

DEVELOPMENTAL IMPLICATIONS OF SINGLE LOCAL AUTHORITIES

The development of the 'apartheid city' – characterised by extensive separation of races, income groups and activities in space – has imposed significant problems of inequalities between areas, and has aggravated the position of the poor. These problems are reinforced and exacerbated by the existing system of local government – its fragmentation and the push for relatively small, racially exclusive primary local authorities. While regional and metropolitan local government is being created through the institution of Regional Services Councils, the fragmented structure of local government below this level remains and is even being reinforced by current state policy. Local government in this form perpetuates previous inequalities and is unable to rise to the challenge of the present time: the need to effect redistribution between areas, and to institute developmental policies.

State policy on local government presently favours relatively small, independent ethnically based primary local authorities. While this policy is rationalized in terms of an ideology of local autonomy and "own affairs", the reality is that the new system is being superimposed on a highly uneven and unequal urban structure. For most local authorities, the most important revenue source for non-trading activities is rates levied on property. Hence, the higher income an area, the larger its number of industrial and commercial concerns, the greater its revenue. As a result of state policy, land use zoning and the urban land market, higher income White areas and industrial and commercial activities tend to be centrally located while Black and particularly new low-income Black areas are on the periphery of the city. Since these areas are predominantly low-income dormitory residential suburbs, autonomy for Black areas inevitably implies extreme financial stringency. It is hardly surprising then that so many African local authorities have been faced by bankruptcy nor that autonomous local authorities have been so fiercely resisted by black communities.

For African areas, 'autonomy' from White local authorities, initially in the form of rule by Administration Boards in the early 1970's, meant a steady decline in the extent and standards of services available as areas lost access to the wider revenue sources of white local authorities and the less visible forms of 'subsidy' inherent in access to shared services. Taking Cape Town as an example, the net effect for African areas is that their expenditure per capita on non-trading services is in the order of a third of that pertaining in the core Cape Town City Council and a tenth of that in predominantly white and highly industrialised Milnerton. In consequence, social and infrastructural services in African areas are inevitably rudimentary or of extremely low standard.

While autonomy for well-heeled areas with a good proportion of non-residential uses means high service standards and an ability to choose services required, the

opposite is clearly the case for middle and low-income dormitory areas. For these areas, incorporation into a larger and wealthier local authority with diverse land uses and revenue sources makes sense. Quite apart from savings in terms of economies of scale in management, it is at least possible for lower income areas to pressurize for and benefit from cross-subsidy from higher income areas. A unified form of local government also allows residents in low-income areas to benefit financially from access to rates created partly by their labour (in employment areas) or consumption (in commercial areas). Inevitably, low or lower-middle income suburbs which are part of a larger, more diverse local authority have a higher expenditure per capita and a wider range of services than those which are self-financing. Hence for example, in the Durban area in 1984/5, expenditure per capita in the largely self-financing Development and Services Board Indian area of Shallcross was approximately R56 compared to R84 in the adjacent Southern Indian Local Affairs Committee area of the Durban City Council. The Southern Indian Local Affairs Committee area has been able to benefit from a cross subsidy of the order of R24 per capita from rates generated in other Council areas, while Shallcross has access only to the hidden subsidy involved in limited payment for central Development and Services Board management and engineering services. In consequence, almost all local authority expenditure in Shallcross is directed to very basic utility services (sewerage, water, engineering services etc.).

Only 4% of Shallcross' expenditure is on social and recreational services compared to some 16% in Durban's Southern Indian Local Affairs Committee area. Significantly, Shallcross does still benefit from being part of a larger system (40% of the Development and Services Board's central operations are subsidized by the Natal Provincial Administration), and would lose out were it to become independent as is currently proposed.

The state is, of course, not unaware of the financial problems involved in establishing independent Black local government – as various reports of the late 1970's and early 1980's demonstrate. In theory, improved revenue sources are to become available through the Regional Services Councils and by 'industrialising' black local authorities – either by incorporating adjacent industrial areas in black local authorities, or by developing industrial areas within their boundaries. In practice, however, finance from Regional Services Councils is to be more limited than originally anticipated, and, in any event will be used primarily for new infrastructural development in the most marginal areas. 'Industrialisation' of black local authorities is also likely to yield disappointing results. Local politics and industrialists fears of 'inefficiency' will prevent the incorporation of industrial areas into black local authorities.

This is demonstrated by the recent decision of the Demarcation Board to retain Durban's Prospection industrial area within the white Amanzimtoti local authority rather than incorporating any part of it into the lower-income adjacent Indian Isipingo local authority. Conversely, unfavourable topography and the availability of better located, well serviced industrial land in the vicinity (Pinetown, Queensburgh) will prevent any significant industrialization in Shallcross.

Policy to create racially based autonomous local authorities ignores the extent to which cities are functionally integrated and the limits on the potential of peripherally located areas to develop an industrial base. It is widely recognised that the growth of industrial employment is tapering off in metropolitan areas as a result of a general slow down in economic growth rates and trends towards decentralisation away from metropolitan areas. Trends of this sort limit the extent to which peripherally located areas within the metropolises can benefit from a decentralisation of industry within the city. Even well established peripherally located points within metropolitan areas such as Pinetown within Durban are feeling the effects of competition from highly subsidized industrial decentralization points elsewhere. Given that industrial location within cities is already quite concentrated, and that there will be fewer industries in the future to distribute within them, the industrial rate base of newly autonomous black local authorities is likely to remain limited.

Similar points can be made about commercial uses. At present these uses are highly concentrated in CBD's (which are often the points of highest accessibility). Trends towards deconcentration largely benefit high-income white areas. Fledgling black local authorities cannot expect to benefit to any degree from commercial development.

Autonomy in the form of independent, ethnically based local authorities means that low-income Black local authorities face financial difficulties and are unable to gain access to the resources generated in wealthier areas, or by industrial and commercial land uses. This in turn means limited funds for development – whether understood as improvement in infrastructure and facilities, or employment and other projects.

Critically, autonomy also means that residents in independent Black local authorities have little or no way of

influencing the policy decisions of wealthier White local authorities – although these decisions may have an impact on their economic and social welfare. While the legal standing and financial power of local authorities is limited, a local authority which is oriented to the needs and interests of the poor can act in limited ways to improve their position.

Local authorities can take direct steps to reduce poverty and unemployment, for example, through policies to stimulate local employment, by supplementing national education and health facilities particularly in relation to pre-school care, and by subsidizing aspects of housing and transport. Physical planning policies can also be used to effect redistribution in more indirect ways. Two of the most pressing issues facing South African cities at present are the need to accommodate rapid urban growth, and to restructure the spatial form of the city along more equitable lines.

South African cities in their present form exacerbate poverty and inequality. The attenuated form of the city and huge home-work distances impose considerable time and money costs of commuting on the poor – and particularly on women.

The spatial separation of areas and income groups limits the build-up of thresholds for commercial activities and services in low-income areas. Low thresholds result in poor access to services in dormitory townships, and inhibit the development of the informal sector. Ideally, urban growth needs to be used to restructure cities towards greater compactness, more mixed land uses and income groups. In many respects this is a task for metropolitan planning, however centrally located local authorities could potentially attempt to facilitate this process by providing land for housing the poor, and by altering town planning restrictions which prevent a change in their class position or even increases in density. At present, these actions (or their impact) are limited by the existence of the Group Areas Act. However, they could become important in the future.

If the present path of creating autonomous black local authorities continues, then white local authorities will become increasingly insulated from the needs and demands of black communities. In this context, the need for change cannot even be discussed – let alone instituted in any real way. □



Pic by Mike Matthewman