

RENTS: paying for incorporation

THE South African state, with a fair amount of pushing from the business community, has now apparently acknowledged that there is a permanent african population in the urban areas outside of the bantustans. Of course, the single biggest factor to have brought both capital and the state round to this point of view is the resistance shown by the dominated classes during the 1970s, manifesting itself in the events of June 1976 and thereafter (this is not to argue that strike action before that had not shaken state and capital previously).

But attempts are being made to turn defeat and retreat into an assault on the potential solidarity of the oppressed people, whether they be situated in rural or urban areas. The present strategy followed by the state, of attempted incorporation of a section of the dominated classes (mainly the urban-dwelling section of the african working class and the petty bourgeoisie - traders, officials, and professionals), takes place against the background of resistance within South Africa, massive unemployment (mainly exported to the bantustans), the need for a stable labour force and uninterrupted production by monopoly capital (the most important

form of capital since at least the second half of the 1960s), and the changing face of southern Africa.

It would be easy to give the impression that the strategy of incorporation is an easy one, running smoothly in the direction that is desired (in much the same way that the 'constellation of states' suggested by PW Botha seemed to be reality until the victory of the ZANU (PF) and the subsequent conference of southern African states without the presence of South Africa).

That is the way that it sometimes comes across in the press - as a smooth path to the existence of a 'black middle-class'. And no wonder - because the people who are 'newsworthy' are the individuals from groups that are most easily incorporated, the people who are subject to discrimination rather than exploitation. Let me take some examples - those who own businesses in the townships feel that they are not getting as good a deal as their white counterparts (and this is correct), but at the same time they are basically in agreement with the system as it exists at present - a more equal distribution of profits is what concerns them. Sure, they are discriminated against but the level of discrimination could change (if your income is high enough you are welcome in the Carlton Hotel or the Sun City shrine-to-insensitivity-and-capital, even if your skin is black). For these people apartheid is very much related to the level of discrimination (apartheid=unfair distribution of resources and access to resources). In other words, what is wrong is the system of apartheid. These are the

people who are immediately available for incorporation, people who would like to see change, but then mainly in terms of a change-over of office bearers.

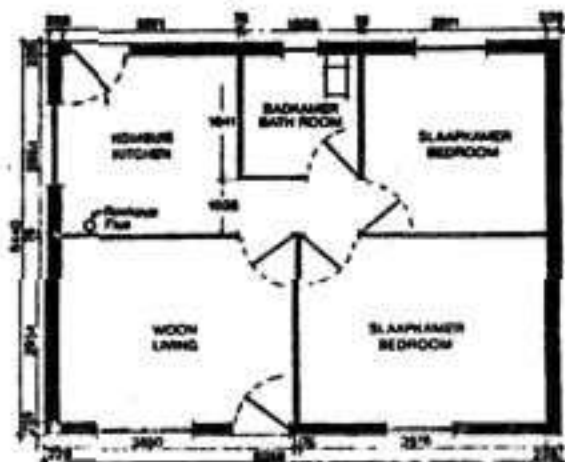
For these people the slogans are: 'Away with separate residential areas'; 'Ownership in urban areas'; 'Equal salaries within the medical and teaching professions'; 'Let us into the the central business district'; etc.

But there are other people who are exploited by the system, and would be exploited whether the office bearers of capital are white or black (in many cases they are black already). There are many obstacles in the way of incorporating these people, because the system of profit-making depends on the positions that they occupy at present; depends on the low wages; depends on the low quality housing and public facilities such as health and education and transport.

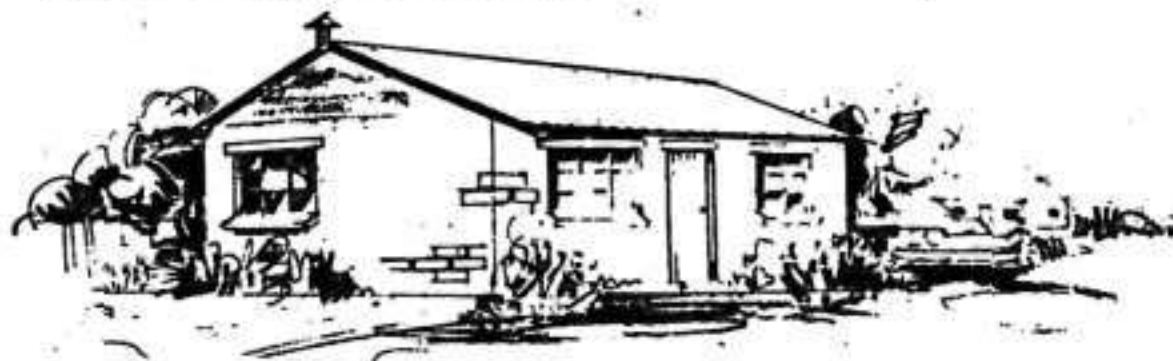
This article will look briefly at two issues: the first is that of who is going to pay for the incorporation of some (in the case being examined the issue of rents, and protest against the suggested increases); and secondly, who should be leading the protest. It is not possible to completely separate these two issues.

In a previous issue of Work in Progress (10) we published an article on bus boycotts, which looked at who was expected to pay for the system of placing large numbers of the working class within the bantustans, and, consequently, far from the place of work. In the cases that we looked at the working class was supposed to pay up to

TIPE/TYPE 51/9



Veen/Living	11 234 m ²
Kookhuus/Kitchen	8 732 m ²
Badkamer/Bathroom	3 530 m ²
Slaapkamer 1/Bedroom 1	11 706 m ²
Slaapkamer 2/Bedroom 2	8 732 m ²



allow 'reasonable profits' to the bus companies (in which the bantustan had a share) for transporting them from where they did not want to live to where they had to work. These moves to increase bus fares were resisted and are still being resisted.

At the moment attempts are once more being made to increase the transport fares both in urban and rural areas. But there are also attempts to increase rentals for houses in urban areas.

WHO PAYS?

The main sources of revenue for the financing of the townships within which africans have to live have been the following:

1. Registration and labour fees - paid by the employers;

2. Fines for certain offences;
3. A service levy paid by the employers who do not provide accommodation for workers;
4. Sale of liquor;
5. Rents (including fees for services) from the township residents.

Previously, while Soweto was administered by the Johannesburg Municipality (up to the creation of the Administration Boards, the West Rand Administration Board (WRAB), in this case, in 1973), it had to a certain extent received transfers from Municipal finances directly to supplement the income from the sources listed above. This stopped with the take-over by WRAB and the state's policy that the Administration Boards be self-sufficient (or in other words, that the

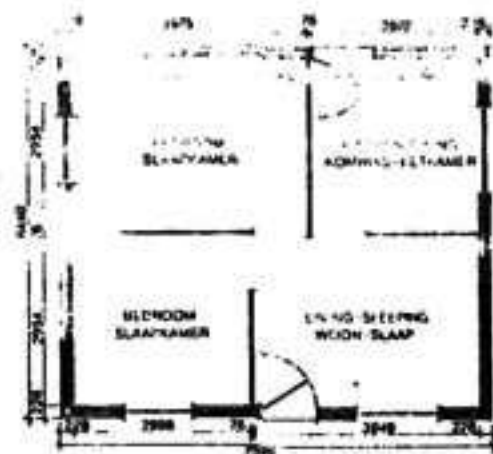
african population group pays for its own places of residence with no contribution from the wealth that they generate in industry).

The most important source of income to the WRAB in its attempts to balance the books of Soweto had been the sale of liquor. But this source was drastically affected by the 1976 uprising and dropped from R38-m to R22-m.

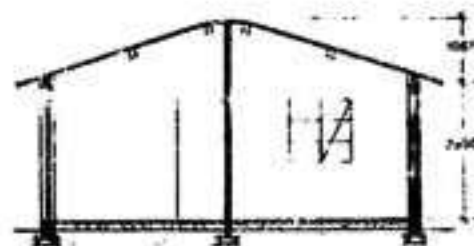
Another important source is that of the labour levy paid by employers (R2,15 per month for an industrial worker in Johannesburg). These levies have formed an increasing percentage of total revenue in Soweto, standing at 15,8 percent in 1976-7. However, in evidence to the Riekert Commission, employers came out in strong opposition to the levies. Suggestions that the levies be increased to R4,15 were rejected by the state, and Riekert said that the Act under which the levies are made (Contributions in Respect of Black Labour Act, 1972) should at some stage be abolished. The Commission continued:

In principle it is desirable for black communities to bear to an increasing extent a greater part of the total burden in connection with the provision of services in their own communities ... (The Department (of Cooperation and Development), the administration boards, and community councils should initiate purposeful programmes of action in order to recover more and more of the cost of services from the black communities themselves.

The best way to implement these proposals will probably form part of the recommendations of the Browne Committee, investigating financing of services and housing (appointed after the 1977 protest



TYPE/TIPE 51/6



by students and other residents against increased rentals).

In the meantime, however, the community councils (successors to the scorned and thrown out Urban Bantu Councils - Useless Boys' Clubs or Urban Bantu Circuses as they were known) have been landed with the task of executing, if not drawing up, the balancing of Soweto's books. This they are once more trying to do by increasing rents. In other words, if the employers won't pay the suggested increases in the labour levies then increase the share to be paid by the working class.

And if they won't buy enough beer, then increase the rents.

As early as 1921 a certain Colonel Morris boasted to the Stallard Commission that in his area in Natal 'all native buildings were erected and paid for from a fund called the "native affairs fund" which was derived from the sale of kaffir beer'. In other words, the working class was indirectly paying an

additional amount towards housing. Today this is still the case.

What this means is that while wages are kept low because the amount that the working class is spending on rent seems to be low, in fact the amount spent on liquor should be added to the rent paid. When this indirect means of drawing rent from the people living in the townships fails, then rents paid directly as such, have to be increased.

And this is what is at issue today - the amount that the residents of Soweto and other townships are expected to pay for accommodation and services. And these increases come at a time when the price of brown bread has gone up by 25 percent and an increase in the price of milk has been announced to take effect from next month (May). By rents is covered house rent (to supposedly recover cost of building and maintenance); site rent (to cover cost of land purchase, access roads, drainage,

health and ambulance services, and administration costs); service charges (electricity, water, sewerage and refuse removal - it is the losses on this item that have been covered by WRAB's liquor profits); schools levy.

As the house rents component had reached the maximum permissible (set in relation to the costs to be recovered) it is being proposed that the other parts of 'rents' be increased - but the effect is, of course, the same: residents of Soweto and other townships are expected to pay more for the accommodation and services that they 'enjoy'.

According to the Soweto Development Guidance System, or Ecoplan, the township needs capital expenditure of R533-million (that is what it would have cost in 1979). This figure includes R126-m for housing, R101-m for electrification, and R70-m for transport, sewerage, etc. This last figure is especially important as the present sewerage disposal facilities are said to be adequate only for the present number of houses in the township.

WRAB, after it took over, tried to meet expenditure, and the need for self-sufficiency, by raising (doubling) site and service charges and by increasing liquor sales. In 1977 these increases were resisted (these protests at the increases will be covered in the next issue of Work in Progress). In 1978 the community council for Soweto was established, with a poll that was shockingly low, even within the history of the establishment of puppet organisations in South Africa and Namibia (the 'mayor', David Thebehali, received the grand total of 97 votes, and the council has been known as the 'six

percenters' for the six percent of residents who participated in the elections).

Later in 1978 the council fell into the trap of demanding more power, and being given power over the issues that the state (through WRAB) wants to be involved in less directly. They were given control over finances (see the Government Gazette 6511, 79.06.22).

The council had a choice: either to go ahead with necessary expenditure (such as repairs and staff replacement, or to cut back on expenditure. They chose the former and were, consequently, forced to increase rents. In August, 1979, it was announced that rents (service charges) would go up in three stages.

	Present	1.9.79	1.3.80	1.9.80
Beverage	1,44	2,78	2,78	2,78
Cleansing	1,20	2,14	3,81	3,81
School levy	,38	,38	1,00	1,00
Water	3,11	6,63	6,63	6,63
Electricity	,38	-	-	-
Roads	,49	,49	2,18	2,18
Admin.	5,93	5,93	5,93	10,41
Health	1,12	1,12	1,72	1,72
Comm. Dev.	,45	,45	1,42	1,42
Recreation	-	-	,25	1,67
Total site rent	14,50	19,92	25,72	31,62
House rent	5,00	5,00	5,00	5,00
Total cost	19,50	24,92	30,72	36,62

Soweto's increases ... but who should pay?

There was an immediate outcry against the proposals for rent increases.

The state was now in a position to say that the community council would have to decide on the matter. These proposed increases came after rent costs had increased by 225% between October, 1977, and May, 1978. What also occurred since 1978 was that the community council became responsible for collecting arrears in rent payment and ultimately ordering evictions.

In July, 1979, the headline in Post read: RENTS TO GO UP (79.07.22). This news came via the WRAB. It was confirmed early in August. Thebehali 'claimed the increases are the result of deficits inherited from WRAB, and would be introduced in three stages over the next year'.

Ntatho Motlana of the Committee of Ten responded by saying that 'If the whites want us to live 32km away from them, then they must pay for that privilege', and suggested that the state should make a grant to Soweto. He argued that Soweto residents spent their money in the Johannesburg central business district (CBD), and that the wealth produced by the people of Soweto was taxed in the industrial areas to which the workers commuted and not in Soweto where they lived. Nigel Mandy, of the CBD could not agree with this and passed the buck to another fraction of capital (namely capital operating in the production of commodities) and suggested that wages be increased so that the residents of Soweto would be able to pay the higher rents.

Community council opposition leader, the Sofasonke Party's Ephraim Tshabalala, called for more sites to be made available for people to build their own homes, and that the party opposed rent increases. Bishop Tutu also came out in opposition to the suggested rent increases.

The Sofasonke Party collected 5 000 signatures to be sent to Piet Koornhof.

On the 16th of August Thebehali announced that rents would not go up, and that R705-m had been granted as a loan by an unnamed US company. This announcement was greeted with justifiable scepticism by Motlana and caused

some confusion within the community council as not all the members seemed to know about the loan. The Committee of Ten went ahead with a meeting at which it was decided by the 1 000 people present that they would refuse to pay any increases.

It will be interesting to see how Motlana and others respond to the news that Soweto and other communities are to be given municipal status as this was one of the demands made at the meeting. And by the same standards, if enough people supported the Blackchain supermarket in Soweto this would meet the objection that residents are spending their money in the Johannesburg CBD.

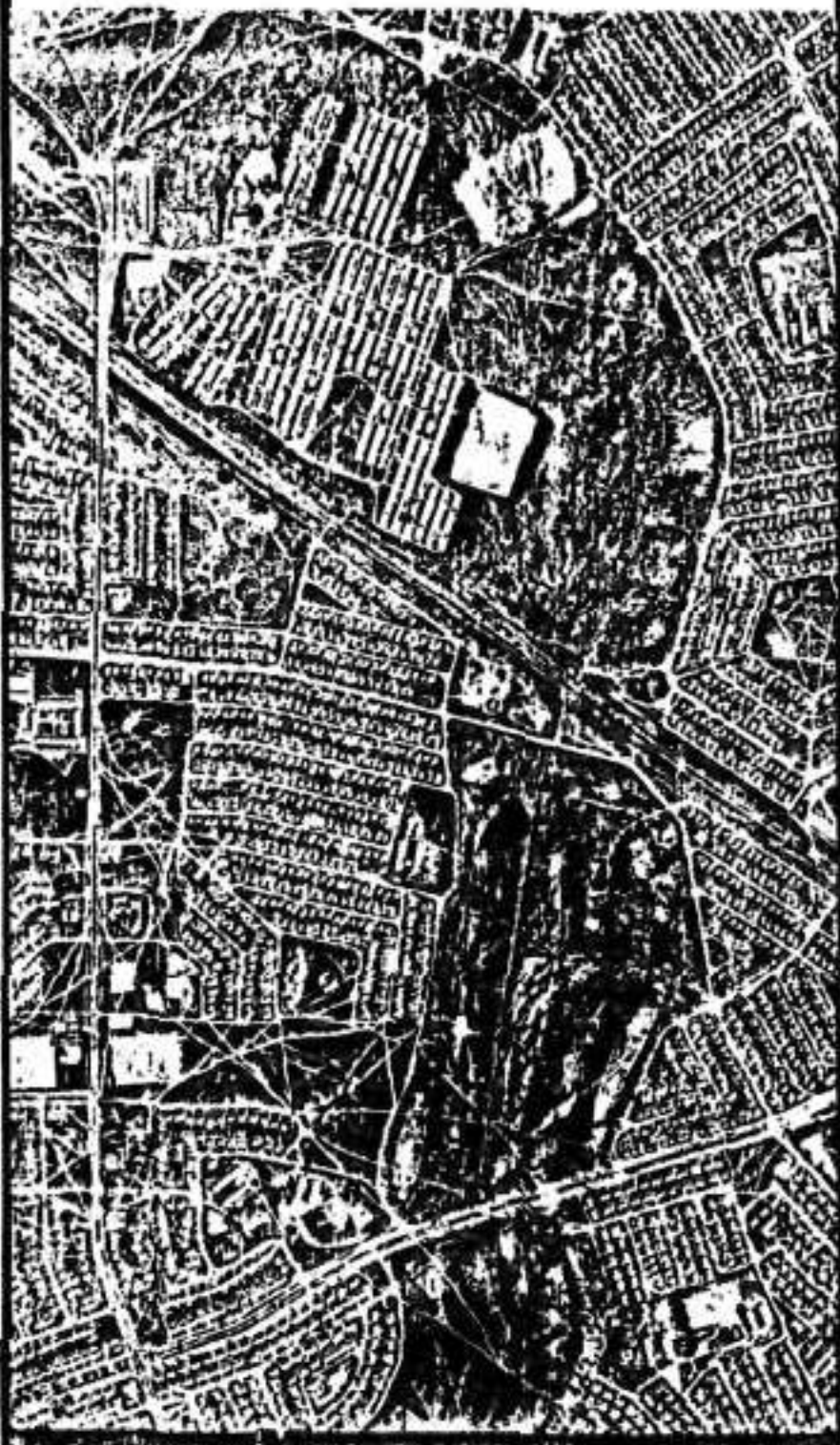
Over the next few weeks the rents issue was an on-off affair. (Of course it must be kept in mind that the rent increases were proposed in many townships right through South Africa, and not only in Soweto).

FB du Randt, of the Department of Cooperation and Development retorted to the protests that the people would have to pay up; that they had called for autonomy and that they were now being given it; and that they should be proud of this responsibility.

Koornhof, in keeping with his style of operation that so many appear to be more than willing to believe in, said that rents would not go up but that means would have to be found to make Soweto self-sufficient.

The issue of rents, rather than the visit to Soweto by the Prime Minister, dominated the thoughts of residents during August and September, 1979. PW Botha did write off the debt of R9-million (Soweto's share of an accumulated deficit that the community council inherited from WRAB), but it has been pointed

out that this was done against an accumulated surplus of about R11-million left in the Bantu Services Levy, which WRAB had in turn inherited when it took over the administra-



tion of townships on the west Rand).

In September the Deputy Minister of Cooperation and Development told a delegation from Soweto that the decision to increase rent rested with the community council.

In Dobsonville the chairman of the local community council was nearly stabbed at a meeting to discuss the rents issue in that township. It was decided to suspend rent increases 'until the people decided that they wanted them' to pay for services. This happened in early September, 1979.

The Urban Council's Association (the umbrella body for community councils) met in September and with remarkable clarity said that the administration boards 'had waited for community councils to be introduced before "handing" them the responsibility of announcing rent increases'.

On the weekend of the 23rd September the Soweto Civic Association was formed under the auspices of the Committee of Ten and it was said that one of the first issues that the SCA would take up would be that of rents. Inkatha also said that that organisation would become involved.

In March, 1980, John Knoetze, chairperson of WRAB, told the SA Institute of Race Relations rents would have to be increased. He said that it was the only place in the world where people paid an average of 5 percent of their incomes on rent, and said that some people earning R1 000 per month were paying rents of R14,00. This brings me back to the question of 'WHO PAYS'.

Knoetze said that 'the trend throughout the world was that people spent at least 20 percent of their income on housing'. He also

said that the WRAB was 'subsidising' each house in Soweto to the tune of R30,00 per month (probably referring to the money gathered from indirect sources, such as employers and the sale of liquor). But we have already seen that 'rents' in the townships are paid both directly and indirectly by the inhabitants (mainly the working class).

Knoetze's various figures were refuted in a study reported on by Rapport newspaper (80.04.06). This study was done by the Bureau for Market Research at UNISA, and argued that in countries at a comparable level of economic development to that in South Africa people spent no more than 10 percent of their monthly income on rents, household fuel and light. After an increase of rents, as suggested by WRAB through the community councils, more than 50 percent of the households in Soweto would be spending more than 10 percent on these items - and this is taking the average income to be R400,00 per month for households (presumably all those occupying one house in this overcrowded city).

According to the director of the Bureau the relevant percentages for other countries would be: Tanzania, 8,2; Brazil, 9,5; Russia, 2,9; Zaire, 9,8.

Late in March it was announced that the rents would go up by R14,50 for site rental (in three stages of R6,00, R4,50, and R4,00). It was further suggested that there should be a levy of R5,00 per house; that refuse removal levy be increased from 39c to R2,45; sewerage charges to be increased from R2,48 to R5,48. What this would mean is that the amount paid per household would go up by R21,56 per month. This would bring total cost of rent, fuel and

lights to R45,56 per month, or 11,4 percent of a household income of approximately R400,00 per month. (In 1979 the Markinor market research organisation found that more than half the households in Soweto lived below the minimum living level for families which stood at R178,22 at that time, and that a fifth of Soweto's adults earned below R99,00 per month. These figures would paint an even worse picture than that of the Bureau for Market Research, and shows up the propaganda put out by Knoetze with his families earning R1 000 per month. Families earning this amount are not engaging in much protest activity about the issue of rents).

What this all shows is that while the state may have publicly recognised what was obvious to all, namely that there is a permanent african population outside of the bantustans, this is going to mean that greater demands are going to be placed on this section of the South African population. They are going to be expected to pay for that recognition, while it is going to be sold to them by capital and the state in the form of an 'improvement in the quality of life'; '99-year leasehold' (as though this is of any concern to 99 percent of the inhabitants of the townships); 'uplift' programmes and 'keep Soweto clean' campaigns; municipal 'autonomy'; etc.

WHOSE ISSUE?

With the development of production under capitalism (the capitalist mode of production) came the separation of the place of residence and the place where production takes place. No longer was it a case of agricultural production in the fields immediately around the

family or community homes, no longer weaving or woodwork within rooms that formed part of the household. Instead came the concentration of many producers within the same building - this was necessary because the means of production, the machinery used and the raw materials, were now in the possession of the capitalist and not of the people working with those materials or machinery. Control had to be kept over the working class, so that as little wastage as possible could take place and also so that the capitalist could exert direct control over the workers.

Moving production into one building did at the same time mean that the place of work could no longer be part of the community or household. There had to be residential areas and industrial areas (partly determined by infrastructural needs as well - it is cheaper to provide transport, electricity and water for a concentration of factories).

Several implications flow from this separation under the capitalist mode of production: it means that the issues that are deemed to be relevant to these 'separate' areas are believed to have no (or little) relevance to each other; that the organisations representing interests within the two areas should be separate organisations (community organisations/residents associations as against trade unions/employers organisations); and in the South African situation the complexity of the racial separation and racial controls that distinguish so much of what happens here, also entered into shaping the separation in a very specific way.

In South Africa not only the working

class, but also the other classes dominated because of their race, have been separated from the site of production and located in townships. What would otherwise have been a working class issue with greater clarity is, in South Africa, an issue that affects all the racially dominated classes. However, not all the dominated classes are affected in the same manner or to the same degree. Knoetze's families earning R1 000 per month are discriminated against because they are forced to live in the same suburbs as the working class and have other restrictions imposed on them (such as the fact that they cannot stay where they like, marry whom they like, or have their businesses where they like).



This means that there are more groups involved in the 'rents issue' and the protests against the increases than would have been the case in a township segregated purely according to class. And not all the groups who take up the rents issue do it with the same motivation or for the same personal reasons. What one has to look at when analysing the ways in which various organisations are taking up the protest, are the issues that are joined to rents in the protest - is it land-ownership; business rights; salaries for professionals. Or are the issues those of increased transport costs; low wages; the effects of general sales tax; school uniforms; etc.

What is most interesting in the South African situation is the extent to which worker organisations have largely accepted the division between place of work (and the issues that are defined as workplace issues: wages - but not the effects of low wages; working conditions; recognition of workers' organisations; etc), and place of residence. They may not all have accepted it without question or without questioning now and then, but may have been forced into believing that this separation is essential for survival. And there are enough cases to show that the state is not willing to accept the breaking down of the barriers set up by capitalism and maintained by the state.

For example, the banning of Thozamile Botha and other officials from the PEBCO after this community based organisation had of necessity become involved in the Ford strike (see WIP, 11); the warnings issued to the Inkatho movement to stay out of labour

matters (from as early as Barney Dladla's involvement in the strikes at Richards Bay in 1973, to more recent statements by Duthlezi); the blatant control measures contained in the Wiehahn recommendations and conditions for the registration of unions; etc.

It need, of course, not be trade unions that take up working class issues in the community. It will in nearly all cases be groups, individuals and organisations that have very little to do with workplace issues that take up community issues. These groups and organisations are as caught up in the ideas and measures that separate workplace from place of residence as the trade unions are. This means that the rent issue, which is primarily a working class issue can be hijacked by groups who wish to strengthen their own demands, and these 'secondary' demands may very well have nothing to do with the working class, and may in fact be against the interests of the working class.

These 'secondary' demands can also usually be fairly easily incorporated, whether they relate to ownership of property, business rights, autonomy. This is not to argue that these 'secondary' demands should not be taken up, but that they should be linked to more fundamental demands that relate to exploitation rather than discrimination.

This discussion on rents will be continued in the next issue of Work in Progress. Other contributions are welcome, especially if they relate to cases outside of the Transvaal.

A paper by John Kane-Berman ('Shoes without Laces?': the financing of urban black townships, with special reference to Soweto

and the Soweto community council') done for the SAIRR proved helpful in writing this paper. Also the honours dissertation by Barbara Creecy ('A Home for Total Strategy: the political economy of urban african housing in contemporary South Africa') and David Harvey's 'Labor, Capital and Class Struggle around the Built Environment in Advanced Capitalist Societies' (Politics and Society, 6, 1976). There are a number of papers and theses that deal with the financing of townships, the titles of which can be supplied to readers if they write to the editors.

