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# Durban Functional Region

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## Strategic Urban Perspective

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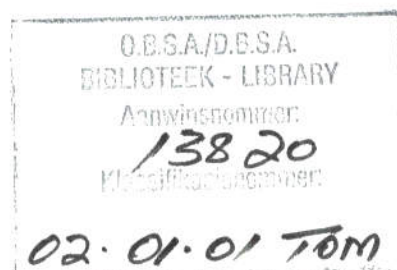
# Durban functional region Strategic urban perspective

Richard Tomlinson

Discussion Paper

Development Bank of Southern Africa

May 1993



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**This report was written with the assistance of:**

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# Durban Functional Region Strategic Perspective

## Executive Summary

1. The Durban Functional Region (DFR) is at a crossroads. The region is experiencing a development crisis comprising, inter alia, rapid population growth, slow economic growth, high unemployment, an inadequate supply of services and shelter, and institutional complexity and legitimacy problems that render public sector responses all the more difficult.
2. Initiatives in the DFR are concentrating on an economic and policy realignment that will enable a clearer focus on poverty and development; institutional reorganisation, more rational planning and project implementation; and the redistribution of public resources. For example, many public, private and community actors in the DFR are alert to these problems and are actively seeking means of promoting development. Certain institutions, the Durban City Council and Umgeni Water, for example, are in a position to contribute to an expanded delivery of services. In addition, Operation Jumpstart, the Metropolitan Development Forum, and other projects such as that for Cato Manor, denote a willingness to work together in order to promote development and to obtain the resources necessary for this purpose.
3. This strategic urban perspective seeks to contribute to this process by constituting a development information document for urban stakeholders in the DFR and for the Development Bank of Southern Africa (DBSA). It highlights development trends and draws attention to important development initiatives. The document is also intended to inform the DFR's inhabitants of the services offered by the DBSA and to solicit their views regarding how they might best be implemented.



# Introduction

## 1 Origins of the perspective

The DFR is at a crossroads. The region is experiencing a development crisis comprising:

- rapid population growth
- slow economic growth, high unemployment and a markedly unequal income distribution
- an inadequate supply of services and shelter
- institutional complexity and legitimacy problems that render public sector responses all the more difficult, and
- a policy environment that historically has prevented the planning of an efficient and equitable city.

As a result, initiatives in the DFR are concentrating on:

- an economic and policy realignment that will enable a clearer focus on poverty and development
- institutional reorganization that will permit more rational planning and project implementation, and
- the redistribution of public resources.

## 2 Purpose

This perspective seeks to contribute to this process. It focuses on:

- economic development
- municipal services and shelter, and
- the capacity for democratic urban management.

The DFR strategic urban perspective is intended to:

- constitute a development information document for stakeholders in the DFR and for DBSA
- highlight development trends
- remark on development strategies, initiatives and priorities, and
- promote discussion regarding the DBSA's potential contribution to development in the DFR.

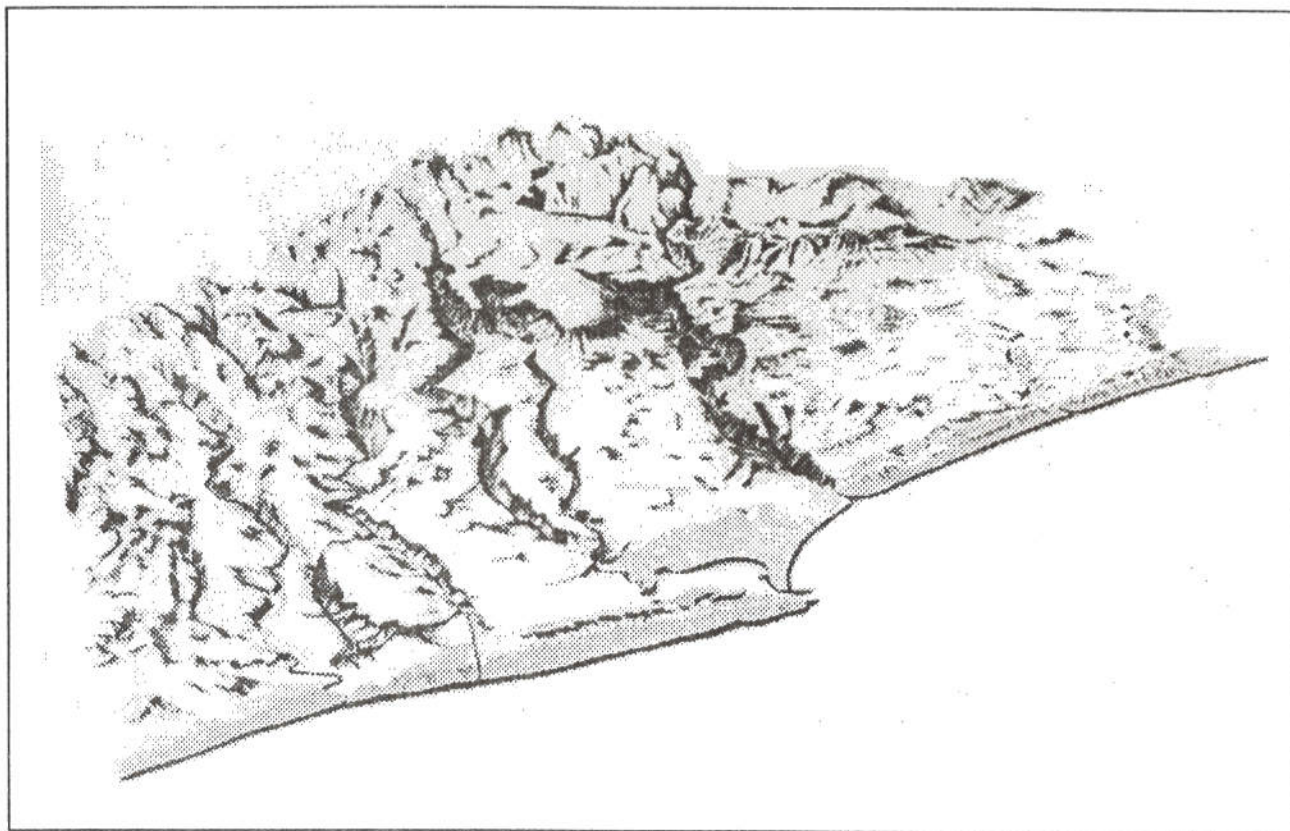
## 3 The DFR

The DFR refers to the functional urban area comprising Durban and a complicated array of 66 local and other authorities located under the Natal Provincial Administration (NPA) or the KwaZulu Government.<sup>1</sup> The DFR in the context of South Africa and the rest of Region E is shown in the cover map.

Much of the subsequent discussion assumes knowledge of the DFR's topography and it is advantageous to begin with a summary. Map 1 shows that the DFR has a hilly terrain which is dissected by four major rivers. The result is that the urban fabric occurs more or less within the East-West areas defined by these rivers. North-South interchange is made possible by major bridges.

Due to the terrain, the cost of providing services is higher in the DFR than in other major metropolitan areas. The same factor explains the increasing cost of providing services as the city extends into KwaZulu, and also why informal settlements are less dense than elsewhere in the country. In addition, the frequent flooding accentuates water and sanitation problems in informal settlements and has given rise to major health problems.

## Map 1 Topography of the Durban Functional Region (DFR)



### 4 Data

The perspective is based on interviews, the data resources of the DBSA and other secondary data. (Unless indicated otherwise, the source for quantitative data is the DBSA. Tables described as, for example, A.1 or A.2 are located in Appendix 2.)

In respect of the interviews, many persons in the DFR made time available to DBSA personnel. Their contributions and insight proved valuable and we are grateful for it.

In respect of the data, since the preparation of a perspective does not involve original research, data availability has proven a constraint. The project team has therefore occasionally had to surmise the nature of prevailing trends. This has often proven difficult due to the complexity of the region. Indeed, Cross et al. (1992) warn that generalizations are impossible and that analysis needs to occur at the level of communities and households.

The DFR has certainly proven complicated, but the nature of this perspective is not such that so detailed an analysis is feasible. The strokes are broad-brush.

### 5 Relative focus

The unemployed, low-income population of the DFR is largely drawn from the African population. In addition, it is this group which is growing most rapidly and which suffers most from a lack of services and shelter. The relative focus of this document is therefore on the material circumstances of Africans.





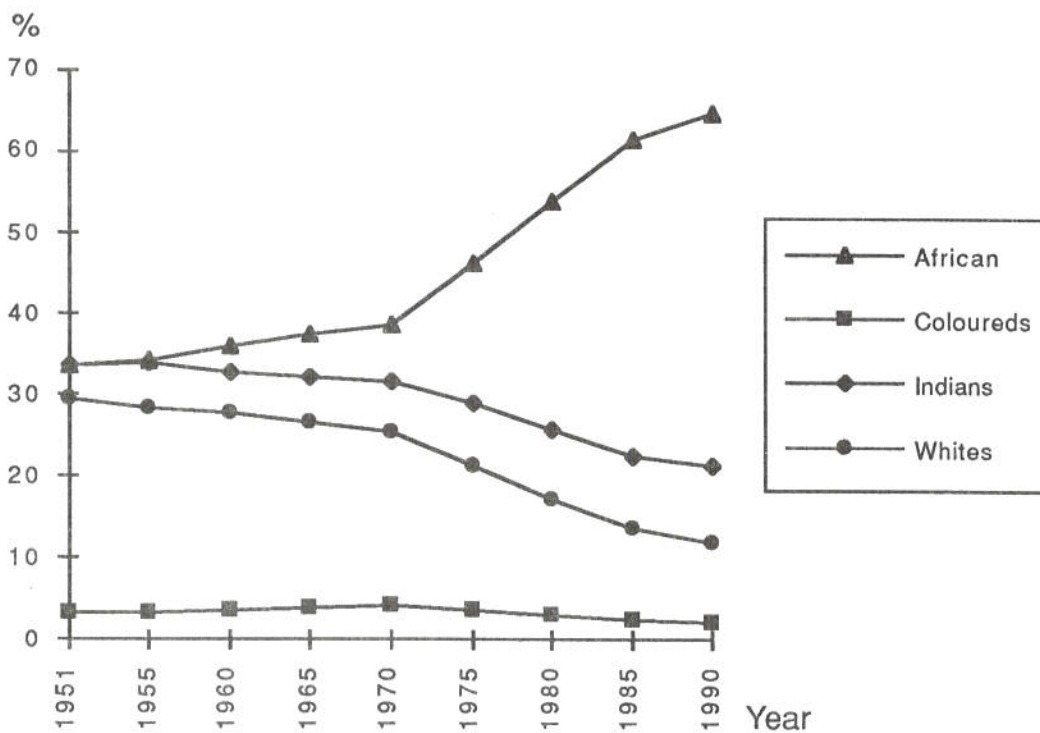
# Economic and Social Profile

## 1 Who lives in the DFR?

The DFR's population in 1991 was of the order of 3 404 000 persons and the anticipated population in 2000 is about 4 315 000 persons.<sup>2</sup> Approximately 60% of the 1991 figure is located in KwaZulu portions of the DFR.

The composition of the population is shown in Figure 1. Two features of the table are especially striking. One is the extent to which the African and largely low-income proportion of the population has been increasing since the mid-1950s. Another is the extent to which Indians still constitute a significant proportion of the population. This translates into a significant proportion of the labour force. The DFR, unlike any other city in South Africa, has enhanced labour skills and entrepreneurial capacity and thus heightened possibilities for development in the future.

Figure 1. Composition of the DFR's population



## 2 Population growth and migration

The total population of the DFR grew at around 6% per annum during the 1970s.<sup>3</sup> The growth rate declined to 5,7% per annum in the 1980s. In this decade it is expected to decrease to about 3% per annum.<sup>4</sup>

The still high rate of increase in the population must be attributed to the youthfulness of the African population, the relatively high fertility of this population, and to migration.

In respect of youthfulness, 47,4% of the DFR's population is less than 19 years old, as opposed to 40,7% for the nation. The future growth of the DFR will be propelled by the young, already urban, population.

The extent of migration should be periodised. The most rapid migration took place in the 1970s and early 1980s, occurred just inside KwaZulu's borders and took the form of the growth of informal settlements. The next movement occurred in the mid-1980s with the lifting of influx controls and was located around Durban's core. During the 1990s Africans have moved into the formerly white areas and into backyard settlements in Umlazi. The outcome is that a relative spatial shift of the African population is occurring within Region E. Whereas in 1989 45% of Natal's population lived in the DFR, by 2000 the figure is expected to be 54%.

The character of the migration deserves comment. Many previously believed that once the Pass Laws were lifted **entire family units** would come to the cities. This has not happened to the extent anticipated. Frequently, some members retain a base in rural areas or in informal settlements, others proceed to town, and still others might go to another urban or rural area - and all this might occur for varying periods of time. Households combine urban and rural incomes, spread the risks of economic hardship and might have every intention of continuing with a process of circular migration. An unstable urbanisation process has important implications. For example, much of the housing problem involves upgrading, whereas the people concerned might have a limited commitment to urban houses.

### 3 Household incomes

African household incomes in 1985 in the DFR are shown in Table 1.<sup>5</sup> The income differences between those in formal and informal housing are striking. Evidently there are marked income inequalities among the African population. However, the size of the income differences is puzzling. The majority of people in informal settlements are not recent migrants and their low incomes cannot be explained as due to recent or poor access to the labour market. Moreover, even were they migrants, Cross et al. (1992: 41) observe that 'New in-migrants tend to be the **middle poor**, i.e. young nuclear families with comparatively few dependents, headed by a man, who is often employed or at least employable. In short these families are not the very poor or destitute.'

A better insight into household income is gained from referring to household income per capita.<sup>6</sup> Low per capita incomes are found in larger households,<sup>7</sup> especially when there is a large number of women among active household members, when the household head is female, and when there is a high proportion of dependent children and older non-workers.<sup>8</sup> The distribution of household sizes in African areas of the DFR is shown in Table A.1 with 49% of all households having between 5 to 8 members.<sup>9</sup>

**Table 1.** Household and per capita incomes of Africans in formal housing, shacks, site and service schemes and "rural" areas in the DFR (1985, per annum)<sup>10</sup>

Settlement type	Household income	per capita income
Formal	R8 187	R1 311
Shacks	R2 592	R 614
Site and service	R4 680	R 748
"Rural"	R2 208	R 291

Source: McGrath (1989: Table 2.6 and 2.7)

Finally, while Table 1 suggests the presence of poverty, the more common measure is the Household Subsistence Level (HSL). The HSL should not be used in the same manner in formal and informal areas (as household expenditures differ), but it provides a rough guide as to the extent



of poverty. McGrath (1989) reports that in 1985 27,6% of households living in formal housing fell below the HSL. In the case of site and service housing the figure was 54% and in shacks 81,4%. Since about 60% of the DFR's African population live in shacks (including those in semi-rural areas), it is evident that poverty is pervasive.

#### 4 Household expenditure

Table 2 describes African household expenditure by settlement type in Durban.<sup>11</sup> The Table reveals an exceptionally high proportion of expenditure on food, drink and tobacco for those living in shacks. The inclusion of drink and tobacco with food is a bit disconcerting. Yet even if one excludes these items and averages expenditure on food by Africans, the proportion is 33,5% (Bureau for Market Research, 1988, Table A7).<sup>12</sup> According to the World Bank (1991) this figure is markedly higher than other countries with similar levels of development.<sup>13</sup>

**Table 2.** Expenditure patterns of African households in Durban, 1985 (%)

Commodity	Township	Site and service	Shacks
Food, drink and tobacco	37,4	44,0	55,4
Housing	7,9	1,1	1,2
Transport	10,8	7,5	6,7
Other	43,9	47,4	36,7

#### 5 Income distribution

Table A.2 shows South Africa's changing household income relative to population growth rates. The contrast between the African and white shares of household income could not be more stark. However, the Table also reveals that despite a higher African population growth rate, the relative shares of household income accruing to Africans and whites are inverting comparatively rapidly. The improving income distribution reflects the fact that wage differences between the races have been dropping since the early 1970s. The labour market has become increasingly unified and segmentation between races and sectors, and among men and women, has declined. Education is now the leading determinant of wages.

However, while Table A.2 suggests positive changes nationally, Table 3 presents a comparatively slow growth rate of African household income in the DFR. The Table only refers to those in formal housing. (The less fortunate position of those in informal settlements was shown in Table 1.)

Table 3 may perhaps be explained by:

- boundary definition for the respective areas and the relatively more rapid growth of low-income households in Durban
- Region E's low per capita income, which is the third lowest in the country (after Regions G and D)
- industries in which the labour force is located, in particular such low-wage industries as textiles and clothing, and
- industries which are subject to extensive foreign competition such as textiles and clothing.

**Table 3** Household and per capita incomes of Africans in formal housing (constant 1985 rands)

Region	Household	Per capita
Pretoria	9 359	1 505
growth rate 1961-85	3,9%	3,9%
1980-85	3,5%	3,3%
Durban	8 187	1 311
growth rate 1966-75	3,5%	2,7%
1980-85	1,8%	1,6%
East & West Rand	8 628	1 615
growth rate 1961-85	3,0%	3,3%
1980-85	5,0%	5,2%
Johannesburg	9 264	1 756
growth rate 1961-85	3,1%	3,2%
1980-85	5,0%	5,2%

Source: McGrath (1989: Table 2.6)



# Development Issues

## Urban economic development

### 1 The DFR's economy in comparative perspective

Region E contributes 14,7% to South Africa's GDP, which is second only to Region H. The DFR is dominant within Region E, as evident from the proportion of total employment (33,8%) and GGP (59,3%) located in the DFR. The major differences between the DFR and Region E are found in the absence of mining and agriculture in the DFR; and the greater proportion of manufacturing, financial and business services, and (Richards Bay notwithstanding) transport in the DFR.

When it comes to assessing changes in the economy of the DFR<sup>14</sup> and comparing those changes with the Central Witwatersrand, the PWV, Cape Town and South Africa, it is preferable to use employment data rather than GGP. The reason is that after 1984 GGP is based on projections, whereas the employment data are based on the 1991 and preceding censuses.<sup>15</sup>

How does the DFR compare with the Central Witwatersrand, the PWV and Cape Town? Table A.3 shows employment according to economic sector; Table A.4 describes the distribution of employment according to economic sector; and Table A.5 reports the relative growth rate of these sectors. When looking at the tables two points should be kept in mind. Firstly, the distribution of employment according to economic sector refers to the sector's share of the area's employment. Thus, it is possible for the sector's share to increase while total employment in the sector decreases. Secondly, certain changes are spectacular, for example, Durban losing 41,5% of its employment in mining and quarrying between 1980 and 1991. Since the actual drop was 604 persons, this is not very meaningful. Percentage changes in employment in a sector have to be interpreted in the light of the sector's size. Table 4 combines data from Tables A.4 and A.5 in order to present a direct picture of the DFR's economy.

**Table 4** The DFR's economy and changes therein

	% of employment, 1991	% change, 1980-91
Agriculture	1,9	-21,3
Mining	0,3	-41,5
Manufacturing	26,9	-20,2
Energy	0,5	-35,9
Construction	5,1	-10,6
Commerce	19,8	16,1
Transport	7,6	-30,5
Financial & business services	9,7	35,9
Community & social services	28,2	-3,7
Total (%)	100	-7,0

Source: DBSA (1993) Development Information Group

- a Of the four areas, only Cape Town showed a growth in employment. The DFR's decline was only slightly less than the Central Witwatersrand. Cape Town's growth was based on commerce, catering and accommodation; and financial and business services. Durban's decline was due to its poor manufacturing performance, with a loss of jobs in transport and construction also playing a part.
- b In 1991 the economies of all four areas were more dependent on **community, social and personal services** than any other sector. **Commerce, catering and accommodation** were also significant. The reason for referring to these two sectors together is that they respond to increases in household disposable income rather than constituting lead sectors in their own right. The two exceptions to this rule are when government decides to fund a higher level of services in an area, and when tourism increases.

It is probably due to the significant share of government employment in community, social and personal services that employment in this sector declined by only 3,7% over 11 years.

The DBSA has estimated that were government to increase expenditure on community, social and personal services in the DFR, the multiplier effects would be significant. For example, each additional R1m in final demand for community and social services in Region E would create an extra:

- 43 direct jobs
- 73 jobs in total
- R256 000 in extra direct income, and
- R470 000 in extra total income.

Calculations of this sort resonate in the DFR due to the belief that Natal receives a lower per capita share of central government expenditure than elsewhere. Thus *The Daily News* (21 January 1993) reports that a study by the accounting firm, Deloitte and Touche, found that Natal/KwaZulu is being 'under-funded' by more than R1 billion for roads, health and education services.

- c **Tourism** receives considerable attention in the DFR.<sup>16</sup> The reason, firstly, is that the DFR, together with the rest of Region E, has such obvious natural attractions. Secondly, it is held in the DFR that 11 tourists (annualised) equals one job. The drawback to this calculation is that the figure is based on middle- and high-income tourists, whereas the trend in the DFR appears to be increasingly down-market. Various initiatives are underway in the DFR to reverse this trend, for example, the Convention Centre, to be constructed on the old jail site, and also the staging of major sporting events. The much more rapid growth of Cape Town's commercial sector has been attributed to the Waterfront development, which suggests that Durban is not amiss in thinking that tourism can be used to spur the local economy.
- d The economy of the DFR is more dependent on **manufacturing** than the Central Witwatersrand, the PWV and Cape Town. In all instances the dependence on manufacturing is dropping rapidly - spectacularly so in the case of the Central Witwatersrand. However, the Central Witwatersrand and the PWV's manufacturing structure is relatively specialized in machinery, basic iron and steel, basic non-ferrous metals, electrical machinery, metal products, and so on. This structure is quite unlike that of the DFR and the Western Cape. These two areas are remarkably similar; sharing a relative specialization in textiles, clothing, footwear, chemicals, rubber and plastic products (DFR), printing and publishing (Cape Town), and paper and paper products (DFR).

The somewhat worse performance of manufacturing in the DFR appears due to:

- a shift in employment away from the DFR in labour-intensive textiles
- the food and footwear industries trimming their labour force



- a substantial decline in job opportunities in the manufacturing sector for unskilled workers, and
- growth in the capital-intensive chemical industry.

In general,

In Region E, the relative contribution to employment, gross output and the number of industrial concerns has remained concentrated in five sectors, namely Clothing, Textiles, Food, Chemicals and Fabricated Metal Products. The first two are low-skill, labour-intensive industries; the latter two have the reverse characteristics. Food is different in that it is quite capital intensive, but remains a low-skill sector. All these sectors, however, constitute mature, derived demand industries. The picture is that of a region whose industrial activity is concentrated in sectors that will grow *pari passu* with the general growth of the economy; ...

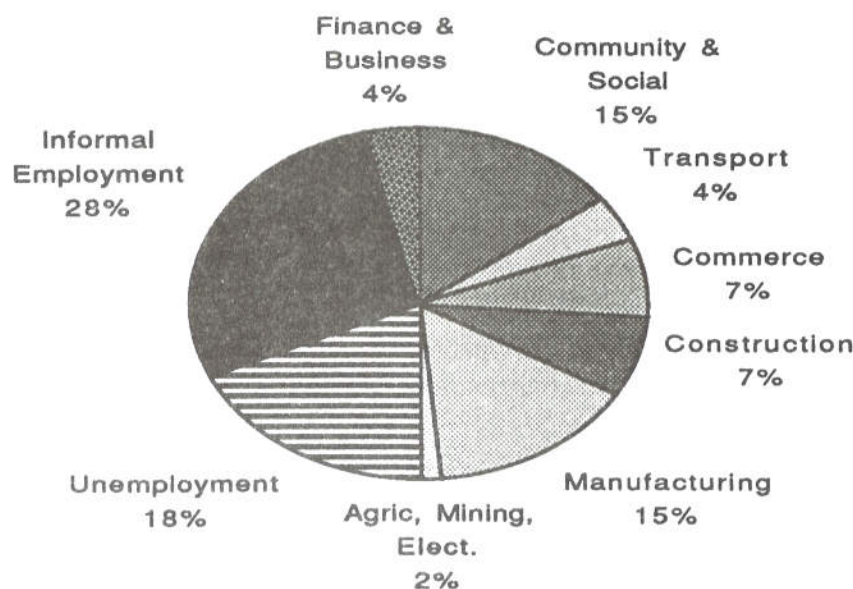
The Durban/Pietermaritzburg region presents an intensified image of the same industrial structure ... sectoral concentration of the metropolitan industrial structure is higher than that of the region. (Addleson et al. 1989:26)<sup>17</sup>

- e The DFR and especially Cape Town benefitted from a growth rate of **financial and business services** which was considerably higher than that for the Central Witwatersrand.<sup>18</sup> Unfortunately, employment available in financial and business services is not available to the poor and unskilled. For the DFR, financial and business services are like the transport sector, crucial to its economic success, but not a direct means of reaching the mass of the low-income population.
- f The **transport sector** draws mixed reviews. On the one hand it is critical to Durban's economy and to its comparative advantage. On the other hand the sector's prominence in terms of GGP (estimated at 15%) is not sustained by the sector's contribution to the DFR's employment. Although the transport sector grew rapidly between 1980 and 1990, its contribution of 7.6% to the region's employment and also the relatively rapid decline in employment downplay its direct contribution to the relief of poverty.

## 2 Labour market

The sectoral location of the DFR's labour force is shown in Figure 2. It is evident that almost a half of the labour force lacks formal employment and that many are forced into the informal sector.

Figure 2 The sectoral location of the DFR's labour force



The total number of formally employed persons in 1990 was about 471 000. This number is greater than that reported in Table A.3 as the latter refers to Durban Pinetown and Inanda. In contrast, the DFR's potential labour force<sup>19</sup> in 1990 was 918 000 persons and is increasing at 3,03% per annum.

The increasing unemployment has been greatly exacerbated by the country's economic management. This is especially evident in the economy's increasing capital intensity. This reflects negative real interest rates for most of the 1970s and 1980s, generous tax write-offs and incentives, and successful labour organization that led to higher wages and uncertainty due to work stoppages. In addition, the exchange rate was commonly overvalued, thereby contributing to difficulties in respect of export promotion. The consequence is that employment growth in the private sector has been static since 1982 and the increase which has occurred must largely be attributed to the public sector.

The imbalance between the growth of the labour force and that of employment is leading to rapid increases in unemployment and in the informal sector. In the future, most Africans will be condemned to compete in the informal sector and in an overcrowded, unskilled labour market. In the latter regard, if one can infer from trends in Johannesburg where the wages of unskilled male workers in manufacturing dropped by 3% per annum between 1975 and 1985, the implications for similarly prepared labour in the DFR are not promising.

A final observation in respect of the labour force returns to the population composition of the DFR. Due to the high proportion of Indians in the labour force and the successes achieved within the Indian educational system, the DFR has a comparative advantage not easy to imagine even for the PWV.

### 3 Informal sector

The Central Statistical Service (CSS) (South Africa 1991) has estimated that the informal sector provides full-time employment for 1,7 million persons and part-time employment for another 2,8 million persons. The CSS further estimates that the informal sector contributes 6% to 8% of the country's GDP, equals about 20% of the labour force (full-time), and also that the latter number increased by 20% between 1989 and 1990. However, the CSS excluded the "independent" homelands, informal settlements, domestic servants and Africans in "white areas". A more accurate estimate regarding overall informal employment is of the order of 4,5m persons.<sup>20</sup>

Comparable DBSA estimates for the DFR can be derived from Figure 2. The actual number of persons engaged in the informal sector in the DFR is estimated at a minimum of 270 000 persons. If one can infer a growth rate of 20%, then this number and the proportion of the DFR's total labour force that is located in the informal sector will increase very rapidly.

The activities of the informal sector are largely retailing and services. Included, for example, are shebeens, vegetable selling, dressmaking, selling of second-hand clothing, selling of new clothing purchased from outside the area, letting backyard shacks and rooms, shack shops and hawkers selling cold drinks, paraffin, and household items, backyard mechanics, informal construction, herbalists, casual labour, and informal credit arrangements (stokvels).

Earnings are generally rather low. For example, in Marianhill more than 50% of those surveyed report earnings of less than R200 per month; only 8% report earnings of more than R2000 per month. Problems include the lack of skills, the small size of the market due to the low incomes of the community, outdated equipment such as sewing machines, and insufficient funds to service equipment.

It appears that the Durban City Council (DCC) and the private sector have a constructive attitude towards small and informal enterprise. Two examples are pertinent. First, since racially-sourced business restrictions have gone, the primary source of constraints on the informal sector arise from municipal regulations. The DCC now seeks to manage rather than control informal street trading



and new bylaws are being drafted in consultation with street traders, political groups and formal business.

Second, the National Economic Initiative, which includes the DFR's top corporations among its members, has proposed a Purchasing Centre where small entrepreneurs could shop for contracts to supply goods and service to large corporations. The entrepreneurs would also receive assistance in how to tender and receive loans, and the KwaZulu Finance and Investment Corporation (KFC) and the Small Business Development Corporation representation at the Centre would be intended to ensure access to capital.

#### 4 Visions for the future

'Prosperous areas that have had a comparative advantage in the growing industry lose it, not because they have changed for the worse, but because different industries have taken the lead ... and the characteristics that are most conducive to the growth of these new industries are different from those needed by the old leading industries.'  
(Thurow 1989: 181)

Continued urban growth requires the development of new industries. An understanding of the future potential for investment and employment creation in the DFR needs to come to terms with how the DFR fits into the national and international marketplace and whether it (and the nation) can develop appropriate industrial policies. What follows are some prevailing views in the DFR and conclusions from research done on behalf of the World Bank (Levy 1992).

- a The **private sector** has a vision of export led industrial growth. For example, Van der Berg and Lotter (1990) argue that South Africa's reliance on import substitution as an industrial policy biased industrial location to where the market is largest - the PWV. The industrial growth of the PWV was further accentuated by industries which arose to serve the mining industry. They continue that the growth of the coastal cities requires a change in industrial strategy towards export promotion. Although the validity of this interpretation remains to be proven,<sup>21</sup> it is a view widely held in the DFR that export led industrial growth will be to the region's benefit.

In this regard the World Bank study is particularly interesting (Levy 1992). It identifies specific export niches in the medium- to high-end garment industry<sup>22</sup> and also in respect of the polymers, polyethylene and polypropylene, that are used as inputs in the manufacture of plastics.<sup>23</sup> (The latter is already successfully exported.) Both these industries are located in the DFR and suggest that there are indeed export growth paths, albeit that the latter is very capital intensive.

- b **Central government** has embarked on a process of economic restructuring which would probably be welcomed by DFR industrialists as it promises the export led growth which they believe will more than proportionately benefit the DFR. Dr Japie Jacobs, special adviser to the Minister of Finance, states:

The government has embarked on a policy of restructuring the economy, of which the main ingredients comprise the reduction in the public sector's share in the economy, the promotion of effective competition, including foreign competition, improved education and training, restricting the rise in government spending, reducing the overall tax burden, implementing tax reforms which include lowering the nominal corporate tax rate and the high marginal personal income tax rates and shifting a greater share of the tax burden to indirect taxes, the promotion of industrial growth which is more export oriented and maintaining financial discipline with the aim of curbing the high rate of inflation. (The *Bilateralism Review* 1992, 1, 1: 17)

The central government's **regional industrial development programme** also has a bearing on the DFR's economy. The policy has gone through three stages. Prior to 1982 it is not credited with having much effect on industry within the DFR. The introduction in 1982 of extremely attractive labour and transport incentives is often held to have attracted labour intensive investment from the



DFR, especially textiles and clothing. Due to the cost and inefficiency of the 1982 decentralization policy it was revised with effect from April 1991. The 1991 policy was spatially uniform in that a two year establishment grant and a three year profit-based incentive was made available throughout South Africa, excluding the PWV and the 'Durban Core Area'. The 'Durban Functional Area' and the Cape Peninsula and portions of the PWV did, however, receive 60% of the two year establishment grant. One doubts that the revised incentives will have much impact on the DFR's economy and wonders about the wisdom of a policy which is intended to steer employment away from a city which already suffers from 50% formal sector unemployment.

c **Local government** has embarked on various initiatives.

- Prominent among them is the **Greater Durban Marketing Authority (GDMA)** established by the DCC and the private sector. The GDMA is intended to attract both tourists and industrial investment. However, the GDMA overlaps with the KwaNatal Marketing Initiative (KMI - described below), so much so that Pinetown is a member of the KMI. The separation between the GDMA and the KMI has political overtones in that the GDMA is linked to the DCC, which leans to the ANC; and the KMI subcontracts its marketing function to the KFC, which is controlled by the KwaZulu government.
- Industrialists and public officials in the DFR also support the creation of an **export processing zone**.
- The **Metropolitan Development Forum**, discussed in detail later in this report, is also being mooted as a potential location for a concrete effort at local development planning. Local development planning is intended to facilitate economic growth and employment creation within an urban area, and to contribute to the area's tax base. Many would add that it is also intended to enhance a community's ability to assume greater control over its economic destiny.

d The **Regional Development Advisory Committee** for Region E (RDAC) is itself undertaking various economic initiatives which have a bearing on the economy of the DFR.

- The RDAC facilitated the creation of the **KwaNatal Marketing Initiative (KMI)**. The KMI is a response to the central government's call for the coordination of the marketing efforts of the homeland development corporations and the various municipalities. The KMI recruits commercial and industrial investment to the region, primarily from overseas.
- The RDAC is sponsoring a study entitled '**Economic Development Strategies, Region E**'. The study has four stages: extensive data collection and assessment, the preparation of 'a politically non-threatening development framework', strategy formulation and the formulation and implementation of action steps. At this point the project is continuing with the first stage. The intention is to present the data to representative groups, in particular the Natal Economic Forum (see below), and to broaden the process.
- The RDAC has in addition commissioned a detailed study of the region's **economic structure and the identification of its comparative advantage**. This study might well serve to identify potential growth industries upon which the DFR can capitalise.

e **COSATU's** support of, or opposition to, a development strategy undertaken within the DFR will be crucial to its success.<sup>24</sup> COSATU rejects what it views as the government's attempt to impose unilateral economic restructuring. Instead it supports negotiations occurring within the framework of the National Economic Forum.

COSATU's view regarding an appropriate industrial strategy presumes that there are no new growth industries and that there are few potentially successful export industries.<sup>25</sup> COSATU claims that in contrast to the 'world's major trading nations [where] skilled labour and new



technology have become the base for the manufacture and trade of low cost, high quality and design flexible products', South Africa's 'manufacturing ... sector ... is high cost, based on a very narrow market, poorly equipped with skills and in general with a very poor technological capacity.' COSATU claims that 'The existing industrial structure of the economy is, therefore, "a growth cul-de-sac". Domestic poverty and low incomes offer no market [and] we cannot compete in manufactured goods world trade ... COSATU's argument, therefore, is that cost cutting, tax incentives, wage restraint, export niche type solutions ... are doomed to failure.' Instead, COSATU seeks 'to lower the costs of production of basic goods and services to meet redistribution needs and secondly to link this to a general rise in productivity that will narrow the adverse price, quality and technology gap between products manufactured on world markets and those manufactured in South Africa.'

- f Finally, COSATU, major business representatives, the ANC and the IFP have agreed that a **Natal Economic Forum** should be established. A plenary meeting will:
- decide whether to establish the Forum
  - elect a chair
  - determine the issues and establish working groups to deal with them, and
  - possibly establish a professional secretariat.

The Forum is intended to be a companion organization to the National Economic Forum and its goals, while still to be articulated, are expected to be the same.

## Municipal services

The DFR suffers from a (proportionately) larger backlog of most municipal services than any other major South African city. While a services backlog is common in a rapidly growing city in a middle income country, in South Africa the problem has been accentuated by:

- expenditure priorities under apartheid
- Group Areas, and
- institutional difficulties that have inhibited effective planning and project implementation.

The circumstances which cause the problem to be especially acute in Durban are violence which prevents the installation and maintenance of services, and the coupling of KwaZulu land close to the city centre with exceptionally rapid urban growth.

### 1 Sustainable development

The long-term supply and operation of municipal services requires that four issues must be resolved: capital and recurrent expenditure, service areas, service standards, and institutional coherence.

- a Substantial funds are necessary in order to expand service availability, to maintain existing services, and to meet affordability constraints.

There is no clarity regarding the **capital expenditure** necessary to make inroads on existing services backlogs. An indication of existing or committed expenditure by various government agencies includes:

- central government's annual budget of approximately R48m to the RKDP (described below) and the KwaZulu government's allocation of an estimated another R20m for the same purpose
- the NPA allocation of an annual budget in the order of R100m for development within the DFR, but which is increasing to R150m in 1993 due to the Lovu and Waterloo projects
- the Port Natal-Ebhodwe Joint Services Board (JSB) which budgeted R127,5m in 1991/92 for urban development, mainly for infrastructure and services
- the Durban City Council commitment of



- R100m per annum in the DFR Development Account (primarily for services and shelter)
- R300 in the Special Projects Development Account<sup>26</sup> (for example, for the Convention Centre)
- R100m per annum for the electrification of townships and informal settlements.
- The Independent Development Trust's (IDT) allocation of R120m for site and service schemes.
- DBSA's project support in the DFR of R150m per annum.

In addition, there are other major players such as Umgeni Water and Eskom which are closely involved in the provision of municipal and bulk services.

While these figures are substantial, they are unlikely to reduce the services backlog. The question concerns how the shortfall can be financed. There are essentially three mechanisms: access to capital markets, cost recovery, and subsidy.

The issue cannot be separated from a concern with how to afford recurrent costs. For example, in Umlazi, which has 34 830 dwellings, there was a shortfall of R1 208 per annum per dwelling for 1991 (1990: R1 034). These figures exclude indirect costs for staff and management functions carried out in Ulundi. If this subsidy is applied to all KwaZulu towns in the DFR consisting of more than 245 000 households, and if one estimates the likely burden of indirect costs, then the subsidy provided in 1991 appears to be about R350m. Subsidies on recurrent costs reduce the amount available for capital expenditure and essentially benefit those having services over those needing services. A figure such as R350m, especially as it is growing rapidly, cannot be condoned.

The capital subsidy implemented by the IDT shows that the government is willing to subsidise capital costs to some degree, but the same is not true of recurrent costs. This is an important distinction since, if services are priced at marginal costs, the user is provided with an accurate measure regarding how much of a service to use, waste on under-priced services is reduced, and providers and users of services are able to make correct investment decisions.

- b The **definition of service areas** is typical of the apartheid city in that historically white, and to a lesser degree coloured and Indian, parts of town are both relatively wealthy and well-provided with services. African townships and especially the informal areas have suffered from a marked lack of services. Where services are available, price differentials between areas complicate future development.

The delimitation of separate service areas has isolated those with limited incomes and so reduced the potential for cross-subsidy. Present moves to amalgamate the divided cities will probably remove this problem.

- c **Service standards** refer to both engineering and planning standards. An example in respect of engineering standards is that with the provision of waterborne sewerage to a site, water consumption will increase from about 100 litres per family per day to an average 900 litres per family per day. Clearly users need to understand the range of technologies available and also the associated costs.

Planning standards refer to road widths and, for example, land set aside for schools, creches, and parks. A World Bank review of site and service schemes on the Witwatersrand revealed that approximately twice as much land was being used as was needed, and that the greater efficiency in land use and service provision could be achieved without reducing the average plot size.<sup>27</sup> It is likely that much the same findings could be applied to the House of Delegate's, the NPA's and other site and service schemes (except to the extent that the undulating topography of the DFR impedes denser development).

- d The DFR lacks **institutional coherence**. Thus there are a variety of projects intended to decrease existing services backlogs, but they are ad hoc in nature and there is no democratic prioritisation of resource allocation. The DFR obviously requires a democratic government, but in the interim a forum that brings together stakeholders and funding agencies, prioritises projects, and legitimises resource allocation would be useful.

The lack of institutional coherence also hampers efforts to control environmental degradation.

## 2 Water and sanitation

Water and sanitation are interrelated since the level of sanitation normally determines the level of provision of water to the community. In addition, an unsewered site provided with a standpipe will inevitably encounter sillage problems.

- a The **institutions** responsible for the supply of water and sanitation in the DFR are as follows:
- bulk water is at present provided by Umgeni Water as well as by the Port Natal-Ebodhwe JSB which took over the provision of water from the Pinetown, Amanzimtoti and North Coast Regional Water Boards
  - water reticulation is normally provided by the developer responsible for the specific development or by the local authority
  - sanitation is usually provided by the local authority, or by the owner in the case of on-site sanitation, and
  - Umgeni Water has in certain instances also become involved in the operation of sanitation facilities.
- b The level and type of sanitation provision is shown in Table 5. It is evident that 41% of the people in the DFR do not have access to adequate sanitation. The magnitude of this underprovision is evident if one looks at comparable figures for Cape Town - 12%, PWV (excluding Bophuthatswana and KwaNdebele) - 8%, and Region H - 23%. The bulk of these people are located in informal areas (122 000 stands) and formal African townships (26 125 stands).

**Table 5** Sanitation levels in the DFR

Sanitation type	"white" Durban stands	Formal black townships stands	Informal settlements stands	Effected population
Full water-borne	230 000	120 500	333	1 645 000
Septic tank	19 750	0	0	79 000
Bucket	0	500	0	3 000
VIP latrine	0	5 875	5 625	92 000
Unimproved pit	2 714	26 125	122 000	1 024 000
Other	143	0	250	3 000
None	286	2 000	5 000	58 000

Source: Palmer Development Group. 1992. *Water and Sanitation 2000*

Table 5 also points to a large number of septic tanks in "white" Durban (19 750 stands). The steep topography of the DFR makes it difficult and costly to install reticulation in certain instances.



- c **Health problems related to sanitation** have come under the spotlight during the last two years due to the exceptionally high E.coli levels found in the Umlaas and Umgeni catchment areas. The main contributing factors to this pollution are:

- sewer pump stations are not functioning and raw sewage is flowing into the rivers
- blocked sewer systems overflow into the stormwater drainage system and therefore also into rivers
- conservancy tanks are not emptied regularly which results in overflows that are directed via the stormwater drainage system to the rivers (especially in the Edendale Valley upstream of Inanda)
- inappropriately constructed pit latrines are washed out by stormwater, and
- inadequate or non-existent sanitation facilities in informal settlements.

As a result there have been isolated cases of cholera and associated diseases. Due to the pollution problems and increased costs of water treatment, Umgeni Water has become involved in the operation of sewage works and pump stations where capacity is lacking.

Finally, lest the above creates the impression that only water-borne sewage will suffice, the Council for Scientific and Industrial Research concluded from a study in Inanda in 1989 that neither ventilated improved pit latrines, septic tanks, nor water-borne sewage pose a pollution problem when operated and maintained correctly. The study also pointed to serious groundwater contamination arising from broken or leaking sewer pipes. In effect, no sanitation system will function properly without proper operation and maintenance.

- d Bulk water is readily available in the DFR due to high rainfall in the region as well as in its catchment areas.

Water reticulation in the DFR is supposedly fairly complete. For example, 81% of the households have water piped into the house and another 10% have water piped into the yard (Booyens 1990). The remaining 9% of households have to make do with public taps and other sources. However these figures seem a bit improbable given that such a large proportion of the population live in informal settlements and given that surveys reveal that they consider the **availability of water** a major issue.

Pollution of the natural surface water is also a problem as these water sources are a major source of potable water in the DFR's peri-urban areas.

In some of the more recently settled areas water is provided by means of a tanker, which is very expensive.

- e The expansion of bulk water infrastructure to accommodate existing and future demand is not viewed as an issue as bulk cost is recovered by the Boards (which includes a capital component). These Boards are therefore in a position to take up long term loans to provide bulk infrastructure.

The level of **cost recovery** at the consumer level is a constraint. Very little revenue is collected in low-income areas due to boycotts, because water consumption is not metered or because meters are not read in approximately 50% of the areas in the DFR. There is consequently a high level of subsidy on operational and maintenance costs, something which has already been pointed to in the earlier KwaZulu examples.

### 3 Electricity

The City of Durban has been appointed as the local supply authority for the area within a 40 km radius of the "Old Townhall". This area covers most of the DFR. Durban's ability to fulfil such a role is evident from the fact that it is the only local authority in the country with a 375 kV Eskom intake. The few local authorities outside this area but still within the DFR, Umhlanga is an



example, are responsible for the supply of electricity in their areas.

Approximately 60% of the residents in the DFR have no access to electricity. In response the DCC approved the 'Electricity for All' programme in July 1991. The programme envisages electrifying 168 000 existing houses within its supply area, including streetlighting, over a period of five years. The programme includes the KwaZulu areas within the 40km radius. Durban Electricity has taken out a number of loans to initiate phase 1 of the overall programme.

The programme is based on the most appropriate technology which includes pre-payment for the service. Previous experiences by Durban Electricity indicated that the operation of a conventional distribution network is not financially viable with the low level of consumption normally associated with developing areas.

Traditionally, the supply of electricity has been a very profitable venture in the highly industrialised DFR and this is the main reason why the Council can afford this capital intensive programme. The economic value of this project is tremendous in terms of the environmental, security, small business and educational spinoffs, as well as stimulation of the local economy through the increased demand for consumer durables.

The approach Durban Electricity is taking in making electricity affordable to the consumer is that a house is connected to the system for an amount of R139,00, which includes a 'Ready Board', a 'Budget Energy Controller' and a hot-plate. The capital cost is recovered over a twenty year period through the tariffs; but without the Eskom subsidy of 5,145c per kWh this project would not be financially viable.

It is envisaged that the other local supply authorities in the DFR will follow the Durban Electricity route once the financial viability of the "Electricity for All" programme has been established.

#### 4 Transportation

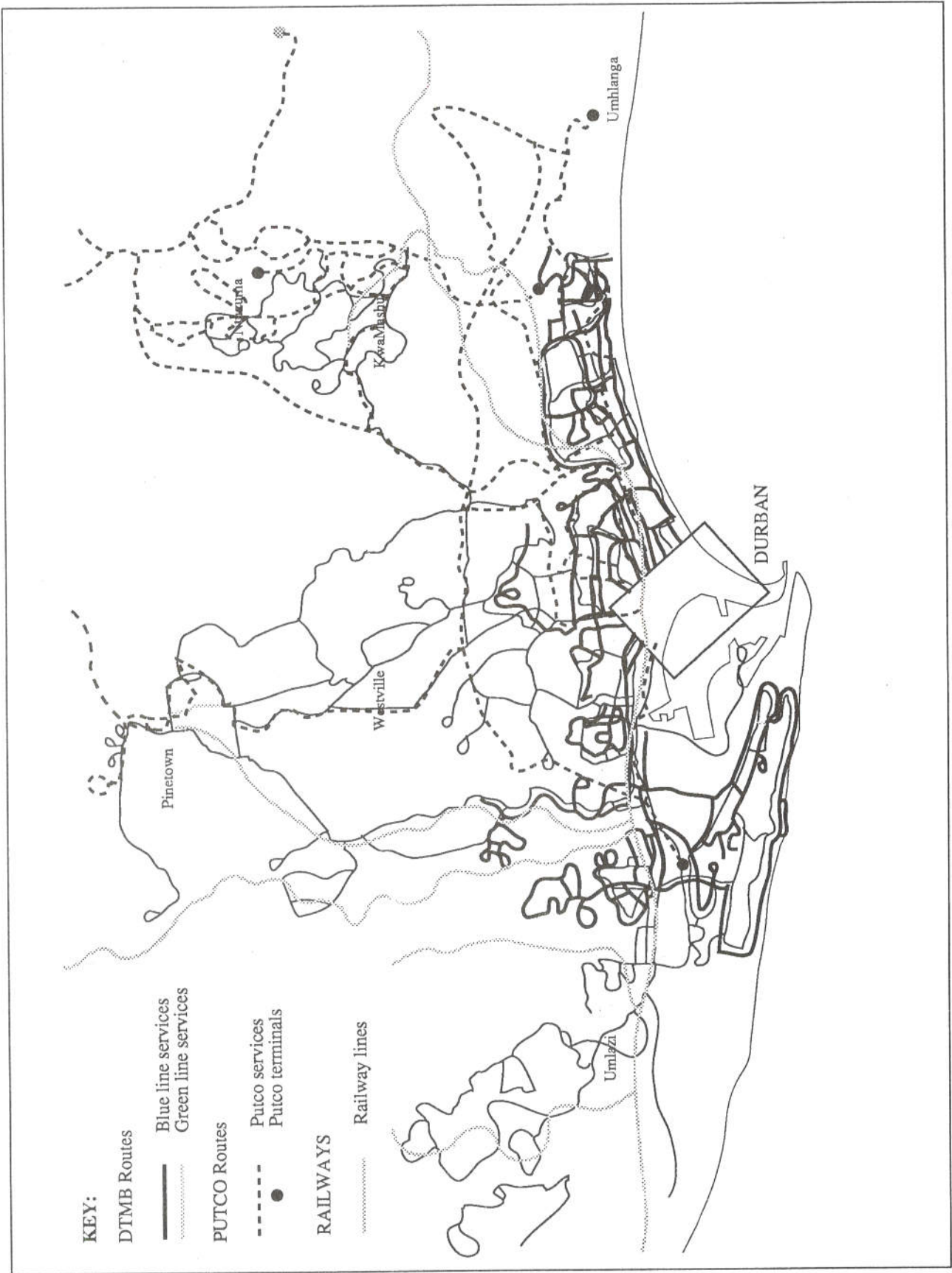
This section examines both roads and public transport. Major transportation routes are shown in Map 2.

- a Transportation planning and management in the DFR is undertaken by a disorganised plethora of organizations at various levels of government. A list of the relevant institutions is provided in Table A.6, which also explains the abbreviations used in this section.

Some of the problems arising from this spread of responsibilities include:

- fragmentation and a lack of co-ordination between organisations that undertake similar or interdependent functions
- responsibility for the prioritisation of transport projects and the administration of transport funding occur at different levels and between different authorities
- transportation and land use planning are undertaken by authorities with only nominal interaction
- areas functionally relating to Durban (such as some parts of KwaZulu) are excluded from the Metropolitan Transport Area and MTAB's sphere of direct influence<sup>28</sup>
- MTAB lacks the authority to implement infrastructure projects with a metropolitan significance
- metropolitan projects which span jurisdictional boundaries can only be implemented if the affected authorities agree and have the finance to implement them
- LRTB regulates bus and taxi operations, DOT subsidises bus and rail commuter operations and local authorities provide bus and taxi facilities
- MTAB is charged with the responsibility of the planning, promotion and co-ordination of urban transport, including public transport, but it does not have the authority to control and fund public transport operations and cannot enter into contracts with public transport operators

Map 2 DTMB and Putco Bus routes and railway lines in the Durban Function Region





- coordination of public transport services depends on the voluntary co-operation of operators
  - each local authority, including the KwaZulu authorities, sets its own standards for maintenance and the competencies for undertaking maintenance vary between the authorities, and
  - while the Department of Development Aid is no longer in existence, there is still little clear indication of who will fund the roads which are shown on the map as being their responsibility.
- b **Transportation expenditure** and transport-related **income** match fairly evenly. Table A.7 shows the expenditure and Table A.8 the sources of income. Table A.7, in particular, illustrates some of the overlap in functions, for example, the funding of passenger transport subsidies and roads.
- Of greater interest are transportation **subsidies**. For example, bus subsidies between 1 April 1990 and 31 March 1991 were R79m.<sup>29</sup> In the case of the Durban Transport Management Board, the average trip length is 24,3 kilometres.<sup>30</sup>
- Subsidies on rail transport are also significant, but data solely for the DFR is not accessible.
- c Relevant to the following discussion is a comparison of **fares of the different modes** of transport for September 1990.

**Table 6** Public transport fares from Durban CBD (September 1990)

	To: KwaMashu	Umlazi	Pinetown
Combi taxi	1,50	1,50	1,20
Bus - cash	2,40	2,55	2,40
- coupon (10 trip)	1,42	1,50	1,42
Train - cash (3rd class)	1,00	1,30	1,40
- cash (1st class)	2,30	2,90	2,90
- coupon (3rd class)	0,56	0,63	0,63

Source: *Land Use and Transportation Systems (Mashikwele) Vol.11, Taxi Services, October 1990.*

- d The bus industry serves about 25% of total peak travel in the DFR.<sup>31</sup> In some fringe areas and townships the **bus service** has been withdrawn due to violence and/or competition from taxis.
- There are approximately 1860 buses operating in the DFR. DTMB and PUTCO are the principle operators in the DFR. In 1990, DTMB operated 610 buses and PUTCO operated 350 buses in the DFR. KwaZulu Transport (made up of Mpumalanga Transport and Ilanga Transport) operates 122 buses in the region. Two private operators, Marinpine Transport and South Coast Bus Service, operate 80 and 85 buses respectively.
- Approximately 200 private bus operators operate some 613 buses in the region. These small operators focus their services on commuter trips from areas not covered by the major operators. Data about their operations are limited and inexact.
- The National Passenger Panel found that bus commuters in their survey in the DFR spent an average of R79 per month on bus fares to work. This amounted to approximately 10.7% of their incomes.



- f **Rail services** carry approximately 17 % of total peak travel in the DFR. Rail travel is by far the cheapest mode of commuting in the DFR, due to the fact that rail fares are heavily subsidised. A monthly rail ticket costs less than half the cost of commuting for the same period by any other mode. In its survey of the DFR, the National Passenger Panel found that rail commuters spend an average of R41 per month on train tickets for travelling to work.

Rail travel is thus the most affordable form of travel for the lowest income groups. However, many areas of the DFR are not served by rail. The National Passenger Panel found that of the African commuters in the DFR who do not use trains to travel to work, 59% said that this is because trains are not available or are too far from home. In addition, 12% gave crime on trains as their reason for not using rail. Nonetheless there has been a large drop in rail usage.

Suburban rail passenger ticket sales have shown a dramatic decline over the past few years. 1st and 2nd class ticket sales have fallen from a peak in 1980/1 from 8 800 000 to a 1989/90 figure of 2 400 000. 3rd class ticket sales have fallen from a peak in 1981/2 of 136 600 000 to 76 200 000 in 1989/90. Passenger census counts have not, however, revealed as dramatic a fall. This appears to indicate that many passengers are using trains without paying.

- g There are two types of **taxis** operating in the DFR - metered car taxis and combi-taxis. The metered car taxis are conventional sedan type vehicles which are hired on call by individuals. Combi taxis have seating for between 9 and 16 people. Several individuals share in the "hire" of these unmetered combi-taxis which they either board at a rank or hail en route. Fares are specified and each passenger pays individually.

Combi-taxis provide three types of service. These are:

- feeder services to other modes
- line-haul services for daily commuters/ shopping trips (these are provided between virtually all residential and employment zones in the DFR), and
- long distance services to and from places outside the DFR.

Most combi-taxi operators are affiliated to taxi associations. The largest taxi association is SABTA. Thirty-six local associations are affiliated to SABTA. There are said to be about 2 460 SABTA members in the DFR. In addition, there are about 20 independent taxi associations, almost all with less than 100 members. The South African Long Distance Taxi Association's (SALDTA) members also operate to and from the DFR, providing inter-city transport.

The LRTB in Durban is responsible for the issuing of permits for an area which is considerably larger than the DFR, but over 90 per cent of the permits which they issue are for taxi operations in the DFR. As at 1 January 1990 they had issued 4 408 taxi permits. There are, however, a large number of minibuses operating as taxis without permits. Estimates for the total number of combi-taxis in the DFR range from 8 000 to 15 000.

Figures from the National Passenger Panel indicate that commuters using combi-taxis spend an average of R81 per month on travelling to and from work and that this is about 12% of their income.

## Shelter

### 1 Backlog and location

A comparison of the relative backlog of informal housing is shown in Table 7. It should be noted that informal housing does not mean the same thing in all instances. In the PWV there is a much higher incidence of backyard shacks and people living in out-buildings, whereas in the DFR the incidence of informal settlements is much greater. The latter is due to access to land in KwaZulu,



(there is no homeland adjacent to the Witwatersrand and the Vaal,) and also to private land. Much like the supply of water and sanitation, the situation in the DFR is markedly worse. Sixty-nine percent of the African population live in informal housing. (Comparable figures for coloureds and Indians are approximately 3% and 8%.)

**Table 7** Proportion of the African population living in informal housing

Area	% of total African population
PWV	43
Durban	69
Port Elizabeth	55
Cape Town	57
Bloemfontein	34
East London	31

*Source: Urban Foundation*

Estimates of the shelter backlog can be calculated by dividing 69% of the DFR's African population by the average family size. But such estimates are seldom of any value since informal housing is typical of cities in middle income countries. The difficulty lies in discerning what proportion of the backlog is to be expected of a middle income country and what proportion arises from, for example, Group Areas and the denial of property rights to Africans.

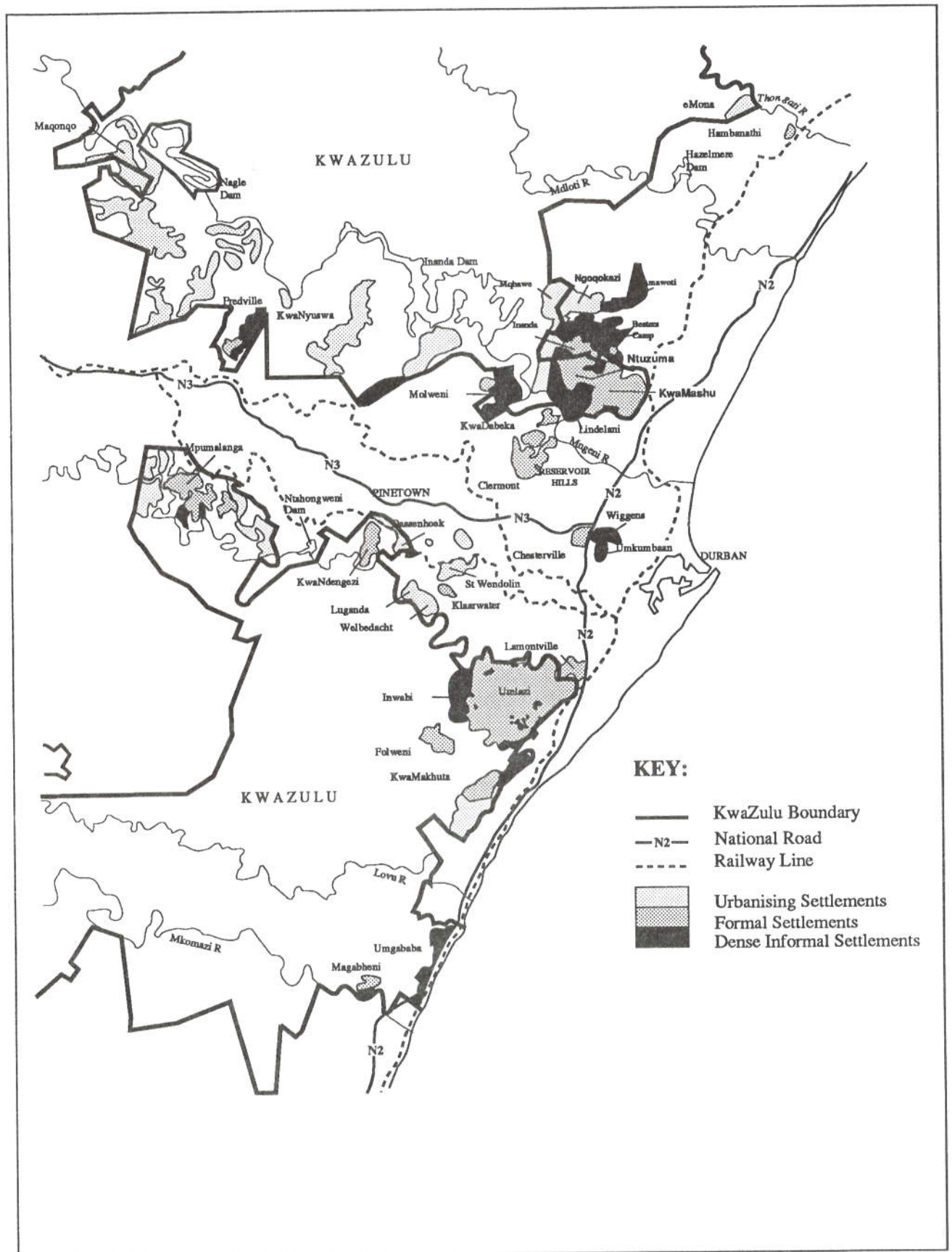
The location of African settlements is shown in Map 3. It is evident that the major areas of African population concentration are located just inside KwaZulu and are distant from places of employment in Durban. The large formal townships were built during the mass public housing era of the 1950s and 1960s when the DCC constructed 55 000 units for Indians in Chatsworth and Phoenix and 40 000 units for Africans in Umlazi, KwaMashu and Ntuzuma. Much of the African housing was used to accommodate families removed from Cato Manor and did not represent a net addition to the housing stock. Informal settlements generally abut formal townships and newly-forming informal settlements are located still further out. The major exception is Cato Manor, which has the potential for accommodating about 250 000 families close to the city centre.

## 2 Institutional responses

There are three major actors in respect of housing: the DCC, the IDT and the NPA. Excluded from this calculation are the JSB and KFC. Housing is not a function of the JSB which is restricted to the financing of infrastructure development. While the KFC is involved in the supply of housing, it serves essentially as an end-user financier for both formal and informal housing. Its loan finance division operates in much the same way as a commercial lending institution, except that it is more flexible and targets low income communities. The KFC also has a few of its own housing projects and one site and service project (Folweni), but no upgrading projects.

- a The DCC does not have a housing policy which is accepted by the Council, although such a policy is in preparation. There are, however, features of the Council's stance which are already evident, namely that it:
  - does not intend to construct additional formal housing
  - accepts the permanence of informal settlements within the city's boundaries
  - supports the upgrading of approved settlements (the distinction it draws between squatter and informal settlements), and

**Map 3** African Formal and Informal Settlements in the DFR





— has since proceeded with the upgrading of, for example, Besters Camp.

The Council is still grappling with how to respond to a number of small inner-city informal settlements such as Block AK and Warwick Road.

- b Within the NPA there are competing tendencies in respect of housing. The:
- Chief Director: Planning and Development favours the creation of new housing stock via site and service schemes
  - Directorates responsible for land use emphasise prevention and control of squatting, and
  - Physical Planning Directorate supports in situ upgrading, an approach which has also been accepted by the Natal Town and Regional Planning Commission.

The site and service orientation is presently dominant and the NPA's goal is 25 000 sites per annum. However, it is characterised by the desire for easy land acquisition and minimum opposition of local communities. This probably explains troubled projects such as Lovu whose distance from Durban is held to be a major problem. It is only recently that the desirability of a compact city has begun to filter into the NPA's thinking.

- c In its first round of allocations for capital subsidy purposes, the IDT committed R120m to the DFR. R60m is intended for an in situ upgrading project in Inanda (Besters Camp) and the balance goes to a number of site and service projects.

### 3 Issues

There are a number of other issues that are relevant to shelter. These deal with affordability, Cato Manor, gender, land tenure and hostels.

#### a Affordability

Sutcliffe (1989) reports that 32,3% of income-earning Africans in the DFR are unable to contribute to shelter expenses and another 58% can afford shelter only if provided with a subsidy. He continues that these figures only apply to those with employment and that the overall figure is consequently far worse.

#### b Cato Manor

Cato Manor developed in the early 1930s on Indian-owned land. Its growth was tolerated until, with the advent of Group Areas, the decision was made that the population should be relocated to townships to be established at KwaMashu and Umlazi. Despite considerable opposition, relocation began in 1958 and continued until 1964, at which point 82 826 persons had been ejected and another 30 000 to 40 000 had "disappeared".

After a number of changes in the State's urbanisation and housing policy, in 1990 the Deputy Minister of Planning and Provincial Affairs, Tertius Delpont, gave an undertaking that full consultations over Cato Manor would be entered into between the State and appropriate community organisations. Reacting to this request, a number of community representatives formed the Cato Manor Development Forum comprising civic organisations as well as service and planning agencies. The Forum later broadened into the Greater Cato Manor Development Forum (GCMDF) with 33 bodies including central, provincial and local government, political parties and community organizations.

The GCMDF has committed itself to the following principles:

- the planning and development process should be holistic
- Cato Manor should embrace all the parcels of land comprising Greater Cato Manor
- a participatory planning process
- the development should cater for the broad socio-economic requirements of the metropolitan community while having regard to those removed from Cato Manor, and

— there should be rapid progress.

The present status of Cato Manor is that a section 21 (non profit) company is in the process of being formed to implement a housing and economic development project. A land availability agreement appears likely between the various bodies that control parcels of land. In the interim, the Forum has applied to the JSB, the IDT, the DBSA and other sources for funds to support the planning of the project and, subsequently, the supply of infrastructure.

### c Gender

About 30% of households in African areas of the DFR are headed by women. The figure of 30% would probably be quite a bit higher were it not for the difficulties women have had in gaining rights to housing in formal areas and the continuing difficulties they face in informal areas.

The access of married women to formal housing prior to 1992 was restricted since, by law, her domicile was assumed to be that of her husband - regardless of where he was living. Because married women are defined as minors (unless the husband's marital powers are excluded) their access to property is further dependent on men. This dependence is especially pronounced when the marriage is a customary union, for then a woman cannot escape the status of a minor and is forever dependent on a man for access to land.

The disadvantageous position of women is also accentuated by the generally lower income of women-headed households and, of course, their inability to afford formal housing.

The result is that most women-headed households have been forced to live in informal settlements. But here too their access to land has been limited by tribal custom and they have had to seek relative security through paying a landlord or through attaching themselves to a relative.

It seems that the higher incidence of women-headed households among squatters in central Durban arises from the fact that squatting in this area represents an avenue towards independence and gets them away from violence-ridden areas.

### d Land tenure

Boaden and Gordon (1989) identified seven tenure types within the DFR's informal settlements. The differences between these types are important as they affect household access to land, the household's willingness to invest in structures and, as we have seen, whether female-headed households can gain access to land. The types of tenure and their incidence in the early 1980s are as follows.

- 1 Tenancy-at-will (35%) occurs when land is rented from a landowner who may him/herself not legally own the land. The tenant then normally builds a house and may also sublet land and housing to others.
- 2 Traditional allocation of tribal land (27%) is allocated by the local chief or induna. The person receiving the land builds the house but never owns the land.
- 3 Historical land purchase (12%) occurred among Africans who were born in Durban or had lived there for over 16 years.
- 4 Rental accommodation (24%) is common among recent migrants and refers to rooms rented from tenants or landowners.
- 5 Squatting refers to the occupation of hitherto unused land. The incidence of squatting has increased markedly since the early 1980s and the estimate at the time of 4% squatting is now certainly too low.



- 6 Rented mission property (4%) refers, for example, to Marianhill.
- 7 Perhaps 1% of the DFR's shack dwellers live in inherited property.

Tenancy-at-will and rented accommodation account for the bulk of those living 'close in', whereas traditional land tenure typifies those living further out.

#### e Hostels

Since hostels have proven such an issue elsewhere in the country, it is valuable to gain an insight into their prominence in the DFR. There are five hostels in Durban. These are Glebelands, Thokoza, Dalton Road, Jacobs and CJ Smith. The number of occupants per hostel vary from 1 400 in the Thokoza hostel to 22 000 in Glebelands. In total these hostels have approximately 38 900 occupants. The hostels were, however, designed to accommodate only 17 827 people. Overcrowding in the Durban hostels is therefore severe, with an occupancy rate of more than two persons per "official bed". Durban is second only to Cape Town in terms of hostel overcrowding.

Initiatives aimed at upgrading or converting the public hostel complexes are being planned. (Few private sector companies have hostels for their employees.) Funds for the initiatives were made available by the central government via the NPA. The KFC and the Urban Foundation Informal Settlements Division were commissioned to manage the initiatives and during the 1991/92 and 1992/93 financial years, R20,23 million was allocated for this purpose. The NPA has established a Natal Hostels Initiatives Steering Committee with representatives from the major political and civic groups to oversee the initiatives. This implies that although the final decisions are made by the NPA, it acts on the advice of the Steering Committee. Moreover, at the local level, the initiatives are guided by locally constituted Working Groups. In this respect the Natal situation differs markedly from other provinces where provincial administrations tend not to favour the inclusion of a wide range of stakeholders.

## Participants in the development process

The purpose of this section is to identify the participants in the development process and to briefly describe what they do. In particular, it will be seen that:

- there is an extremely complex mix of local authority structures (see Annexure 1 and Map 4), and
- this complexity poses tremendous difficulties in respect of establishing a democratic local government structure which can engage in effective planning and provide an equitable supply of public goods and services.

### 1 The Natal Provincial Administration

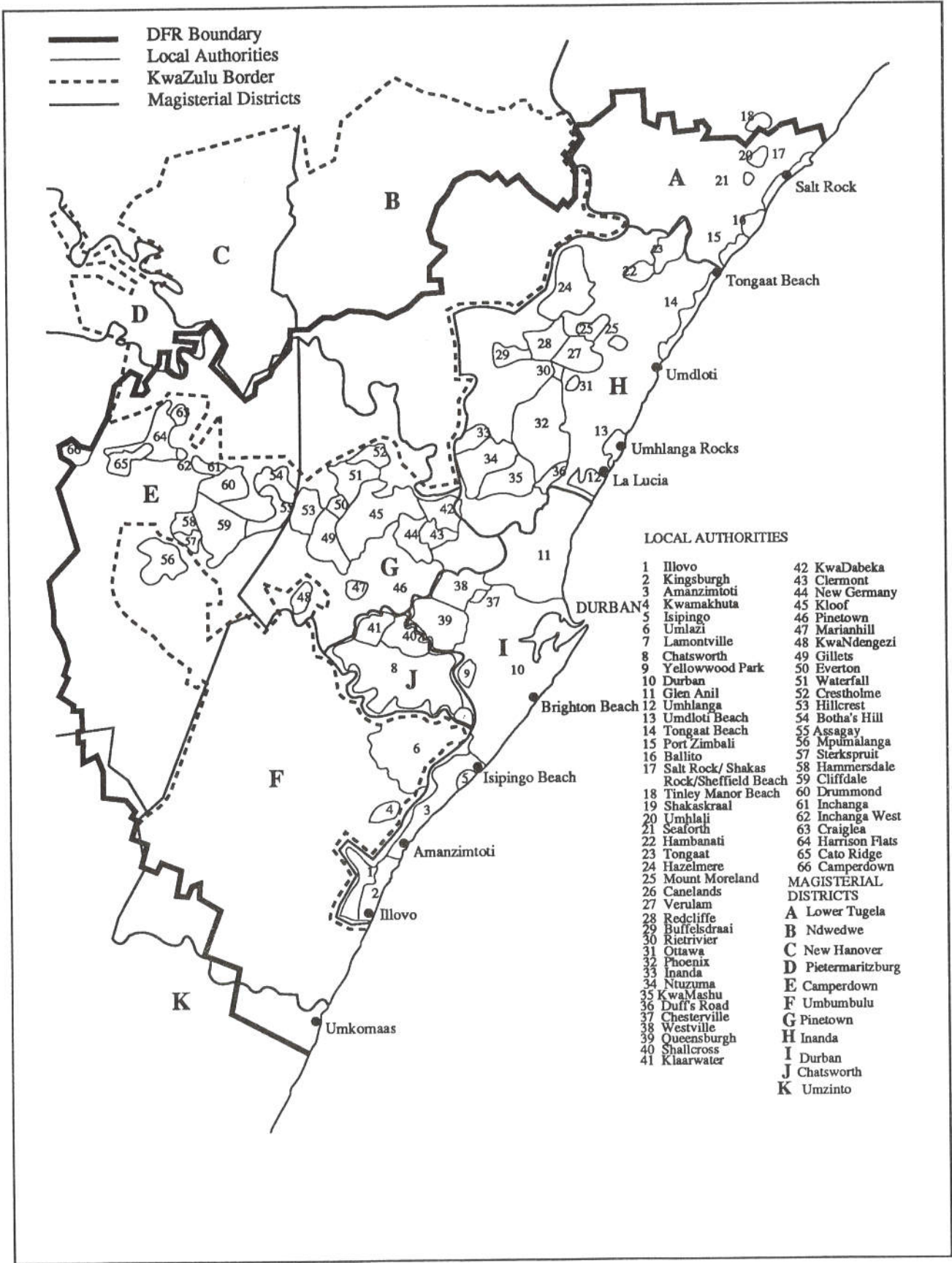
The **Community Services Branch** of the NPA is closely involved in a number of aspects of urban development and management. The following account reports on those activities which have an obvious bearing on the DFR.<sup>32</sup>

- a The **Chief Directorate: Local Government** is responsible for community administration and welfare services. It is divided into two Directorates: Local Government and Urban Control, and Finance.
  - The **Directorate of Local Government and Urban Control** assumes overall responsibility for local authorities in the province. In effect, the own/general affairs distinction which underpins the 1983 constitution was never implemented at provincial level in Natal; hence, the NPA never yielded responsibility for white local authorities to the House of Assembly's department of local government.

The Directorate is also responsible for **Development and Services Board (DSB)** areas.



Map 4 Local authorities and magisterial districts of the DFR



These areas are of two types - development and regulated areas. In development areas, the DSB looks upon itself as a 'caretaker' body which - as soon as the area is financially and administratively able to take care of itself - encourages inhabitants to seek independent local authority status. Development areas are given municipal services according to their needs. Regulated areas are often areas where informal urbanisation is occurring. The Board views its function as to control further development and, indeed, the areas might be portrayed as 'frozen'. These are, in the eyes of the NPA, areas where services of any kind are not yet necessary except that water may be supplied when necessary to 'sustain life'.

Finally, the Directorate oversees the affairs of the JSBs. The Port Natal-Ebhodwe JSB is described below.

- The **Directorate of Local Government Finance** administers the financial and administrative functions of local authorities and development areas.
- b The **Chief Directorate, Planning and Development** views itself as one of the key roleplayers in respect of managing urbanisation. The Chief Directorate is responsible for strategic planning, regulation of land usage and urban development.
  - The purpose of the **Directorate of Land and Housing** is to control land usage and development. This means that it is responsible, for example, for implementing the Prevention of the Illegal Squatting Act 52 of 1951 and administering land tenure and housing matters. Respectively, this involves investigating informal settlements and initiating community development; acquiring land either for extensions to existing black townships or for new black townships or informal settlements (after such land has been identified by the Directorate of Physical Planning); and the sale of public housing and hostel upgrading.
  - The **Directorate of Physical Planning** provides administrative and professional services for the Natal Town and Regional Planning Commission. The Commission is a statutory body that was formed in order to advise the Administrator on any matter of policy affecting the physical planning and development.

In addition, the functions of the Directorate entail the coordination and facilitation of urbanisation, the identification of land, the preparation of metropolitan and sub-regional plans, the administration of the Town Planning Ordinance and so on. The Directorate comprises three sub-directorates, including one for the DFR. Together with the Directorate of Land and Housing, the major portion of the Directorate of Physical Development's activities are taken up with attempts to address increasing urbanisation. It thus spearheads the NPA's efforts in respect of informal settlement. Activities include:

- the development of new urban areas
- the upgrading of existing towns
- the provision of technical support services to local authorities and communities where the Administrator acts as the local authority, and
- maintenance and construction work as agents for the KwaZulu government and the defunct Department of Development Aid.

## 2 Towns falling under the Natal Provincial Administration

The great variety of towns within the DFR that are **administratively** under the NPA are shown in Annexure 1. The towns differ in status. In the DFR there are:

- 11 boroughs
- 7 townships, and
- 7 health committees.



Boroughs, which include Durban, are to a large extent allowed to take their own decisions. However, these are subject to the Administrator's approval. Greater controls are exercised over townships and health committees.

With the exception of Verulam, Isipingo, Marburg and Umzinto North, where Indian areas have obtained borough status, coloured and Indian areas are managed by local affairs committees. These are also under the NPA and are advisory structures.

Black townships under NPA control have not reached town or city council status in terms of the Black Local Authorities Act of 1982. Two black local authorities have ceased to function and NPA-appointed administrators are now performing local authority tasks. The NPA has also been encouraging the extension of the municipal areas of jurisdiction of some established white local authorities to include neighbouring black residential areas with regard to responsibility for service delivery. This has happened since mid-1990, before the new Interim Measures Bill was published. NPA-sources cite this as evidence of their own willingness to innovate around local-level structures.

In former trust land there are township committees and non-operative advisory boards. There are also certain urban areas with no formal representation which are served by the NPA. The administration of former Department of Development Aid-controlled towns such as Inanda and Newtown has been handed over to the NPA.

The NPA states that it has always sought to grant substantial autonomy to local authorities. However, the NPA intends maintaining policy functions for itself. This means that local authorities will not easily find themselves in a position where they can innovate with regard to planning and structural issues beyond what the NPA wants them to do.

**Financial data** pertaining to white local authorities are kept by the Auditor General and this body was approached for the necessary information. The financial statements of four municipalities were made available with the request that nothing specific be reported. The DBSA was advised to contact the other local authorities directly for the relevant financial information. Due to the above it is impossible to draw meaningful conclusions in respect of these authorities.

Eighteen black local authorities, of which only two are in the DFR, are under the control of the Directorate of Local Authorities Finance. For the 1991/92 financial year, more than R34m in budgetary assistance was made available to them, with more than R70m required for the 1992/93 financial year. Certain towns previously under control of the old Department of Development Aid have now been transferred to the NPA, but financial information on these authorities is not available.

The income and expenditure of the DSB has been allocated to various funds and accounts maintained by the Board. Including a R9,6m grant received from the NPA, the DSB was in a break-even situation in 1990/91. The DSB's authorised borrowing powers at 31 March 1991 amounted to R53m and a total of R39m had been exercised.

Capital expenditure in 1990/91 totalled R17,3m and was allocated to:

rates and general services	R10,0m
water services	R 0,5m
housing services	R 6,8m

The capital expenditure was mainly financed through:<sup>33</sup>

External loans	R 2,5m
Grants and subsidies	R 2,9m
National Housing Board loans	R 6,8m

### 3 Towns falling under the KwaZulu Government

Local authorities in KwaZulu are subject to a different system of local government from those in Natal.

- a The **Department of the Chief Minister** oversees tribal authorities and community authorities. Tribal authorities are generally related to the traditional leadership structures of the area, except that in a number of urban areas shacklords have usurped traditional structures. The tribal authorities are viewed as embryonic forms of local government; but they have a limited capacity to deliver in modernising communities.

**Community authorities** occur when there is no one distinct tribe, and serve the same purpose as tribal authorities.

The **income and expenditure** of community and tribal authorities is unrelated to the provision of municipal services. The income reflected in the account books of the authorities is derived from, inter alia, court fines, tribal levies, dog taxes, customary fees and sugar-cane proceeds. The income varies from authority to authority and ranges from R4 000 per annum to R90 000 per annum.

The expenditure of community and tribal authorities normally consists of the Inkosi's salary as well as the salary of the secretary, travelling allowances, wages for cutting and ploughing of sugar-cane fields, postage and telephone accounts as well as entertainment. The average expenditure for larger tribal authorities is in the order of R40 000. The cost of maintaining district roads is not recovered from tribal authorities.<sup>34</sup>

- b **Urban local authorities** in KwaZulu are under the supervision of the **Department of the Interior**. Services under their auspices are provided through KwaZulu government departments or their agents. This has served to further limit their already constrained constitutional powers. The town councils are partly 'elected' and partly nominated; and have been criticised because the KwaZulu government is said to use its powers of nomination to ensure that the local authorities are sympathetic to the Inkatha Freedom Party regardless of the outcome of elections.

The **cost of services** in these towns cannot be determined since financial aspects relating to urban management and development are interrelated at both local and regional levels and it is not always possible to distinguish between the various levels. Nonetheless, it is clear that heavy subsidies occur in the following areas and that actual service charges are considerably below full cost recovery. The areas are:

- urban management
- subregional transportation
- health services
- educational services
- urban infrastructure
- social services, and
- housing.

An additional critical reason for the poor financial position of the towns is that their area is defined in such a manner that it excludes an industrial and commercial **tax base**. The potential sources of local government revenue are therefore very limited.

### 4 The Durban City Council

Durban is by far the most dominant city in the DFR. It is economically pre-eminent and, if one assumes that a future integrated local government will bind Umlazi and KwaMashu to the city, it will then have half the DFR's population.



Durban is also pre-eminent in respect of its role in delivering services to other towns. The services provided by the DCC to other towns include:

- electricity (47 towns)
- sewage (over 30 towns)
- water (16 towns)
- refuse removal (1 town)
- fire service (numerous towns), and
- public transport (between most main centres adjoining Durban).

The city's income from services explains why Durban generates the second highest income of all local authorities in South Africa. The DCC has the highest annual income generated per urban dweller of all grade 15 local authorities (1990: R1 770).

- a In respect of **income and expenditure**<sup>35</sup>, a total of R1 728,2m operating income was generated for the year ended June 1991, a 14% increase on 1990 figures. The total operating expenditure for 1991 was R1 702,2m, also a 14% increase on 1990 figures, resulting in an operating profit of R26m (1990: R35m) for 1991. This includes inter alia operating losses of R8,8m on transport services and operating profits of R25,5m on electricity and R8m on water services.

The budgeted figures for the year ending June 1992 were operating income: R1 950,4m; and operating expenditure: R1 950,4m.

- b There was **capital expenditure** of R298,9m (1990: R277,9m) on capital items relating to urban services. This was mainly financed through stock issues and debentures. Budgeted capital expenditure for 1992 was R391,4m.

In addition, on 6 May 1991, the DCC adopted a resolution to create a Durban Functional Region Development Account. Expenditure will be incurred on development and infrastructure projects determined at the discretion of the DCC and will focus on projects which will foster the upliftment of underdeveloped areas and promote employment in the region. For the 1991/92 year, projects to the value of R61,7m were committed to be funded from this account.

- c In terms of the Local Authorities Ordinance of 1974, the City is able to **borrow** moneys to an amount which does not exceed 200% of the total income of the revenue accounts for the immediately preceding financial year. This would enable the City to have borrowed up to R3 000m during 1991, whereas net loan monies outstanding were R1 256m. The cost of financing the Council's above unredeemed loans was R272,6m. If the Council is to take up its full borrowing powers, it would cost approximately R378m in addition to finance the loans.

## 5 The Port Natal-Ebhodwe Joint Services Board

The JSB represents a new source of income for development purposes in the DFR. Its primary objectives are to upgrade infrastructure for low-income communities and to improve the delivery of services in the region.

The major part of the Board's income is obtained from levies. All enterprises in the region are required to register with the JSB for the payment of the levies and during 1991/92, 36 681 enterprises did so. A total of R134m was raised during this period and R158 is budgeted for 1992/93.

Of its total budget of R127,5m in 1991/92, R106,2m was allocated for projects. Of this amount, 38% went to roads and stormwater, 24% went to sewer reticulation, and 22% went to water supply. However, during 1991/92, only 40% of the allocated funds were paid out due to insufficient progress on projects.



## 6 Umgeni Water

Umgeni Water was primarily formed to supply bulk water to the Pietermaritzburg/Durban complex and other towns in the region. In terms of its 'water for all' objective, Umgeni Water intends to have the bulk infrastructure in place to supply water to everybody in its area (which extends beyond the DFR) by 2005. In recent years it has been working towards the concept of total water management and as a result has become increasingly involved in aspects such as water reticulation and sewage purification. These goals are revealed in its 1991/1992 Annual Report, wherein Umgeni Water describes its mission as including to:

- extend the provision of purified water to regions where the population does not have a reliable supply, and
- promote the need for improved quality of water in rivers and dams by monitoring discharges, and by being actively involved in pollution prevention, sanitation and waste water treatment.

These are credible goals due to the financial strength of Umgeni Water and it is well positioned to contribute to development within the DFR.

## 7 The KwaZulu Finance and Investment Corporation

The KwaZulu Finance and Investment Corporation (KFC) is a statutory body whose board of directors is responsible to the KwaZulu Legislative Assembly. Its operations are prescribed by the KwaZulu Corporations Act. In terms of an agreement between the Chief Minister and the Minister of Regional and Land Affairs, the KFC operates in Natal as well as in KwaZulu.

The KFC's ambition is to become the development corporation for the region. In this respect it is well positioned, having institutional capacity in:

- loans to small businesses, and the provision of premises and advisory services
- end-user finance for housing
- investment in commercial real estate
- the attraction of local and foreign industrialists to the region
- supplying agricultural loans and providing agricultural services, and
- managing the Ithala savings scheme.

In addition, the KwaZulu Training Trust evolved from the KFC. The KFC also has considerable financial resources, with net current assets in 1992 of R1,03 billion.

The drawback to the KFC's regional ambitions arises due to the control exercised by the KwaZulu government. This creates inevitable political tensions regarding the KFC's role, whether it should become the key development agency in the future, and whether people should deal with it in the interim.

## 8 Civics

The development of civic associations is uneven when compared to the Transvaal and Eastern Cape. Civics in places such as Chesterville and Inanda are reasonably well-organized and there is presently considerable organisational activity underway. However, many civics struggle to mobilise over a wide front, to assert themselves independently from political agendas, and to overcome legacies from their past which undermine their broad representativeness.

Originally, civic organisation occurred mainly in the Indian and coloured areas around Durban and Pietermaritzburg. The **Durban Housing Action Committee (DHAC)**, for example, mobilised residents from these areas mainly around housing and Group Areas issues. It became influential in these areas as it organised rent boycotts and other protests and assertively articulated the concerns of residents.

DHAC's efforts were supplemented by the **Joint Residents Action Committee (Jorac)**, which was



formed in the early 1980s in the non-KwaZulu African areas of the DFR. The two organisations supported one another until their actions were coordinated within the United Democratic Front in 1983, which rallied such structures along non-racial lines.

Jorac has recently become particularly prolific, but it has not managed to broaden its activities into KwaZulu. This is because Inkatha's hold on African areas has often left civics little space. The State of Emergency in the late-1980s also thwarted most of their ongoing civic activities. Moreover, as shacklords assert their power in some areas, residents are reluctant to join structures which may openly position themselves against the powerful figures.

The result has been that extra-system organisation outside the Indian and coloured areas has largely taken place around political structures - notably within the ANC-camp. The ANC formally supports the development of a strong civic movement, but remains the senior partner in this relationship.

Nonetheless, Jorac recently made what it considers to be a breakthrough by receiving from the NPA an undertaking that the latter would allow the **Joint Areas Committee (JAC)** scrutiny of all plans involving Durban's zoned African areas. JAC represents the African townships of Lamontville, Chesterville, the Glebelands in Umlazi, and the Thokoza hostels. This is seen by civic leaders as the beginning of appropriate negotiation and consultation, although there is a sense of restraint regarding too high expectations.

Another initiative which was important at the time of its initiation was the launch by 75 civic groups in September 1991 of a **Campaign for a Democratic City**<sup>36</sup>. Its immediate objectives included popularising the concept of a democratic city, highlighting the problems of a divided city and mobilising support for the campaign. Since then, two factors have contributed to initiatives for local government negotiations losing force. The first is that there is a keen connection between negotiations at the local level and those at the national level. Local level negotiations in the DFR, unlike the Central Witwatersrand Metropolitan Chamber, are unlikely to proceed out of step with national level negotiations. The second factor is that the desirability of integrating local authority structures has become so accepted in Durban - the present Council views itself as a caretaker - that mobilisation around the issue barely seems worth the effort.

In October 1991 some 40 organisations formed the **Civic Forum (CF)** with a view to mobilising civic power for interactions around the City Council's One City initiative. The organisers (mostly DHAC-based) believed that its formation could be the first step towards a genuinely comprehensive civic structure in the DFR. The launch meeting was apparently not well attended and it seems that the focus of civic action in the DFR now lies with the **Southern Natal branch of the South African National Civic Organization (SANCO)**. The branch evolved out of the Southern Natal Interim Civic Committee which was organized in late 1990 in order to coordinate civic action and now dominates civic affairs in the DFR. For example, it is the local branch of SANCO which is represented in the Metropolitan Development Forum.

Analysts of civic matters in Natal say that the civics cannot be discounted as potential regional players and that it would be unwise to exclude them from deliberations about development. It certainly appears that the civics appreciate that the government, private sector and aid agencies are not monolithic and that fruitful links can be established with 'progressive' elements, especially around development issues.

It also seems that some civic leaders acknowledge that they will never be able to be genuinely effective watchdogs over local government if they do not also include residents who support Inkatha. There is still debate about the enthusiasm with which Inkatha Freedom Party (IFP) support for civics should be pursued; and the high levels of violence, of course, do not contribute to a favourable environment for greater conciliation. Civic figures have experienced hostility from the KwaZulu bureaucracy and doubt the IFP leadership's openness to conciliatory gestures from the side of the civics.



## 9 Non-governmental organisations

Non-governmental organisations (NGOs), internationally proclaimed as key players on the development scene, are now a growth industry in South Africa. In the DFR NGOs differ in their geography: some are local, others regional or national; and their linkages are either with community-based organisations or the private sector. The specific history of community-linked NGOs has circumscribed their contribution and this is described before proceeding to short assessments of NGOs which are prominent in urban development.

Most community-linked NGOs served as advocacy organisations that helped civics oppose apartheid measures and prepare development plans in opposition to those of the authorities. Such organisations and also their personnel are now confronting a changed political climate and seeking identity in project implementation. This switch is often not easily come by. Such difficulties may also have something to do with their past reliance on grant finance, which leads to a culture that does not centre on effective delivery.

The linkages of many NGOs with community-based organisations also does not enhance their relations with the KwaZulu government. Conversely, due to the relatively weaker development of civics in Natal than in the PWV and the Eastern Cape, the NGOs often find that the skills they offer exceed the capacity of potential clients.

- a **The Built Environment Support Group (BESG)** provides policy related research, project related training, alternative planning and policy advice, project implementation advice and support, advice on project funding, and negotiations support. These services are typical of the advocacy planning and alternative planning advice of NGOs in the 1980s. In 1991 BESG became involved in project implementation, for example, Luganda and Desai (Zilweleni), which are IDT capital subsidy projects, and Soweto (Inanda) and Richmond Farm. BESG is also part of the community team involved in the Cato Manor Project.
- b **The Centre for Community and Labour Studies (CCLS)** was formed in 1990 through the merger of the Community Research Unit and the Labour and Economic Research Project. Initially these two bodies were involved in backup research to communities engaged in struggles with the authorities. This role evolved to one of undertaking secondary research and preparing alternative policy proposals. More recently CCLS has become involved in development projects through offering planning and organisational advice to local organisations involved in development projects. It is involved in development projects in Inanda, KwaMashu, informal settlements in Reservoir Hills, Lamontville and Cato Manor. CCLS also provides support to the Southern Natal branch of SANCO and DHAC.
- c **Community, Organisation, Research and Development (CORD)** operates in rural communities all over Natal, including the more rural parts of the DFR, for example, Ndwedwe and parts of Tongaat. CORD aims to assist impoverished and marginalised communities through increasing their capacity to gain access to the resources necessary for sustainable development. It does this through:
  - recruiting skills and directing these towards increasing the organisational capacity of local communities
  - research which involves the communities and is intended to improve their material conditions, and
  - the formulation of development alternatives for projects in which they are engaged.
- d **Urban Foundation Informal Settlements Division (UFISD)** was originally established as a section 21 (non profit) utility company within the Urban Foundation. As such the UFISD was expected to operate on a full cost recovery basis. When this expectation proved unrealistic the UFISD was incorporated into the regional office of the Urban Foundation. UFISD's major



impact has been in the upgrading of 8 100 sites at Besters Camp in Inanda. The relative success of this project, and UFISD's improving relations with 'progressive' NGOs, has established UFISD as the NGO in the DFR with the greatest capacity to implement in a community sensitive way. However, UFISD's future is complicated by strategic shifts in the Urban Foundation, namely the Foundation's utility company, NEWHCO, moving its relative focus into the same market served by UFISD. Thus, on the one hand, UFISD is negotiating to become autonomous of the Foundation and, on the other, UFISD and NEWHCO could be rationalised into one company. UFISD's effectiveness with upgrading, its additional involvement in hostel projects, and its desire to establish a role in inner city projects, suggest that UFISD will be especially prominent when it comes to delivering at scale.

- e NEWHCO's origins lie with the Urban Foundation utility company, Innova Homes. Innova Homes focused mainly on the provision of starter and other formal homes largely for the House of Delegates, a fact which had a bearing on the perceived legitimacy of the company. Innova did nonetheless demonstrate substantial house-building capacity. The formation of NEWHCO, as noted, is premised on the down-market strategic shift within the Urban Foundation. It remains to be seen whether NEWHCO will be able to develop the corporate culture and style appropriate for success in the informal housing market.
- f An important component of development is the building of capacity within local communities to participate meaningfully in and control development projects. Several NGOs are involved in such training work. In 1990 the ANC, the civics and COSATU established a National Development Forum to co-ordinate development work and formulate a common approach to development. The NGOs participating in the Forum that were involved in training work decided to establish a **Training Sector Network** to coordinate training initiatives in the country. In the DFR those NGOs<sup>37</sup> that are part of the Network meet to coordinate training work. Although still in its formative stages, the Network could be the most important training initiative in the region. This is evident from the training provided by the NGOs, which includes capacity building, finance management, project management, project planning, fundraising, housing, local government and negotiation skills.

## 10 Shacklords

The physical patterns of social power in urban settlements have become part of the development landscape in Natal. This is not surprising given that some 3 600 shacks are estimated to have been added annually in the 1980s in the DFR alone and that such a large proportion of the DFR's population is living in informal settlements (Urban Foundation 1991). Thus, when projects are assessed, the powerful individuals who control land in the townships need to be considered. Many people would contend that they should - on moral grounds - not be included in discussions, simply because their exercise of power is so crudely based on coercion.

But the shacklords are in fact powerful forces to be reckoned with. Some shacklords have gained control over land through tribal inheritance; but in the metropolitan areas most seem to have started their activities in this regard through land invasions. Thereafter they managed to exert power through force and patronage.

Shack dwellers often find it difficult to move away from such areas. Moreover, it often has the result that communities will not militate against the shacklords because they become dependent on the latter's favour. Rentals and community obligations are enforced by the very nature of the social structures which emerge in such areas; and if residents overstep the mark, they are dealt with through eviction or force. Among the more ominous reports about the implications of this have been allegations that residents have to serve what amounts to military service; thus providing the manpower to make township wars possible. But whatever moral view one takes of their role, they seem to be a powerful group of actors which needs to be taken into account when development in townships and rural areas is discussed.



## 11 Other stakeholders

There are a variety of other critical stakeholders. These include political groups, the private sector and national and international funding agencies. These are briefly reviewed below.

- a It goes without saying that there are tensions between the **African National Congress (ANC)** and the **Inkatha Freedom Party (IFP)**. An obvious cause of these tensions is that political control of territory and the distribution of benefits arising from development projects translates into votes. This is very important in the run-up to national and regional elections.<sup>38</sup>

In the interim, however, the ANC and the IFP are participating in a number of fora. In general, the IFP favours initiatives emanating from the Joint Executive Authority (JEA) as the IFP's influence is at a maximum here. In contrast, the ANC participates more willingly in initiatives at a metropolitan and local level for here its alliance with civics and prominent sections of the business community lend it an advantage.

These differences are problematical for development in the DFR. A few examples illustrate the point:

- the Metropolitan Development Forum is intended to prioritise projects and to legitimise the allocation of resources - this requires the participation of both parties
  - if either the ANC or the IFP settles supporters in, for example, Cato Manor, there is considerable potential for a violent struggle, and
  - it is often alleged that services in KwaZulu are more readily available in areas controlled by Inkatha.
- b The **House of Delegates (HoD)** is likely to be abolished with the new constitution. In the interim, however, it appears that the HoD Department of Local Government, Housing and Land Affairs has substantial resources for housing. Added to which is its control over a portion of Cato Manor. For the time being the HoD is a relevant player in housing matters in the DFR.
- c The **private sector** has a self-interest in sustaining the local economy and in undertaking property developments, and major private sector figures are often imbued with considerable civic mindedness.

The contribution of prominent figures and enterprises to development planning includes:

- participation in and often leading development planning, for example, the Tongaat Hulett report and Operation Jumpstart
  - contributing resources necessary for the operation of development forums, and
  - the form and extent of related investment, which is instrumental in determining the success of development efforts.
- d National and international development agencies such as the **DBSA**, the **IDT**, and the **United States Agency for International Development** all support development projects in the DFR. Other agencies, especially the **World Bank** will also join in the fray. Needless to say, each agency brings its own style, institutional self-interest and practices. The proliferation of donor agencies may well become a problem and it is desirable that the DFR set its own agenda.





# The Future

## Violence

Violence has already been mentioned on a number of occasions. As death mounts up, the significance for the economy of the region is that investment is discouraged, capital flight is exacerbated, and worker absenteeism and productivity deteriorates.

A great deal has been written about the causes of the violence in the DFR.<sup>39</sup> It is not the intention of this perspective to add to this literature. Instead, the focus is on the consequences of the violence for:

- development projects
- the state of the regional economy, and
- the sensitivities which institutions like the DBSA need to display when considering projects.

An example of the implications of violence for development projects is provided by KwaMashu where the supply of water to 5 000 sites is associated with a R5m per annum loss due to water leakage. The DBSA has funds allocated to address the problem, but repair crews cannot enter the area.

For development agencies such as the DBSA the question is whether, through promoting development it can help to alleviate the violence, or alternatively whether the prospect of available resources might not polarise the community. An answer is multifaceted.

- a Development projects can divide communities. It cannot be assumed that hostel dwellers, migrants, 'illegals' (illegal immigrants from other countries), settled families and female-headed households share the same priorities, ability or willingness to pay. Unforeseen opposition from minority elements in a community can wreck a project.
- b For shacklords and political figures, control over the distribution of resources is central to their ability to maintain support in their area. Whereas the DBSA might insist on participatory decision-making procedures, this might not sit well with the more influential members of the community.
- c Communities which have experienced violence and political divisions need to develop a common understanding of their problems and priorities. This can prove extraordinarily problematical when community organizations lose their mandate, if community leaders are assassinated, or simply when control of the area shifts hands. The possibility of such dramatic events is enhanced due to the time it takes to gain acceptance of a peace accord and a development programme. For example, in Mpumhalanga, where violence has ceased and reconstruction is underway, the process of negotiating peace and initiating a development programme took four years.
- d It seems that in some cases the promise of material reward can act as an incentive for warring parties to negotiate peace and to strive for development. In this situation there is a role for an institution such as the DBSA, but the product must be prompt, visible, and in line with community priorities.
- e It is critical that the development institution is perceived as neutral. In this respect it may well be that the DBSA's apolitical stance and its commitment to community participation places it



in a favourable position to promote development and so to help alleviate violence.

- f Technical modesty is appropriate. One has to recognize that the rationale for project design - for example, high density shelter provision in order to utilise scale economies - may justifiably be resisted by communities who view further immigration as a likely spark to further competition for land and resources which may lead to violence. It may well be that peace persists in places like Mpumhalanga precisely because the area's inhabitants control access by others.

## Development initiatives

There have been a variety of initiatives intended to promote development and/or the coordination of development efforts in the DFR. Of special relevance to this exercise is the RSA/KwaZulu Development Project (RKDP), Operation Jumpstart, its probable successor the DFR Metropolitan Development Forum, and the JEA's DFR Framework Plan.

### 1 RSA/KwaZulu Development Project

The origins of the RKDP lie in the 1984 KwaZulu Natal Planning Council. The Council's task was to formulate proposals regarding how to improve the circumstances of Africans living in the Durban/Pietermaritzburg area. The Council proposed development projects costing R 1 124m (in 1986 prices.) The proposal was approved by the South African and KwaZulu governments in 1988. Implementation of the proposals was assigned to a Co-ordinating and Implementing Committee. In practice, the RKDP was responsible for implementing projects in KwaZulu and on land controlled by the Department of Development Aid; and the NPA implemented projects falling within its territory.

The RKDP was intended to last five years and its primary objective was the provision of 86 000 sites.<sup>40</sup> Planning for these areas was to occur in two stages: first, urban development plans and then master plans. The former documents are now complete. However, the communities affected by these plans were little involved in the planning process and the acceptability of the documents is questionable. The same doubts arise because the plans were premised on the view that future urban growth in the DFR should occur in KwaZulu and extend away from the Durban city centre.

The RKDP did not deliver on the provision of 86 000 sites, but it has engaged in a number of small infill and upgrade projects.

The future of the RKDP is unclear. Its support lay with the Department of Development Aid, which no longer exists. The DBSA was initially intended to be the primary source of funds, but DBSA funding is conditional on community participation and this has slowed the process due to difficulties encountered with the KwaZulu government. With the demise of the Department of Development Aid, the present proposal is to shift responsibility from national to regional government and to replace the Co-ordinating and Implementing Committee (which falls under the JEA) with an RKDP Steering Committee which includes the NPA and the Department of Regional and Land Affairs. However, the NPA appears to have misgivings about joining the RKDP. The KwaZulu government apparently also has doubts arising from the community and social concerns evidenced within the RKDP. In addition, the RKDP nowadays is in a position of having to seek funding from the JSB, the DCC and the NPA, and its financial circumstances seem less secure.

### 2 Operation Jumpstart

The predecessor to Operation Jumpstart was the Planning Forum convened in 1988 by Tongaat-Hulett, a major industrial company.<sup>41</sup> The Forum included academics, people in government, and members of political parties including the ANC. The Forum considered current socio-economic and political trends in the region and published three reports in 1990 which amounted to a scenario plan for the Durban Functional Region. The reports highlighted Durban's rapid population growth,



formal unemployment rates which exceeded 50%, and critical existing and future development problems.

With a view to building on this initiative, and in response to South Africa's economic malaise, Operation Jumpstart was launched by the Mayor of Durban at a conference in October 1990. The mayor's initial intention had been to stage an international investor's conference. It became apparent, though, that this was a bit far-fetched since not only was South Africa a pariah state, Durban itself was embroiled in violence. The conference was therefore directed at launching a local participatory exercise whose most important goal was to identify projects that would stimulate economic growth and create jobs. Operation Jumpstart is led by Terry Rosenberg, a major private sector figure, and its membership includes, amongst others, Inkatha, the ANC, local civics and the municipalities within the region. (COSATU did not participate, claiming that planning for economic development requires a larger geographic area.)

Operation Jumpstart does not represent an ongoing institution and will likely shortly cease to exist. It was initially only intended to be a six month initiative that would "kick start" local attempts to promote development and was intended to "hive off" projects. In this respect it was necessary in order to address institutional disarray and a morbid sense that central government ('Pretoria') would not allow local pro-active initiatives. The perception that six months would suffice was obviously unrealistic, and Operation Jumpstart has become a quasi public-private partnership that has developed an ad hoc list of priority projects.

After a winnowing process where certain projects fell by the wayside, the priority projects with which Operation Jumpstart is presently concerned are as follows:

- a Metroplan and the cutting of red tape which is intended to identify guiding principles for land use and to facilitate development
- the development of greater Cato Manor for low-income residential purposes
- the promotion of exports, for example, through urging government to create export processing zones and to allow customs duty exemptions
- inner city projects on well-located, underdeveloped land that would provide jobs and housing
- the development of the Point and Victoria Embankment
- the provision of well-located, appropriately serviced land for low-income housing and mixed industrial/business use throughout the DFR
- investment in a major conference centre
- the establishment of a lottery in order to raise funds for special projects, and
- entrepreneurship training and the more effective use of educational facilities.

Operation Jumpstart will probably soon pass the mantle to the DFR Metropolitan Development Forum. Its projects are acquiring a life of their own in the form, for example, of steering committees which are assisted by institutions such as the Durban Corporation or the DBSA. Operation Jumpstart also does not have the capacity and resources to sustain an ongoing planning process. It needs to respond to changing circumstances and new constituencies. Indeed, a change is warranted for the time has passed where the ad hoc derivation of projects will suffice. The economic and other issues confronted by the DFR are often more of a strategic nature and require closer analysis.

### **3 DFR Metropolitan Development Forum**

The Forum is being jointly facilitated by IDASA and Operation Jumpstart. These organizations are responding to the obvious need that decisions regarding the allocation of resources need to be made at a metropolitan level and the realization that financial resources are available for development, provided that an acceptable decision-making process is in place. Indeed, a local view has it that a number of projects such as The Point are only awaiting the go-ahead from a credible institution



before development is commenced. Notably, unlike the Central Witwatersrand Metropolitan Chamber, the Forum is not addressing the restructuring of local government, but is rather focusing on development projects.

The Forum represents an attempt to ensure an inclusive process of development which is endorsed by all the people of the DFR. It is still in the process of formation and its membership and terms of reference are still being worked out. Current participating organizations are the Advisory Committee on Planning of the JEA, NP, Solidarity, HoD, South African National Civic Organization, Durban Housing Action Committee, Natal Indian Congress, JSB, Natal Municipal Association, ANC, IFP, DCC. SACOB and COSATU have been invited to join the Steering Committee. Due to the diversity and number of local authorities, it is anticipated that they will be represented by the NPA and the KwaZulu government. Interestingly, Terry Rosenberg, who leads Operation Jumpstart, chairs the Forum.

Agreement has already been reached that the Forum should 'focus on meeting the real needs of the people in the region through the delivery of goods and services.' This orientation is a bit disappointing. That is, among certain civics and service organizations there has been a shift in focus from 'these are our needs - where are the resources?' to one which includes the realization that production issues, employment, and the creation of wealth are also critical. Thus, while the Forum makes occasional passing reference to economic development, it is directed at prioritising projects and legitimising the distribution of resources, the key issues which brought the Forum into being.

In February 1993, the DFR Interim Development Committee, which is forming the Forum, established three sub-committees.

- a The short-term sub-committee is to develop guidelines for evaluating projects referred to it and make recommendations in respect of those projects.
- b The long-term sub-committee is to develop proposals on development for presentation to the Summit. The proposals concern the future development of the DFR, a spatial framework for the DFR, the organization of the Forum, and so on.
- c The summit sub-committee must undertake preparations for the summit, recommend on an appropriate set of objectives, participants, agenda and so on, and through consultation, broaden the participation in the summit.

It is intended that the summit will occur in April or May 1993, at which point the Forum will supplant the Interim Development Committee. The Forum is potentially an extremely important vehicle in assessing projects, prioritising the allocation of resources, promoting development, and facilitating the restructuring of local government.

#### **4 The Joint Executive Authority's DFR Framework Plan**

The JEA has commissioned a consortium to prepare a spatial development plan for the DFR. This move has proven controversial. On the one hand, ANC sources have rejected a unilateral move of this sort and have held that it represents a lack of commitment to the DFR Metropolitan Development Forum. The accusation levelled at the JEA is that the underlying rationale for the Plan is an unwillingness to work under the Development Forum. On the other hand, consultants to the JEA maintain that the planning exercise is being undertaken in close liaison with the Development Forum and that there are not two separate exercises on the go.

Direct contacts with NPA officials revealed that the Plan is more ambitious. It is intended to provide:

- a structure plan
- a calculation of needs for municipal services and shelter



- a 'needs prioritisation formula', and
- an 'overall policy framework'.

Since the DFR Metropolitan Development Forum is explicitly intended to, say, identify needs and prioritise the allocation of resources, it is possible that there will be tension between the two initiatives.

## Priorities

There have been a number of surveys concerning how communities view their needs and there has also been a survey regarding how local development experts view the DFR's development problems. The surveys are reported here with a view to ascertaining whether there is a match between community and expert views, and also whether the DBSA allocation of resources reflects either view.

### 1 Community priorities

The surveys of community needs can only be illustrative since the surveys deal with informal settlements. In addition, differences between settlements in respect of local politics, age, access to services and so on, will all have a bearing on perceived priorities. Inevitably one has to liaise with the community concerned in order to determine how its members would prioritise the allocation of resources.

Townsend (1991) interviewed informal settlers in Umlazi in terms of the services they considered most important and the problems that they were encountering. He found widespread acceptance that the state was unlikely to provide housing. Under the circumstances, his informants emphasised the need to obtain permanent tenure and to get access to basic services. Water was accorded the highest priority with the lack of provision as a major problem. A general need for clinics was also expressed. The high cost and poor quality of building materials were also frequently mentioned as problems.

In Marianhill, which is 'doggedly transforming itself from rural to urban', Cross et al. (1992) found that the greatest perceived needs are (in order) water, roads and transport, schools, electricity, clinics and urban amenities such as shops and parks. (Marianhill is a distinct community in that there is effective community leadership that controls immigration and hence the demand for shelter.)

A contrast is provided by Canaan (Arlington 1992) which has seen an uncoordinated scramble for shelter and faces relocation due to unstable soil conditions. Here the clear priority was housing, with the need for employment and water lagging far behind.

A point which is interesting about these surveys is the relative absence of emphasis on employment, housing and sanitation. With regard to employment, the Marianhill survey reflects 'estimated relative perceived needs in service delivery' of migrants. In other words, employment was not a relevant category within the survey. Housing is an issue for new communities and communities into which migration is not controlled. Sanitation is problematical, since while the community might not prioritise the issue, the E.coli measures for the DFR's water suggest that it should, in fact, be addressed rather urgently.

### 2 Views of the experts <sup>42</sup>

The research of expert opinion covered nine respondents in the Durban-Pietermaritzburg area including state and parastatal bodies, private corporations, developers and progressive planning organizations. The experts agreed that development problems are due to urban growth arising from the increasing proportion of low income people. The result is that the perceived priorities are shelter, services and economic development.



Specifically, the list of development priorities, ranked in order, are:

- housing
- land for urban and industrial development
- a better education system
- job creation, and
- management of the development process.

Viewed as less important were the upgrading of existing residential areas, infrastructure and service requirements and health services.

This listing does not match that of the surveyed communities and emphasises the need to undertake development planning directly with the community concerned.

### 3 The DBSA's allocation of resources

As described by its Annual Report 1991/92, the DBSA is an integral part of the delivery system for economic and social development in the region. It aims to empower people through a more equitable distribution of access to knowledge and opportunities, especially for those disadvantaged by past patterns of economic growth.

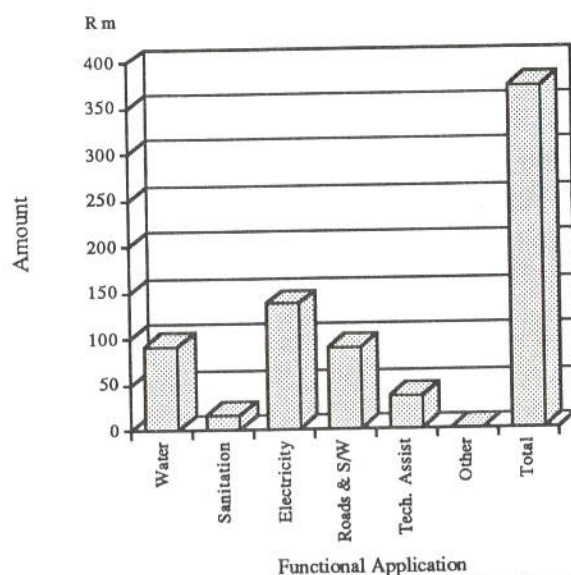
The Bank offers four main products:

- loan finance at concessionary terms for development projects and programmes
- technical assistance and advice for the building of institutional and human capacities
- policy and strategy intervention to address development constraints, and
- data on development features of the region.

Borrowers include central, regional and local governments, their development agencies and non-governmental organizations. The Bank is also involved in parallel financing arrangements with international development organizations for projects in neighbouring countries.

In practice, what this means for the DFR is that the DBSA has committed R371 264 000 for urban projects. This constitutes more than 90% of the DBSA's financial commitments in the region. The functional allocation of these resources is shown in Figure 3. (Technical assistance is generally directed at promoting urban economic development.) The areas of expenditure suggest that within the constraints of the DBSA's mandate, the resources allocated are close to the needs expressed by the DFR's low-income population.

**Figure 3** Project support by the Urban Development Group



## Observations

### 1 Development issues

Discussion within the DBSA, with consultants, and with other persons in the DFR repeatedly identified certain issues. They are predictable, but nonetheless important.

- a **Slow growth and high unemployment** are crucial. While redistribution is occurring to an ever greater degree, the imbalance between the resources available for redistribution and the needs of the mass of the population means that little can be done to address poverty and the inadequate supply of services and shelter.

The question which arises is whether the DFR is helpless, in effect, whether it must wait for an upturn in the national (and international) economy. Certainly, the experience of (local economic) development planning in a number of other countries suggests that cities can influence their own economic outcomes.

The purpose of development planning is to facilitate economic growth and employment creation within an urban area, and contribute to the area's tax base. Many would add that it is also intended to enhance a community's ability to assume greater control over its economic destiny. Such planning is replacing regional planning as the means of stimulating growth in specific locales (Tomlinson 1993.) The effect has sometimes been to bring about a reversal in the decline of employment in certain industries, more often to reduce the rate of decline relative to the region and comparable cities, and to initiate new and more diversified growth paths.

However, development planning is a dynamic field and Durban, like South Africa's other cities, makes do with marketing (in the form of the GDMA.) Marketing efforts are now known as the traditional approach to development planning. Marketing is important, but insufficient.

- b Clearly, a rationalisation in the **management of urban services** and in policies relating to subsidies and the operation and maintenance of services is overdue.

Related to this is that when it comes to local government negotiations, Durban's main political actors appear to intend to wait for a national constitution settlement. It is possible that the Metropolitan Development Forum will spur negotiations.

- c **Land and housing** are in shorter supply in the DFR than in the country's other major cities. At present low-income people provide their own housing on tribal or other land which is available at minimal cost. This is an important means of coping with poverty, but leads to locations which require long-distance commuting. One response which has become evident this decade is central city squatting, but the scale of this phenomenon does not suggest that it will become a major issue. Certainly, the DCC is retaining a tight control over where it condones informal settlements and supports upgrading, and other areas where it condemns squatting.
- d Associated with land and housing is the absence of a **metropolitan plan** which will remedy the inefficiencies and inequalities of the apartheid city and direct future growth. This issue was addressed in the Tongaat Hulett report, talked about as a part of Operation Jumpstart, and again identified as a central issue by the Metropolitan Development Forum.
- e Linked to the need for a metropolitan plan is the need for **integrated transportation management**. The current plethora of institutions makes an effective transportation system impossible and prevents coherent land use planning.
- f Last, of course, there is **violence**. The optimists among us hope that political settlement will cause a substantial reduction in the levels of violence, but others in the DFR are much less confident.



## 2 The DBSA's role

During the preparation of this document a number of opinions were expressed about how the DBSA could tailor its development contribution to the specific needs of the DFR. The following opinions are reported in a spirit of debate.

- a The DBSA should insist on **conditionality** in respect of projects it funds. The conditionality should focus on community involvement in decision-making in such a way that:
  - it is clear that communities want and are prepared to pay for projects, and
  - projects should be kept out of the hands of those who might wish to use them for patronage.
- b The DBSA should **support current development initiatives** through ongoing research, specialist expertise, and as a source of development finance. Surprisingly, it was felt legitimate that the DBSA should have opinions about and want to influence the direction of the initiatives.
- c The DBSA should prepare **development guidelines** (not detailed plans) which suggest how to approach development issues. The DBSA should do this in a consultative fashion and, in effect, suggest a development agenda which interested parties can either accept or reject.
- d The DBSA is politically ambiguous and this is a distinct advantage, because it enables the Bank to **facilitate institutional rationalisation**.
- e The DBSA should **target long-lived institutions**, in other words, those that are likely to survive the transition.
- f The DBSA should adopt a more **visible profile**. People will be more comfortable with the Bank if they understand its 'agenda'.

# Appendices

## Appendix 1 Local authorities contained within the DFR

Magisterial District	City or Town	Authority
Durban	Durban	Durban city
	Westville	Westville
	Queensburgh	Queensburgh
	Amanzimtoti	Amanzimtoti
	Kingsburgh	Kingsburgh
	Isipingo Beach	Isipingo Beach
	Glen Anil	Glen Anil
	Chesterville	Chesterville
	Yellow Wood Park	Yellow Wood Park
	Illovo	Lower Illovo
	Umbogintwini	Umbogintwini
	Ningizimu	Ningizimu
Chatsworth	Chatsworth	NPA
	Lamontville	NPA
	Shallcross	DSB
	Klaarwater/ St Wendolins	NPA
Pinetown	Clermont	NPA
	Kwadabeka	NPA
	Dassenhoek	Kwazulu government
	Hillcrest	Hillcrest
	Pinetown	Pinetown municipality
	Kwandengezi	KwaZulu government
	New Germany	New Germany
	Kloof	Kloof
	Marianhill	Marianhill
	Crestholme	DSB
	Everton	Everton
	Waterfall	DSB
	Gillits Emberton	Gillits
Umlazi	Umlazi	KwaZulu government
Umzinto	Umkomaas	



Magisterial District	City or Town	Authority
Embumbulu	Kwamakutha	KwaZulu government
	Folweni	KwaZulu government
	Magabeni	KwaZulu government
Inanda	Hambanati	Hambanati
	Tongaat (south port.)	DSB
	Tongaat Beach	DSB
	Inanda New Town	NPA
	Kwamashu	KwaZulu government
	Ntuzuma	see note
	Duff's Road	DSB
	Umdloti Beach	Umdloti Beach
	Verulam	Verulam
	Rietsrivier	DSB
	Umhlanga	Umhlanga
Inanda (continued)	Hazelmere	DSB
	Mount Moreland	DSB
	Canelands	Canelands
	Redcliffe	DSB
	Buffersdraai	DSB
	Ottawa	DSB
	Phoenix	DSB
Lower Tugela	Port Zimbali	DSB
	Salt Rock/Shakas	
	Rock/Sheffield	Beach Salt Rock
	Umhlali	Umhlali Beach
	Seaforth	DSB
	Ballito	Ballito
Camperdown	Assegay	Assegay
	Bothas Hill	DSB
	Camperdown (east. port.)	Camperdown
	Cato Ridge	Cato Ridge
	Cliffdale	DSB
	Craighlea	DSB
	Drummond	Drummond
	Hammarisdale	KwaZulu government
	Harrison Flats	DSB
	Inchanga	DSB
	Inchanga West	DSB

Magisterial District	City or Town	Authority
	Mphumalanga	KwaZulu government
	Sterkspruit	DSB
Ndwedwe	Ndwedwe	KwaZulu government

**Ntuzuma comprises:**

Ntuzuma	KwaZulu government
Released Area 33	NP
Released Area 9	NPA
Inanda Mission Reserve	KwaZulu government
Inanda Glebe	NPA
Inanda Location 4675	KwaZulu government



## Appendix 2    Tables

**Table A.1** African household size distribution

Household size	Distribution (%)
Very large 9+	21,3
Large 5-8	48,7
Medium 3-4	20,6
Small 1-2	9,4

Source: Tongaat Hulett (1989)

(Cross believes that the average size of the African household is declining.)

**Table A.2** South Africa's population proportions, growth rates and the household share of personal income

	African	coloured	Indian	white	total
Population proportion (a)					
1990	74,2	8,7	2,7	14,4	
2000	78,1	8,0	2,5	11,5	
Population growth rate (b)					
1990 - 2000	2,8	1,4	1,5	0,02	2,29
Household share of personal income (c)					
1985	29	8	4	59	
1995	37	10	4	49	

Sources: (a) & (b) DBSA, Development Information Group, 1992. (c) The Urban Foundation. 1991. (The 1995 data assumes a 2.5% economic growth rate between 1990 and 1995.)

**Table A.3** Employment according to economic sector, based on the economically active population structure

Area	Year	Statistical region	Agriculture, hunting and forestry, fishing	Mining and quarrying	Manufacturing	Electricity, gas and water	Construction	Commerce, catering and accommodation	Transport and communication	Financing, insurance, business services, real estate	Community, social and personal services	Total
PWV	1980	71 - 78	80258	216623	522330	21349	95826	288912	110064	115785	548764	1999911
	1985		77970	202156	519993	26955	147277	281504	126806	138988	542732	2064381
	1991		64511	168527	378919	24965	110291	321590	118126	167113	599621	1953663
Central Wits	1980	72	3733	6546	149112	7054	30178	129412	29724	57419	188062	601240
	1985		4985	8566	140207	7804	44265	120379	34227	64346	187278	612057
	1991		2507	7584	90185	7939	32473	121273	30720	70054	185042	547777
Durban	1980	48	7127	1455	98102	2469	16611	49610	32000	20693	85206	313273
	1985		6232	1235	93347	1860	19312	47981	25669	22250	80074	297960
	1991		5606	851	78290	1582	14853	57621	22243	28126	82070	291242
Cape	1980	1	9241	2122	121866	4446	34951	70610	36476	32005	128704	440421
	1985		9468	1777	120188	4573	50842	77993	33578	34496	130443	463358
	1991		8298	1674	102187	3676	39739	92520	34091	45922	141909	470016
South Africa	1980		1009900	768600	1459900	79100	398700	943700	502200	291800	2106500	7560400
	1985		921400	789700	1484000	93600	460900	961200	517800	386500	2227600	7842700
	1989		900700	771900	1513900	94000	468100	1010900	452500	429600	2438100	8079700
	1991		882100	718300	1485000	85600	437400	988600	416400	447800	2450200	7911400



Table A.4 Distribution of employment according to economic sector, based on the economically active population structure

Distribution of employment according to economic sector, based on the economically active population structure												
Area	Year	Statistical region	Agriculture, hunting and forestry, fishing	Mining and quarrying	Manufacturing	Electricity, gas and water	Construction	Commerce, catering and accommodation	Transport and communication	Financing, insurance, business services, real estate	Community, social and personal services	Total
			(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
PWV	1980	71 - 78	4.0	10.8	26.1	1.1	4.8	14.4	5.5	5.8	27.4	100
	1985		3.8	9.8	25.2	1.3	7.1	13.6	6.1	6.7	26.3	100
	1991		3.3	8.6	19.4	1.3	5.6	16.5	6.0	8.6	30.7	100
Central Wits	1980	72	0.6	1.1	24.8	1.2	5.0	21.5	4.9	9.6	31.3	100
	1985		0.8	1.4	22.9	1.3	7.2	19.7	5.6	10.5	30.6	100
	1991		0.5	1.4	16.5	1.4	5.9	22.1	5.6	12.8	33.8	100
Durban	1980	48	2.3	0.5	31.3	0.8	5.3	15.8	10.2	6.6	27.2	100
	1985		2.1	0.4	31.3	0.6	6.5	16.1	8.6	7.5	26.9	100
	1991		1.9	0.3	26.9	0.5	5.1	19.8	7.6	9.7	28.2	100
Cape	1980	1	2.1	0.5	27.7	1.0	7.9	16.0	8.3	7.3	29.2	100
	1985		2.0	0.4	25.9	1.0	11.0	16.8	7.2	7.4	28.2	100
	1991		1.8	0.4	21.7	0.8	8.5	19.7	7.3	9.8	30.2	100
South Africa	1980		13.4	10.2	19.3	1.0	5.3	12.5	6.6	3.9	27.9	100
	1985		11.7	10.1	18.9	1.2	5.9	12.3	6.6	4.9	28.4	100
	1989		11.1	9.6	18.7	1.2	5.8	12.5	5.6	5.3	30.2	100
	1991		11.1	9.1	18.8	1.1	5.5	12.5	5.3	5.7	31.0	100

Table A.5 Employment: Percentage change per economic sector, 1980 - 1991

Area	Statistical region	Agriculture, hunting and forestry, fishing (%)	Mining and quarrying (%)	Manufacturing (%)	Electricity, gas and water (%)	Construction (%)	Commerce, catering and accommodation (%)	Transport and communication (%)	Financing, insurance, business services, real estate (%)	Community, social and personal services (%)	Total (%)
PWV	71 - 78	-19.6	-22.2	-27.5	16.9	15.1	11.3	7.3	44.3	9.3	-2.3
Central Wits	72	-32.8	15.9	-39.5	12.5	7.6	-6.3	3.4	22.0	-1.6	-8.9
Durban	48	-21.3	-41.5	-20.2	-35.9	-10.6	16.1	-30.5	35.9	-3.7	-7.0
Cape	1	-10.2	-21.1	-16.1	-17.3	13.7	31.0	-6.5	43.5	10.3	6.7
South Africa	80-89 89-91	-10.8 -2.1	0.4 -6.9	3.7 -1.9	18.8 -8.9	17.4 -6.6	7.1 -2.2	-9.9 -8.0	47.2 4.2	15.7 0.5	6.9 -2.1

1. Economically active population per economic sector. 1980, 1985 and 1991 population census reports

2. Formal employment from the standardised employment series as published in SA Labour Statistics, 1992

Methodology to calculate employment figures:

First, the economically active population per economic sector was determined from the population censuses

The total employment figure for the area was determined by dividing the total employment figure for South Africa according to the total economically active population distribution between the areas.

The employment figures per economic sector were then determined by applying the economically active population structure per economic sector to the new employment figure.



**Table A.6** Institutions undertaking transportation functions

	<b>Land use</b>	<b>Roads</b>	<b>Public transport</b>
Planning	LA, NPA, KZ, HoD, JEA, DRLA	MTAB, LA, NPA, KZ, DoT, HoD, HoR	MTAB, LA, KZ, DoT SN, SARCC, BO, TA
Funding	LA, NPA, KZ, HoD, DLGNH, DRLA, JSB	MTAB, LA, JSB, NPA, KZ, DoT, HoD, HoR	MTAB, LA, DoT, TN SN, SARCC, BO, TA
Regulation	LA, NPA, KZ HoD, HoR, DRLA	LA, NPA, KZ, DoT	LA, NPA, DoT, LRTB, TN
Infrastructure (Provision & Maintenance)	Not applic- able	LA, NPA, KZ, DoT, JSB, HoA, HoD, HoR	LA, KZ, SN, SARCC, SN
Operations	Not applic- able	LA, NPA, KZ, DoT, NRSC	LA, BO, TA, SARCC, SN
<i>Co-ordination</i> NPA, JEA, JSB, ACP, PCAC, JCC, RDAC, MTAB			

**Abbreviations:**

ACP	Advisory Committee on Planning (JEA)
BO	Bus Operators
DLGNH	Department of Local Government and National Housing
DoT	Department of Transport
DRLA	Department of Regional and Land Affairs
HoA	House of Assembly
HoD	House of Delegates
HoR	House of Representatives
JCC	Joint Co-ordinating Centre
JEA	Joint Executive Authority
JSB	Joint Services Board
KZ	KwaZulu Government
LA	Local Authority
LRTB	Local Road Transportation Board
MTAB	Metropolitan Transport Advisory Board
NPA	Natal Provincial Administration
NRSC	National Road Safety Council (note: this is now a directorate within the Department of Transport)
PCAC	Planning Co-ordinating Advisory Committee
RDAC	Regional Development Advisory Committee
SARCC	South African Rail Commuter Corporation
SN	Spoornet

TA	Taxi Association
TN	Transnet

*Source: Durban Functional Region Strategic Transport Study: Revised Report on Possible Broad Scale Land Use/Transport Management Options for the DFR, February 1992*

**Table A.5** Total transport related net expenditure in the DFR during 1988/9

Organisation	Amount (Rm)
Department of Transport	
Roads	39,05
MTAB	12,88
Bus Subsidies	59,33
Natal Provincial Administration	
Roads	50,30
MTAB	2,50
Expenditure as an agent for DOT	3,00
South African Rail Commuter Corporation	
SATS Cross Subsidy	40,96
State Subsidy	82,69
Durban Municipality	
Roads	83,43
Bus Terminal	0,37
Traffic Control	10,23
Street Cleaning	8,91
Street Lighting	4,30
Traffic Policing	17,65
Pensioners' Bus Subsidies	2,95
Funding of Bus Service Deficit	5,86
Total	424,41

*Source: Land Use and Transportation Systems (Mashikwele), October 1990.*

**Table A.8** Transport related income for the DFR accruing to the state in 1988/9

Income source	Amount (Rm)
Fuel Tax	208
GST on New and Used Vehicles	151
Motor Vehicle Registration	61
Total	420

*Source: Land Use and Transportation Systems (Mashikwele), October 1990.*



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## Notes

- 1 A list of the areas included in the DFR is contained in Appendix 1.
- 2 This is quite a bit more than the Urban Foundation's (n.d.) estimate of 3 189 200 and considerably less than the Tongaat-Hulett (Sutcliffe and McCarthy 1989) high and low predictions of 5 111 000 and 6 459 000.
- 3 Sutcliffe and McCarthy (1989).
- 4 The DBSA's demographic model has overestimated African fertility since the late 1970s. The consequence is that the estimate of the growth rate for the 1980s will be revised downwards and the sharp drop between the growth rates of the 1980s and the 1990s will become less pronounced. In respect of the effects of AIDS, estimates are available from the Economic Research Unit of the University of Natal. It is clear that AIDS is increasing at an exponential rate and will have a significant impact on both population growth and on the economy. AIDS is especially prevalent in the DFR due to its being a port city, squatting, violence, and the breakdown of health services.
- 5 It is unfortunate that the data are from different sources. That for formal housing was collected by the Bureau for Market Research whereas the data for informal housing were collected by the Development Studies Unit at the University of Natal. This creates some anxiety regarding the validity of the comparison.
- 6 Comparative studies indicate that in actuality household income per capita itself fails to account for the distribution of income within a household. For example, whereas women commonly devote all their income to necessities, men retain a portion of their earnings for "extras" and enjoy a higher standard of living.
- 7 Cross et al. (1992) report that while the average African household size in the DFR is 7 persons, in peri-urban areas the figure is below average. They found an average household size of 5,3 in Inanda, 6 in Marianhill, 5,3 in Umlazi's informal areas, 4,6 in Cato Manor and 3,9 in Clermont. The range of 3,9 to 6 is a bit wide and the figures should be read in the light of Cross' concern that there probably has been under-reporting in informal areas due to insecure tenancy.
- 8 The situation pertaining to women appears to be due to their being "crowded" into a narrow band of the labour market which pays low wages and also to their being prepared to accept lower wages than men in traditionally male jobs in order to escape this crowding.  
Hofmeyr (1990) found that although wage differences between men and women are narrowing, they are still marked. There are many reasons for these differences, for example, the preparedness of women to accept employment in the service sector, more especially in domestic service.  
In this light, the fact that about 30% of households in African areas of the DFR are headed by women is problematical. The figure of 30% would be considerably higher were it not for the difficulties women have had in gaining rights to housing in formal areas and the continuing difficulties they face in informal areas. In other words, the figure would probably be higher were women-headed households not forced to seek relative security through paying a landlord or through attaching themselves to a relative. It also seems that the higher incidence of women-headed households among squatters in Durban itself arises from the fact that squatting in this area represents an avenue towards independence.
- 9 Perhaps the best measure of a household's material well-being is the dependency ratio. It describes the total number of persons supported by every employed person, excluding the



employed person. In 1990 the dependency ratio for Durban, Inanda and Pinetown in was 2,0, as compared to 3,2 for South Africa.

10 Cross comments that because of the distribution of household members between urban and rural areas, statistics which describe the incomes of urban households misrepresent the actual household income.

11 This section employs McGrath (1989). McGrath, however, includes drink and tobacco with food and thus exaggerates expenditure on food. On the other hand, he has been able to differentiate between expenditure by settlement type, which is not possible from the published data. This latter feature makes his table the preferred reference.

12 The Bureau for Market Research survey includes Durban, Pinetown and Inanda.

13 Against this claim one should note that in low-income countries, commonly a half or more of the population cannot afford to feed themselves adequately. In middle-income countries the statistic usually lies between 20 and 33%. The South African comparison is considerably better than the norm, estimated at less than 10% by Ina Perlman of Operation Hunger. Nonetheless, Mrs Perlman estimates that 25 000 people die every year from hunger-related diseases and that a quarter of all deaths in the African community are those of malnourished children under five. (Interview in Braamfontein on 2 June 1992)

14 In order to ease comparison between Durban, Cape Town and the Central Witwatersrand, for this section of the report the following areas are used.

Durban: Durban, Pinetown and Inanda magisterial districts.

Central Witwatersrand: Johannesburg and Randburg magisterial districts.

Cape Town: Cape Town, Goodwood, Belville, Wynberg and Simonstown magisterial districts.

15 Whereas the GGP projections presented the DFR as experiencing the most rapid growth, the more recent employment data favour Cape Town.

16 Tourism is not a separate sector and is included with commerce in Table 4.

17 The 1985 industrial census revealed that there had been a slight decrease in the DFR's dependence on these sectors for the proportion of the region's total establishments and employment. The latter was primarily due to a loss of employment in the food and textile industries. However, the DFR experienced a sharp jump in the proportion of its total output arising from these sectors and is explained by the industries' increasing capital intensity.

18 Can one assume that the sector's growth will continue? Thurow (1989) has shown that in the USA, over two-thirds of new service jobs were located in trade, hotels and restaurants; real estate and business services; and financial and insurance activities. The growth of the first reflects the late night and weekend services required by women as they moved into the labour force and this move is now complete. The growth of the second is to some extent traceable to the commercial real estate industry, but the real estate boom of the 1970s is over as office and warehouse space stands unrented. He continues that the expansion of business services is a puzzle as the rate of growth exceeds that of output; has occurred during a period of office automation; and is much faster than the rest of the world. Last, financial services increased rapidly due to deregulation and the expansion of world capital markets, but this too was a one-time phenomenon. Thurow's observations have obvious parallels for the service sector in South Africa and one should therefore be cautious about anticipating an economic recovery led by the service sector.

19 This includes 95% of all men aged 15 to 64 and 55% of all women in the same age bracket.

20 Personal communication, Lolette Kritzinger-Van Niekerk, 8 September 1992.



- 21 It did not prove true in Seoul, South Korea.
- 22 The export potential in the garment industry presumes a prior restructuring of the textile industry that brings costs and quality into line with international competition.
- 23 The prior inefficient investment in petro-chemicals is treated as a 'sunk cost'.
- 24 Although COSATU has still to formally indicate an opinion on the matter, it appears that it is reluctant to participate in metropolitan development planning. This is variously explained as being due to:
- the fear that development planning at the metropolitan scale would benefit certain union members at the expense of others located elsewhere in the region
  - unequal power relationships between the DFR and the rest of Region E
  - COSATU's limited ability to sustain negotiations at both the regional level and in a number of urban areas, and
  - the view that rural development is also important to members and that planning for rural development necessitates a larger scale.
- 25 This section is based on the Report of the COSATU Economic Policy Conference, 27-29 March 1992, Economic Policy in COSATU. This is the official policy document, although it 'represents a step in an ongoing process' of policy making within the trade union federation.
- 26 The DCC intended to commit R460m, but the Administrator only approved R300m due to the objections of the Local Affairs Committees which wondered about the types of projects envisaged within the Account.
- 27 This point was made during the Bank's report back to the Metropolitan Chamber on 3 December 1992.
- 28 The Urban Transport Act makes provision for MTAB to undertake planning and funding in such adjacent areas, provided agreements are concluded between the Minister of Transport and the Chief Minister of KwaZulu.
- 29 This information applies to the Port Natal area. Included are:
- |                                     |                 |
|-------------------------------------|-----------------|
| — Putco Ltd                         | R 29 025 337,60 |
| — South Coast Bus Services          | R 1 299 175,50  |
| — Durban Transport Management Board | R 42 797 844,46 |
| — KwaZulu Transport                 | R 5 709 219,85  |
| — Marinpipe Bus Service             | R 339 412,80    |
- This information was supplied by Mr E Cornelius of the Southern African Bus Operators Association.
- 30 This information was supplied by Mr M Cuthbert, of DTMB, on 13 November 1992.
- 31 Although, clearly many commuters will use more than one transport mode.
- 32 Much of the following information is extracted from the Natal Provincial Administration 1993 Yearbook.
- 33 The projects financed include:
- the provision of houses in newly developed areas
  - the servicing of sites
  - self-help housing projects
  - roads and storm water projects, and
  - sewerage schemes.
- 34 This information was supplied by Urban Econ, RKDP Urban Development Plan, August 1990.

It is being assumed that the expenditure patterns of community and tribal authorities are similar.

35 Data for this section are derived from the city's 1991 Financial Statements.

36 This paragraph is based on a paper by Maharaj (1992).

37 In the DFR the relevant NGOs are the African Centre for the Constructive Resolution of Disputes, Careers Information Centre, CCLS, Centre for Rural Technical Education, Education Contact Network, Centre for Adult Education, Community Services Training Programme, BESG and the Vuleka Trust.

38 It appears that the ANC controls most formal and informal settlements in the DFR and that Inkatha controls Lindelani and the more rural parts of the DFR.

39 In particular, see the series of publications emanating from the Urban Studies Unit of the Institute for Social and Economic Research of the University of Durban-Westville. These publications have influenced this rendering.

40 The areas in which the sites were to be provided are as follows:

- Durban North - the Greater Inanda area including Ntuzuma, KwaMashu, KwaDabeka and Clermont
- Durban South - Umlazi and portions of Umbumbulu
- Durban West - Dassenhoek, KwaNdengezi and adjacent areas in KwaZulu, and
- the Pietermaritzburg/Vulindlela area.

41 A concurrent but less influential report was the 'Durban Functional Region: Key Issues, Problems and Potentials' prepared for the Steering Committee on the Planning and Development of the DFR for the NPA (February 1990).

42 This section is based on Bekker and Singh (1990).



