build its capacity to include specific expertise in the areas of local government finance, housing and land.
- Given the importance of measuring movement away from segregation and towards integrated cities, the ANC should develop a capability to monitor progress in this area which will provide information essential for negotiations and policy formulation.
- As the research efforts in the urban sector both from within and outside the democratic movement develop policy options, the ANC must be equipped to draw on expertise to construct a viable urban sector policy. To assist in this task, the ANC should establish a small Urban Policy Group which should draw on local and international expertise in actual urban policy formulation and administration.
- The ANC's Department of Local Government should work closely with other Departments in the ANC focusing on issues related to the urban sector. Of particular importance will be the relationship with the Department of Economic Policy which has placed considerable emphasis on the role of housing as a lead sector in the economy. Linkages with the Research Department will also be valuable.
- There is a broad range of interests in the democratic movement related to urban reconstruction and development. However, there is no single forum through which the ANC, civics, trade unions, service organizations and other actors in this area can discuss policies and strategies related to this sector. It is proposed that an Urban Policy Forum be established and meetings be convened by the ANC Department of Local and Regional Government.
- The ANC should seek to utilize expertise and knowledge outside the democratic movement on issues related to urban transformation.

5.4.3 Recommendations: Civics

Until now, most civics have been active in responding to the immediate needs and problems of their communities and in orchestrating protest against the South African government. As they approach a new political era, civics need to involve themselves more directly in the development process. This entails addressing concrete issues ranging from defining and negotiating a new form of local government, to the provision of housing and the delivery of bulk services.

During the past year, the recognition of the importance of this new area for civics has led to the establishment of a new national civic structure, the South African National Civic Organization (SANCO).

It is therefore recommended that:

- Substantial assistance be provided for SANCO to build its human resources and expertise to engage with its member organizations in the development discourse on urban reconstruction. Particular attention should be given to identifying the training needs within SANCO and its member organizations.
- Assistance be provided to SANCO and its member organizations in identifying their research related needs and priorities to face the challenges on the urban development front. In this context, it is recommended that SANCO convenes regular meetings of its members to articulate its needs and priorities.

5.4.4 Recommendations: Trade Unions

South African trade unions are in a position to play a greater role in the debate on the future of urban development. Important initiatives have been undertaken on urban reconstruction by COSATU and also by NUMSA and NUM. Given the important role of the trade unions in the current juncture, it is essential that greater emphasis and resources be devoted to research and policy formulation in this area.

It is therefore recommended that:

- COSATU convenes a meeting of trade unions representatives interested in the urban sector to discuss its overall needs and priorities in this sector.
- COSATU request that the Economic Trends Group expand its research on urban reconstruction and collaborate more directly with other research initiatives in the democratic movement on urban development.

5.4.5 Recommendations: Service Organizations

Service organizations operating in the urban sector have preformed a valuable function in supporting community efforts to combat the apartheid policies of the South African government and in assisting local organizations to establish alternative development initiatives.

The skills available in service organizations have been of critical importance to the democratic movement, particularly during this period of intense negotiations at the local level aimed at transforming the apartheid city. However, there is evidence that there is a need for a better understanding of the role of service organizations in the urban development process; greater access by local organizations to the resources and decision-making structures of service organizations; and greater coordination among service organizations to maximize the use of their resources.

It is recommended therefore that:

- They should, in conjunction with the ANC, COSATU, SANCO and the Urban Sector Network, participate in the proposed Urban Policy Forum which among its priorities should discuss the role of service organizations in the urban development process.
- Service organizations should place more emphasis in transferring skills to local organizations and building capacity in these organizations to engage in the urban development process. Attention should also be given to involving local organizations more directly in decision-making related to the deployment of resources.
- The Urban Sector Network should be formalized and meet regularly to discuss the work of service organizations. Greater effort should be made to coordinate the work of service organizations through the Network.

5.4.6. Recommendations: Government Institutions

As part of the process of capacity building during the transition period, the democratic movement needs to counter bureaucratic confidentiality and strive to make the government more transparent. Such a transparency need not be only at the level of accessibility and accountability, but also in revealing critical information about major policy processes and assessments. At the same time, there is a need to begin an examination and dialogue directed towards transforming national development agencies to ensure that they meet the needs of the majority of South African. A most important need will be for state-supported national development agencies to begin supporting specific initiatives aimed at training blacks, and particularly black women, to assume positions within state structures involved in the urban sector.

It is therefore recommended that:

- Government agencies respond positively to requests for information from the democratic movement. Such information is critical for participation in the restructuring process and planning for a democratic future.
- The democratic movement should undertake initiatives aimed at providing strategies for the transformation of government institutions involved in the urban sector. Such initiatives should include, where appropriate, the participation from government development agencies.
- Government agencies actively support specific initiatives aimed at training blacks for positions with state structures involved in the urban sector.

5.5. Establishment of a National Urban Institute and Urban Research Group

The capacity available in South Africa to address the pressing needs in the areas of urban research, policy formulation and training is very limited. What capacity does exist is highly fragmented. Research outputs have not always been relevant or accessible to needs of organizations striving to build a post-apartheid urban environment. At the same time, training programmes in critical fields such as local government administration are almost non-existent. There is, in the view of the Mission, a critical need for the establishment of a coordinated structure to build capacity on a national basis in the areas of urban policy research and training. This structure, which will be elaborated on below, must combine as many elements as possible of the existing capacity in universities, service organizations, civics and local authorities, while at the same time building an institutional basis for urban research and training that will be sustainable well beyond the transition period.

It is recommended therefore that:

- A National Urban Institute (NUI) be established to coordinate urban policy research and training.
- The mission of the NUI would be to draw on existing expertise to develop research capacity and training programmes related to the urban sector. The research programme should focus on issues relevant to urban transformation in South Africa. The training programme should concentrate on a number of areas related to local government administration (e.g. finance, administration, project management, transport management, service delivery, etc.).
- To ensure access to all South Africans, the NUI should constitute itself in the form of Regional Centres (RCs) where overall coordination will rest with one of the RCs. There should be no more than four RCs established.
- Emphasis should be placed on locating these RCs in institutions that have been disadvantaged by apartheid. However, the critical element in deciding on the location of the RCs should be the ability of the institution to mobilize existing capacity in the urban sector within and outside the institution where it is located, and to deliver research and training programmes.
- The NUI should not be constituted as an extension of the democratic movement. Rather, it should be developed as an institution that is available to all South Africans irrespective of their political persuasions and not encumbered by accountability structures limited to political

organizations. Nevertheless, the NUI should be an initiative propelled by the democratic movement to establish a new locus for local government research and training of which they would be a main beneficiary.

- There is, nevertheless, a need to develop a specific initiative aimed directly at the democratic movement to consolidate and build the capacity available for the purpose of developing policy proposals for negotiations and the transformation of the urban sector. It is therefore proposed that the NUI establish as one of its major programmes an Urban Research Group (URG). The NUI should be responsible for the overall administration of the URG but the URG should establish its own accountability structure involving national and regional representation from the ANC, civics, trade unions and other relevant organizations. During the initial phase of building the NUI and the URG, the URG should constitute the research programme of the NUI. However, over time the NUI research programme should expand beyond the URG initiative. This will be necessary given that the URG is envisaged as a short-term initiative aimed at addressing the needs of the democratic movement during the transition period.
- The URG network focuses on the establishment of an urban policy framework which takes into consideration the priority issues outlined in this Mission report. Special attention should be given in the URG to the macro-economic implications of different policy options as well as the impact of macro-economic policies on the urban development process.
- Priority should be given in the URG to attract black researchers and women into the research network. In this regard, special efforts should be made to develop links with and support for urban and local government research within the black universities.
- Given the need to develop a cadre of black researchers and policy analyst with knowledge in the urban field, it is critical that the URG devote significant resources to research training initiatives. All research projects participating in the URG network should include positions for research trainees.
- The coordinators of the URG research projects should meet regularly with the Urban Policy Forum to discuss and disseminate policy proposals.
- To avoid delays in establishing the NUI and URG, the existing structure of LOGOPOP should be used as the foundation for developing these two initiatives.
- It is proposed that the NUI and URG proposals be discussed in detail at the final conference for LOGOPOP in October 1992.

5.6 External Assistance and Support

The international community must play a positive role in supporting the democratic movement in its efforts to establish priorities and policies for a post-apartheid urban development strategy. External assistance should be provided in a manner that builds capacity for those disadvantaged by apartheid. Given the uneven nature of the policy debate, it should empower the democratic movement at all levels to participate effectively in negotiations and to lead a process of national urban reconstruction and development. To maximize the benefits of external linkages, the democratic movement must establish clear principles to guide its engagement with the international community.

It is therefore recommended that:

- Policy options be developed on the role of external assistance and support in the context of urban reconstruction and development. In developing these policy options, consideration should be given to a number of issues: lessons learned from international assistance to other developing countries in the urban sector; the relationship between current donor strategies for external assistance to South Africa and efforts to formulate a national urban policy framework; and the most appropriate modalities through which external assistance can be mobilized to empower those disadvantaged by apartheid.
- Apartheid isolated South Africa, preventing the democratic movement from benefitting from the experiences of other post-colonial societies in the area of urban development. In the rest of Africa, Asia and Latin America, there are valuable experiences in the urban sector that are relevant to South Africa. At the same time, there exist important technical skills in other parts of the developing world that can be used to support the formulation of an urban development strategy. In this context, South Africans involved in the urban sector must begin building linkages with other developing countries in this area.
- The proposed NUI and URG initiatives should consider linking up with other networks with relevant experience for South Africa such as the Africa Research Network for Urban Management (ARNUM) and the Municipal Development Programme (MDP).

LIST OF ORGANISATIONS MET ON THE MISSION

Alexandra Civic Organisation
African National Congress (ANC)
BASIN Trust
Beacon Bay Squatters Committee, East London
Built Environment Support Group (BESG)
Cape Town City Council
CAST
Centre for Community and Labour Studies (CCLS)
Congress of South African Trade Unions (COSATU)
CORPLAN, East London
Development Bank of Southern Africa (DBSA)
Development Action Group (DAG)
Duncan Village Residents Association, East London
Durban City Council
Economic Policy Unit, Pietermaritzburg
Fifth Goldfields Metropolis
Foundation for Contemporary Research (FCR)
Grahamstown Rural Action Committee
Inanda Civic Association
Independent Development Trust (IDT)
Johannesburg City Council
Johannesburg Civic Association
Johannesburg Metropolitan Chamber
Joint Executive Authority (Natal)
Kwandebele Civic
KwaZulu Development Council
KwaZulu Development Trust
KwaZulu Finance Corp
Natal Provincial Administration
Natal Regional Planning Institute
National Housing Forum
Orange Free State (OFS) Rural Committee
Planact
Port Natal Ebhodwe, Joint Services Board
SOMACA
South African Communist Party (SACP)

South African Housing Trust (SAHT)
South African National Civics Organisation (SANCO)
Soweto City Council
Soweto Civic Association
Surplus Peoples Project (SPP)
Tamaho (Squatters)
Transvaal Provincial Administration (TPA)
University of Cape Town
University of Durban Westville (UDW)
University of Natal
University of Western Cape
University of Witwatersrand
University of Zululand
Urban Foundation (UF)
Weiler's Farm (Squatters)
Zevenfontein (Squatters)



263836

NOTES

1. COSATU, Economic Policy Conference, March 1992.
2. BMI Building Research Strategy Consulting Unit, *Building Study*, volume 1, cited in *A Summary of the Proceedings of the Housing Workshop hosted by the ANC-DEP* (Soweto, 1991).
3. K. Wall and B Jackson, "Lower Standards Can Ease Backlogs", *Business Day*, April 15, 1992.
4. Dan Smit and Conrad van Gass, "The Case for Housing as a Lead Sector", ANC's National Housing Policy Workshop, September 1991. The authors are associated with the Built Environment Support Group based at the University of Natal.
5. M. Swilling, "Political Transition, Development and the Role of Civil Society", *Africa Insight*, 20(3), 1990.
6. D. Smit, *Housing Backlogs and Income Distribution*, BESG, 1991.
7. P. Bond, "Community Development Finance for Electrification Initiatives", ANC, National Meeting on Electrification, February 1992.