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1991-08
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A F R I C A N S T U D I E S I N S T I T U T E

African Studies Seminar Paper
to be presented in RW
4.00pm AUGUST 1991

Title: Urban Policy in the Johannesburg Region: The Case of Eldorado Park and Ennerdale.

by: Malcolm Lupton

No. 297

URBAN POLICY IN THE JOHANNESBURG REGION:

THE CASE OF ELDORADO PARK AND ENNERDALE.*

MALCOLM LUPTON¶

Abstract

Although urban policy is investigated here, this paper should not be misconstrued as a document in which policy is formulated. Rather, policy itself is subjected to a critical analysis. Changes in urban policy are examined, nationally and locally, with specific reference to Eldorado Park and Ennerdale, two predominantly working-class coloured suburbs in the Johannesburg metropolitan region. Eldorado Park, built since the mid-1960s during a period of relative growth and stability, is largely an expression of socialised housing produced by an interventionist state. The construction of the suburb appears to fit all too well within the theory which sees collective consumption in terms of the reproduction of labour power. However, confronted by a deepening economic and political crisis since the mid-1970s, the South African state withdrew from the provision of socialised consumption. Construction of the new town of Ennerdale occurred within a context of a new market-oriented urban policy of privatisation and austerity. Evidence from Ennerdale suggests that, during economic crisis, urban policy is oriented toward widening and creating new zones for profitable accumulation.

Introduction

This paper, as well as the broader research project upon which it is based, was born of wonder and astonishment at the incredible event of unprecedented levels of mass struggles shaking an apparently immobile apartheid regime to its very foundations. Moreover, it is a contribution to the new tradition of urban research in the country. The tremendous upheaval and conflict of the 1980s, felt most acutely in our cities, has led to the emergence of a body of radical urban research in South Africa. A deteriorating economy and intensified ideological and political conflict between the state and the dominated classes, manifested as an urban crisis, has provided the context for the rise of this rich body of urban studies.

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*This is a revised version of a paper first presented to the annual conference of the Institute of British Geographers, University of Sheffield, Sheffield, U.K., January 1991.

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Radical urban research in South Africa, with few exceptions, is still characterised either by an eclectic 'academic populism'[1] devoid of analytical rigour, or by an approach where urban policy is reduced to a set of fragmented, almost technocratically-conceived issues.[2] The latter also fails to go beyond rather limited and generalised references to the fact that inequality in housing is a reflection of inequality in society at large. What is also missing from most radical urban literature is an investigation of coloured areas. It is towards filling this lacuna that the paper is addressed.

Discussion is assembled under three headings. First, the relations between capital accumulation, forms of state intervention and spatial organisation are elaborated theoretically. The work of the

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1 *Inter alia* Bloch, R. and P. Wilkinson, 1982: Urban control and popular struggle: A survey of state urban policy, *Africa Perspective* 20, pp. 2-40; Chaskalson, M., K. Jochelson and J. Seekings, 1987: Rent boycotts and the urban political economy. In G. Moss and I. Obery, (Eds.), *South African Review 4*, Ravan Press, Johannesburg, pp. 53-74; Labour Research Committee, 1983: *Ruling the Townships: Housing, Services, Influx Control and Local Government*, Labour Research Committee, Johannesburg; Seekings, J., 1988: 'Why was Soweto different?': Urban development, township politics and the political economy of Soweto. African Studies Institute seminar paper, University of the Witwatersrand, Johannesburg;

2 Boraine, A., 1989: Managing the urban crisis, 1986-1989. In G. Moss and I. Obery, (Eds.), *South African Review 5*, Ravan Press, Johannesburg, pp. 106-118; Glover, C. and V. Watson, 1984: The 'affordability' of the new housing policy and its likely impact on the coloured housing crisis in Cape Town. Unpublished paper No. 161 presented to the Second Carnegie Inquiry into Poverty and Development in Southern Africa, University of Cape Town, Cape Town; Hendler, P., 1987: Capital accumulation and conurbation: Rethinking the social geography of the 'black' townships, *South African Geographical Journal* 69, pp. 60-85; Hendler, P. and S. Parnell, 1987: Land and finance under the new housing dispensation. In G. Moss and I. Obery, (Eds.), *South African Review 4*, Ravan Press, Johannesburg, pp. 423-432; Hendler, P., A. Mabin and S. Parnell, 1986: Rethinking housing questions in South Africa. In South African Research Service, (Eds.), *South African Review 3*, Ravan Press, Johannesburg, pp. 195-207; Mabin, A., 1989: Struggle for the city: Urbanisation and political strategies of the South African state, *Social Dynamics* 15, pp. 1-28; Mabin, A. and S. Parnell, 1983: Recommodification and working-class homeownership: New directions for South African cities? *South African Geographical Journal* 65, pp. 148-166; Parnell, S., 1988a: Land acquisition and the changing residential face of Johannesburg, 1930-1955, *Area* 20, pp. 307-314; Parnell, S., 1988b: Public housing as a device for white residential segregation in Johannesburg, *Urban Geography* 9, pp. 584-602; Parnell, S., 1988c: Racial segregation in Johannesburg: The Slums Act, 1934-1939, *South African Geographical Journal* 70, pp. 112-126; Parnell, S., 1989: Shaping a racially divided society: state housing policy in South Africa, 1920-50, *Environment and Planning C* 7, pp. 261-272; Parnell, S., 1991: State intervention in housing provision in the 1980s. In D. Smith, (Ed.), *Urbanisation in Contemporary South Africa: The Apartheid City and Beyond*, Unwin Hyman, London, (in press); Parnell, S. and R. Payne, 1991: Contemporary housing struggles in South Africa: The politics of shelter in a Johannesburg coloured township, *African Urban Quarterly* (in press); Swilling, M., 1990: Deracialised urbanisation, *Urban Forum* 1 (2), pp. 15-38; Todes, A. and V. Watson, 1986: Local government reform, urban crisis and development in South Africa, *Geoforum* 17 (2), pp. 251-266.

Marxist urban theorists François Lamarche, Jean Lojkine and Edmond Preteceille provide a useful point of departure. From a consideration of abstract theory, the focus shifts in section two to a concrete analysis of apartheid urban policy in the Johannesburg region. The mechanisms through which the state intervened in the reproduction of the workforce in Eldorado Park and Ennerdale (Fig. 1.) are investigated. Finally, in part three, the attention is directed at relating urban policy in these two suburbs to class struggle and the role of the state.

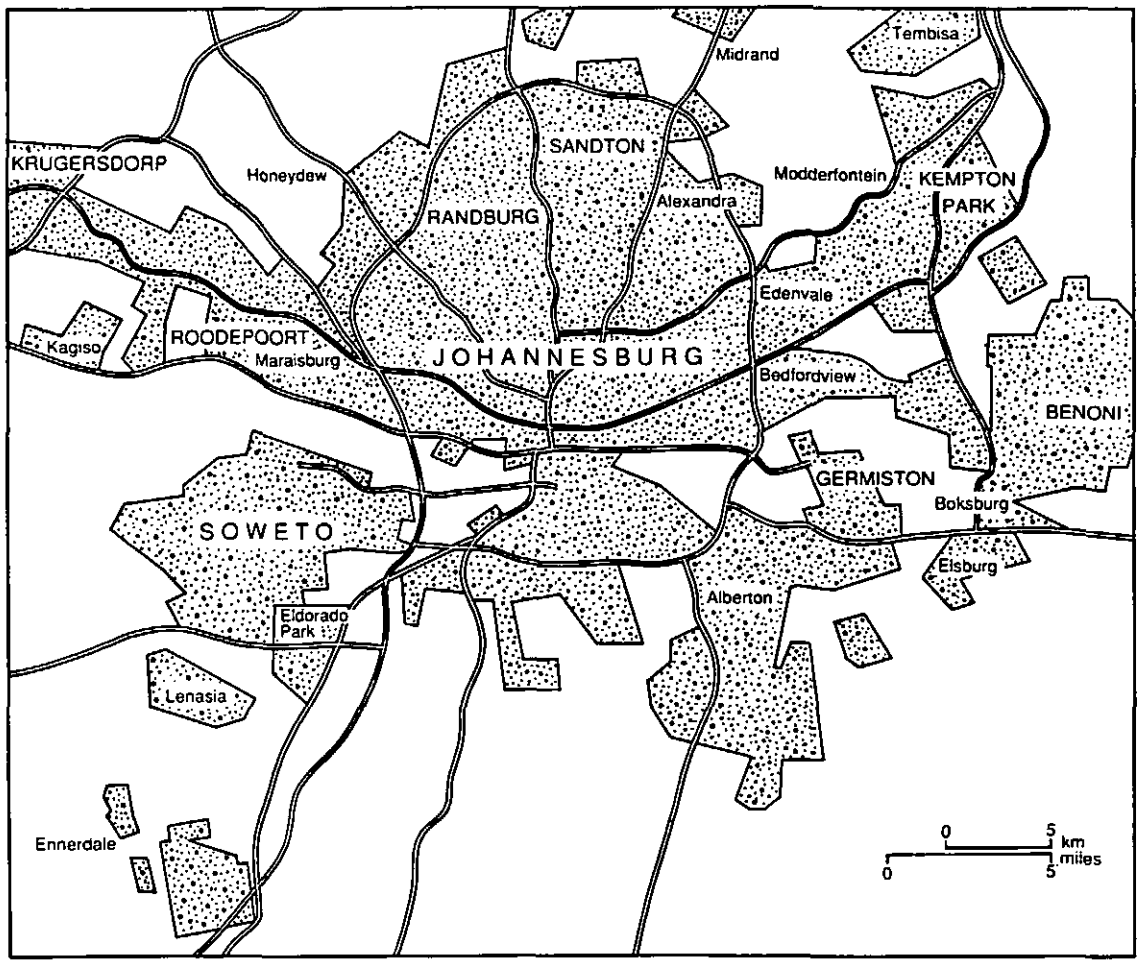


Figure 1.: Eldorado Park and Ennerdale in relation to the Johannesburg metropolitan region.

Towards a Theory of Capitalist Crisis: The New Conjuncture in South Africa

Researchers attempting to establish urban studies in South Africa on firm epistemological and methodological foundations were strongly influenced by the radical approach pioneered in France by Manuel Castells and in the United States by David Harvey. The Radical urban and regional research agendas were charted in the context of major contradictions evident in the advanced capitalist countries (acute problems experienced in cities, increasing regional inequality, growing social conflict), linked to dissatisfaction around the dominant urban sociology and the re-emergence

of Marxism as a serious and alternative intellectual tradition to the study of society.[3] In France, the new paradigm arose in the context of the 1968 student rebellion, mass strikes and the ecological, feminist and anti-war movements. The establishment of *Antipode,* the journal of radical geography, *Hérodote* and the *International Journal of Urban and Regional Research* stand as landmarks in the development of the new approach. Not surprisingly, when 'the urban question' was posed in South Africa by the unprecedented mass uprisings of the 1980s,[4] radical urban geographers[5] and other researchers turned for inspiration to this body of international urban theory, and especially to the work of Manuel Castells.[6] Although Castells has now abandoned 'the glorious ruins' of the Marxist tradition,[7] he did propose in his earlier work, "an adaptation of Marxist concepts to the urban sphere, using in particular the reading of Marx given by the French philosopher Louis Althusser".[8]

Following Castells, radical geographers and urban researchers in South Africa have sought to explain the urban struggles of the 1980s as conflicts over the cost of the reproduction of labour power.[9] The concept 'reproduction of labour power' designates more than the physiological

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[3] Harloe, M., 1981: New perspectives in urban and regional research: Progress and problems. In M. Harloe, (Ed.), *New Perspectives in Urban Change and Conflict,* Heinemann, London, pp. 1-26; Topalov, C., 1989: A history of urban research: The French experience since 1965, *International Journal of Urban and Regional Research* 13, pp. 625-651.

[4] Cobbett, W. and R. Cohen, (Eds.), 1988: *Popular Struggles in South Africa,* Africa World Press, Trenton, NJ.

[5] McCarthy, J., 1982: Radical geography, mainstream geography and southern Africa, *Social Dynamics* 8, pp. 53-70; Wellings, P. and J. McCarthy, 1983: Wither southern African human geography?, *Area* 15, pp. 337-345.

[6] Castells, M., 1972: *La Question Urbaine,* François Maspero, Paris, translated by A. Sheridan as Castells, M., 1977: *The Urban Question: A Marxist Approach,* Edward Arnold, London; Castells, M., 1978: *City, Class and Power,* Macmillan, London.

[7] Castells, M., 1983: *The City and the Grassroots: A Cross-Cultural Theory of Urban Social Movements,* Edward Arnold, London.

[8] Castells, M., 1977, op. cit., p. ix.

[9] Bloch, R. and P. Wilkinson, 1982, op. cit.; Labour Research Committee, 1983, op. cit.; McCarthy, J., 1985: Progressive politics and the crisis of urban reproduction in South Africa: The cases of rent and transport. African Studies Institute seminar paper, University of the Witwatersrand, Johannesburg; McCarthy, J. and D. Smit, 1984: *South African City: Theory in Analysis and Planning,* Juta, Cape Town; McCarthy, J. and M. Swilling, 1984: Transport and political resistance: Bus boycotts of 1983. In Southern African Research Service, (Eds.), *South African Review 2,* Ravan Press, Johannesburg, pp. 26-44; McCarthy, J. and M. Swilling, 1985a: The apartheid city and the politics of bus transportation. *Cahiers*

regeneration of labour supplies. It refers to a workforce adequately fed, housed, clothed, in a relatively healthy condition, and equipped with appropriate skills and cultural attitudes (punctuality, respect for authority, etc.) so that they can present themselves for work at the point of production. Furthermore, repair of the workforce, both on a daily and a generational basis, requires provision of collective means of consumption, deemed necessary for capital accumulation. Local researchers have argued that attempts by the South African state to shift the burden of financing collective means of consumption (state-provided urban goods and services, like housing and transport) on to black communities means that workers have had to bear the rising costs of their own reproduction. Increases in rents, transport costs and service charges generated, according to this perspective, the 'urban social movements' of the 1980s. Repressive measures of the regime, brought into operation by a national state of emergency declared in 1986, further served to politicise the uprisings. While such analyses add to our understanding of the recent urban conflicts, as well as representing an advance over simplistic liberal interpretations, they tend to overdetermine the political and ideological dimensions of the urban crisis, thus reproducing the theoretical mistakes of Castells.

Substantive critiques now exist of Castells's early work.[10] The major criticism is that he assigned to all collective means of consumption the function of political and ideological domination, thereby erasing production relations from his analysis of urban politics.[11] The central weakness, derived from his Althusserian underpinnings, is Castells's tendency to define the city only in terms of the

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d'Etudes Africaines XXV (3) 99, pp. 381-400; McCarthy, J. and M. Swilling, 1985b: The Empangeni bus boycott, *South African Labour Bulletin* 10 (6), pp. 23-29; Philip, K., 1982: Housing, security and conflict? collective consumption and the state. In L. Cooper and D. Kaplan, (Eds.), *Selected Research Papers on Aspects of Organisation in the Western Cape*, Department of Economic History, University of Cape Town, Cape Town, pp. 24-48; Ratcliffe, S., 1980: A political economy of housing. In Development Studies Group and Southern African Research Service, (Eds.), *Debate on Housing*, University of the Witwatersrand, Johannesburg, pp. 1-14; Reintges, C., 1990: Urban movements in South African black townships: A case study, *International Journal of Urban and Regional Research* 14, pp. 109-134; Swilling, M., 1985: Urban social movements under apartheid, *Cahiers d'Etudes Africaines XXV (3)* 99, pp. 363-379; Swilling, M., 1987: Social movements and apartheid's urban and regional system: An East London case study. In R. Tomlinson and R. Addleson, (Eds.), *Regional Restructuring Under Apartheid: Urban and Regional Policies in Contemporary South Africa*, Ravan Press, Johannesburg, pp. 138-153; Wilkinson, P., 1981: The politics of housing in South Africa: A framework for analysis, *Work in Progress* 17, pp. 61-69.

[10] Gottdiener, M., 1985: *The Social Production of Urban Space*, University of Texas Press, Austin, TX; Gottdiener, M., 1987: *The Decline of Urban Politics*, Sage, Newbury Park, CA; Lojkine, J., 1977: *Le Marxisme, l'Etat et la Question Urbaine*, Presses Universitaires de France, Paris; Pickvance, C.G., 1982: *The State and Collective Consumption*, Open University Press, Milton Keynes.

[11] Preteceille, E., 1977: Equipements collectifs et consommation sociale, *International Journal of Urban and Regional Research* 1, pp. 101-123.

reproduction of labour power and collective consumption, and thus to neglect production.[12] Urban geographers, like Scott, believe that the concern with collective consumption should be replaced by a renewed focus on production as opposed to reproduction.[13] It would, however, be a mistake, as Hendler suggests, to dismiss all of Castells's theory.[14] Regulation theorists, while adopting a multi-facetted and more flexible approach than some reductionist urban geographers,[15] have similarly neglected the question of socialised consumption. As a result of their neglect of this factor, their understanding of the role of the state and institutions in capitalist regulation leave much to be desired.[16] The criticism is particularly valid for local regulation theorists, based in the universities of the Western Cape and Durban-Westville.[17] Significantly, it was not Castells, but Lojkine who, even before Harvey, first theorised the links between forms of state intervention and capital accumulation.[18]

In contrast to Castells, Lojkine sees state provided collective means of consumption as necessary for the 'general conditions of production'. At an abstract level, his theoretical starting point is the concept of capital accumulation as elaborated by the Marxist economist Paul Boccara.[19] Boccara

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[12] Lojkine, J., 1977, op. cit.

[13] Scott, A., 1986: Industrialization and urbanization, *Annals of the Association of American Geographers* 76, pp. 25-37.

[14] Hendler, P., 1987, op. cit.; Hendler, P., 1990: The tyranny of concepts: Assessing the housing and urban political theories of Manuel Castells, *South African Sociological Review* 2 (1), pp. 23-36.

[15] Elsewhere I have criticised Patrick Bond for his inability to confront the specificity of the South African state and David Harvey for his reductionist 'capital-logic' approach; in Lupton, M.H., (forthcoming): Collective consumption and urban segregation in South Africa: The case of two coloured suburbs in the Johannesburg region, *Antipode*.

[16] An extensive critique of regulation theory, its origins, methods and different schools is provided by Jessop, B., 1990: Regulation theories in retrospect and prospect, *Economy and Society* 19 (2), pp. 153-216.

[17] *Inter alia* Gelb, S., (Ed.), 1991: *South Africa's Economic Crisis*, David Philip, Cape Town and Ramos, M. and F. Cassim, 1989: Beyond dependency: Peripheral fordism in South Africa. Paper presented to the Lausanne Colloquium, University of Lausanne, Lausanne, July.

[18] Lojkine, J., 1972: Contribution à une théorie marxiste de l'urbanisation capitaliste, *Cahiers Internationaux de Sociologie* 52, pp. 123-146, translated by C.G. Pickvance as Lojkine, J., 1976: Contribution to a Marxist theory of capitalist urbanization. In C.G. Pickvance, (Ed.), *Urban Sociology: Critical Essays*, Travistock, London, pp. 119-146.

[19] Gottdiener, M., 1990: Crisis theory and state-financed capital: The new conjuncture in the USA, *International Journal of Urban and Regional Research* 14, pp. 183-403.

places underlying contradictions within the economy at the centre of his explanation of capitalist crises. According to this approach, crises of overaccumulation caused by the tendency of the rate of profit to fall,[20] are 'resolved' temporarily by writing off or devalorising[21] capital. The immediate effect is to restore conditions of profitability to segments of capital by creating a new space for investment flows. The economic role of the state becomes apparent in this process: to shore up a crisis-ridden capitalist system, the state intervenes in the economy by devalorising overaccumulated capital.[22] Lojkine and Preteceille interpret urban policies in the advanced countries on the basis of this argument. For both, the state resolved underlying crisis tendencies by penetrating unprofitable sectors through investment at an apparent 'loss'. The urban domain is particularly well-suited for this task since state-provided urban infrastructure and facilities (roads, railways, factories), as well as urban goods and services (housing, transportation, health-care) are forms of devalorised capital.

The approach of Marxist crisis theorists extend an understanding of urban policy to more general processes of capital accumulation and crisis. Importantly, Lojkine's thesis centres on the *productive* function of collective consumption. Moreover, he argues that the capitalist city, in contradistinction to earlier urban settlements, is a *spatial form* which speeds up the circulation of capital. This is achieved through the concentration of the means of production and circulation (factories, banks), as well as the collective means of consumption (houses, transport, health-care), into urban agglomerations: the modern capitalist city. Furthermore, the spatial concentration of the urban workforce contributes to the productivity of labour (shorter commuting distances, cost-effective provision of bulk services). In this sense, *space* acts as a use-value for capital accumulation.

Lojkine also considers the economic effect of providing socialised consumption. His argument is that the funding of urban goods and services by the state causes the organic composition of social

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[20] See Hodgson, G., 1974: The theory of the falling rate of profit, *New Left Review* 84, pp. 55-82. The use of new machinery and technology in the production process cause the organic composition of capital (the capital-labour ratio) to rise. This, in turn, leads to a decline in the rate of profit since labour, and not capital, is deemed to be productive of surplus-value. Falling corporate profits, in turn, lead to cut-backs in production and hence excess capacity and unemployment. A crisis of overaccumulation results in the shape of surpluses of capital and labour.

[21] Valorisation means 'the process whereby value is added to capital' and refers to circulating capital which is augmented as it passes through the spheres of production and circulation. Devalorisation, however, refers to capital which is augmented at a zero, or below average, rate of profit. For a theoretical discussion see Lojkine, J., 1977, op. cit.

[22] Gottdiener, M., 1990, op. cit.

capital to rise. State financing of 'unproductive'[23] urban facilities, such as public housing, is a deduction from taxes levied on productive enterprises and individuals. Since taxes are derived from surplus-value generated within the production process, state expenditure on apparently unproductive collective means of consumption constitutes a deduction from surplus-value already created. Utilisation of this 'expenses capital' to finance urban goods and services therefore increases the mass of social capital. Hence, the organic composition of capital rises in the economy as a whole. The effect is exactly the same as would be the case when new machinery and technology are employed in production - the tendency of the rate of profit to fall is strengthened. Instead of resolving crises of overaccumulation, therefore, the urban interventions of the state only extend their impact to new levels; far from remedying internal contradictions, capitalist urban policies exacerbate them.

Having discussed the provision of socialised consumption in terms of production and circulation, attention is now focused on its relationship with social reproduction. For Preteceille, production, and more generally wor. relations and practices, are basic determinants of the urban domain, not only because of their direct spatial dimensions and implications, but also because of their relations to practices of reproduction. However, these relations are not mechanistic determinations but complex, contradictory, mediated and retroactive processes.[24] The costs of reproduction is a site of constant struggle, with capital seeking to lower expenditure on urban goods and services while workers demand increased spending to satisfy even their most basic social needs.[25] That socialised consumption is necessary for accumulation does not mean that it is automatically triggered off by the mode of production. Lojkine identifies three obstacles to the provision of the collective means of consumption, which operate even under the historically contingent experience of the 'welfare state' of advanced capitalism. These are first financial constraints, second, anarchic market forces, and finally, the institution of private property over

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[23] In other words, not productive of surplus-value. See also Gough, I., 1972: Marx's theory of productive and unproductive labour, *New Left Review* 76, pp. 47-72.

[24] Preteceille, E., 1986: Collective consumption, urban segregation, and social classes, *Society and Space* 4, 145-154.

[25] Very briefly, Marxist analyses of needs have centred on a rejection of classical and neo-classical economy's conception of 'needs' as limits to wealth. Instead, the capital-labour relation and the appropriation of labour power, which are determined by relations of force between capital and labour, as well as the cost of consumption commodities required by labour power for its effective reproduction are viewed as the basis of social needs. See Preteceille, E., 1981: Collective consumption, the state and the crisis of capitalist society. In M. Harloe and E. Lebas, (Eds.), *City, Class and Capital*, Edward Arnold, London, pp. 1-16; Preteceille, E. and J-P. Terrail, 1985: *Capitalism, Consumption and Needs*, Basil Blackwell, Oxford.

urban space. In order to understand these obstacles we have to locate ourselves at the level of the individual capitalist agent.

Considered from the point of the financial ability of the individual capitalist agent, the first major constraint on the provision of collective consumption is financial. It is clear that individual capitalists can simply not afford to pay for the housing, transport, health and cultural needs of their workers because the costs are too high. Even where individual capitalist agents have provided their workers with accommodation (for example, the mining compounds of South Africa), exorbitant costs have often led to an austere type of accommodation. In short, although capital requires a workforce adequately housed, fed and in a relatively healthy condition to work, it cannot afford to pay for such a workforce. Competition among capitalists compounds this crisis. The governing logic of each individual capitalist agent is the relentless search for profit, even at the cost of competitors. Capitalists are thus 'hostile brothers' who fail to rise above their immediate and narrow profit-oriented concerns to co-ordinate their activities and act as a unified force, in their own class interests. Anarchic market forces, caused by this inter-capitalist competition, is thus the second major obstacle to the provis. on of collective consumption.

The final obstacle is the institution of private property, itself embedded within the broader capitalist relations of production. In capitalist cities, space is parcelled out among different and competing property capitals, each seeking to extract as much as possible from it, in the form of urban ground rent.[26] Ironically, the private appropriation of space stands opposed to the requirements of productive capital: property capital seeks the extraction of high rent from urban space and industrial capital seeks low rent for its workforce. Moreover, under monopoly capitalism, property capital is fused with the monopolies.[27] Witness, for example, the interpenetration of finance, mining, industrial and property capital in South Africa (Anglo American Property Services, Sage Properties, etc.). Property capital (ranging from petty slumlords to huge monopolistic developers) seeks to extract as much as possible out of urban space (tenement blocks, CBD office space, shopping malls) in the form of ground rent.[28] The industrial capitalist, however, requires that the rent paid by its workforce for accommodation be as low as possible to offset upward pressure on the level of the wage rate. The situation gives rise to several contradictions. For example, vast

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[26] Lamarche, F., 1972: Les fondements économiques de la question urbaine, *Sociologie et Societes* 1, pp. 15-40, translated by C.G. Pickvance as Lamarche, F., 1976: Property development and the economic foundations of the urban question, in C.G. Pickvance, (Ed.),op. cit., pp. 85-118.

[27] *Ibid.;* Lojkine, J., 1975: Strategies des grandes entreprises, politique urbaines et mouvements sociaux urbaines, *Sociologie du Travail* 1, pp. 18-40, translated by C.G. Pickvance as Lojkine, J., 1977: Big firm's strategies, urban policy and urban social movements. In M. Harloe, (Ed.), *Captive Cities,* John Wiley, London, pp. 140-156.

[28] Lamarche, F., 1976, op. cit.

tracts of unused land south of the Johannesburg CBD, owned by property capital is held for purely speculative purposes; industrial capital would benefit if this land was given over to working-class housing resulting in shorter commuting distances and hence increased labour productivity. The organisation of urban a crucial factor in the determination of the wage rate, and hence the cost of reproduction of the workforce.[29] The contradiction between the interests of property capital and those of industrial capital is a clear example of how the private appropriation of space acts as an obstacle to the rational planning and development of the urban system.

The above discussion raises two important questions: how do we explain the existence, despite its insufficiencies, of socialised consumption in South Africa, given the apparently insurmountable obstacles; and exactly how did the capitalist mode of production engender collective consumption, despite these obstacles? Lojkine's answer is that the individual capitalist agent can not provide the collective means of consumption, though it is necessary for accumulation. The key to this problem thus lies beyond the economy and is tied up with the state. He contends that it is through state financing of urban facilities, urban 'planning' in the more restricted definition of the term, and state co-ordination of private property developments (eg. land expropriation regulations), that these three obstacles are overcome in capitalist social formations. This confrontation with 'the political' (ie. the state) brings us face-to-face with the question of urban policy, defined here as the ensemble of urban strategies and practices of capital and the state.[30] To analyse the content of apartheid urban policy it is necessary to first establish the demands of capital and how it came to be expressed in the South African state and articulated across space.

Urban Policy under Apartheid: The Case of Eldorado Park and Ennerdale

It was in the late 1950s that the South African economy came to exhibit, in the strict sense of the term, features of monopoly capitalism. Not only were monopolies emerging as decisive influences in all major sectors of the economy, also the merging of mining and industrial capital and mining and bank capital was being initiated, giving rise to finance capital.[31] This centralisation and concentration of production and circulation by capital was accompanied by a growing role for the state in the economy. The extent of state involvement in the South African economy has always been proportionally high, but during the 1960s, the contribution to output by parastatals rose

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[29] *Ibid.*

[30] Lojkine, J., 1976, op. cit.

[31] Innes, D., 1984: *Anglo American and The Rise of Modern South Africa*, Monthly Review Press, New York.

significantly.[32] According to Innes, of ten concerns whose combined value of total assets stood at R 50 268 million in 1979, four were state controlled (the South African Railways and Harbours, the Electricity Supply Commission, the Reserve Bank and the Iron and Steel Corporation).[33] Significantly, the Monopolies Commission of 1977 reported that:

> "The State has participated in this situation by creating its own monopolies... and by its intrusion into other fields through the IDC, ISCOR, ESCOM, etc.".[34]

The result was that the economic interventions of the apartheid regime increasingly came to serve the interests of monopoly capital, at the expense of not only the dominated classes, but also of non-monopoly fractions of capital.

In answering capital's needs, in the 1950s, the South African state embarked on a massive public housing construction programme for the working class as a direct response to monopoly capital's demand for a stable and settled urban workforce.[35] Spatial concentration of labour in agglomerations was achieved through the construction of vast concrete dormitory suburbs on the periphery of South African cities, which served to increase labour productivity. In addition, the mass public housing construction programmes of the 1950s and 1960s enabled the state to regulate problems of overaccumulation; the result was an economic 'miracle'. During most of the 1960s, South Africa's growth rate was second only to Japan's, outperforming even the 'newly industrialising countries' of Asia. Interestingly, the spectacular paths of sustained economic growth and industrialisation in Hong Kong and Singapore[36] were, similarly based on massive public housing construction programmes directed by an interventionist state. Of course, in South Africa, provision of collective consumption took a racist political and ideological form far removed from the vision of the welfare state of advanced capitalism; apartheid urban policy was intimately tied to changes in the racial division of labour. Urban and regional policy became closely interlinked precisely because regional decentralisation of employment was a crucial mechanism for the restructuring of the occupational racial division of labour.[37] For Hindson the mid to late-1960s

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[32] Legassick, M., 1974: Capital accumulation and violence in South Africa, *Economy and Society* 3, pp. 253-291.

[33] Innes, D., 1984, op. cit.

[34] Republic of South Africa, 1977: *Report of the Commission of Enquiry into the Regulation of Monopolistic Conditions Act of 1955*, (Chairperson Mouton), R.P. 64/1977, Government Printer, Pretoria, p. 43.

[35] Hindson, D., 1987: *Pass Controls and the Urban African Proletariat*, Ravan Press, Johannesburg.

[36] Castells, M., L. Goh and R. Y-W. Kwok, 1990: *The Shek Kip Mei Syndrome: Economic Development and Public Housing in Hong Kong and Singapore*, Pion, London.

[37] Hindson, D., 1991: The restructuring of labour markets in South Africa, 1970s and 1980s. In S. Gelb, (Ed.), *South Africa's Economic Crisis*, David Philip, Cape Town, pp. 228-243.

marked a decisive break in the spatial organisation of industry, after which the tendency towards locational concentration in the main metropolitan centres shifted towards regional dispersal. A landmark in this move was the passage of the Environment Planning Act of 1967.

The Environment Planning Act reflects the changes in the spatial division of labour, rather than an ineffectual policy of industrial decentralisation based on an 'irrational' apartheid ideology. Section 3 of the Act required that ministerial permission be granted before any new industrial developments could occur. The key aspect of the legislation was a definition of the term 'factory extension', which referred to increases in the number of a firm's black employees;[38] coloured, Indian and white labour was unaffected by the stipulation. Implementation of this piece of legislation, which was stringently applied in the Johannesburg region, had far-reaching implications for the occupational racial division of labour as well as urban policy.

Considering that coloureds, Indians and whites benefited most from economic expansion in the period of classic apartheid, while blacks benefited least,[39] the implementation of section 3 of the Act in the Johannesburg region had the effect of creating new employment opportunities for coloureds. Unhindered by influx control measures and the pass laws, coloured work-seekers flocked to the City of Gold, to the new Eldorado of opportunity, during the late 1960s and 1970s. Consequently, the provision of coloured housing in Johannesburg assumed top priority from the early-1970s.[40] as Eldorado Park and Ennerdale, two large working-class suburbs were designed, built and managed as exclusively coloured areas in terms of the Group Areas Act.

(a) Eldorado Park: The Construction of a State-Provided Concrete Dormitory

The central and local state were closely involved in the creation of Eldorado Park, but the initiative came from the government in accordance with the increasing centralisation of housing finance by the apartheid state. This is not to suggest that the local state, the Johannesburg City Council, was a smoothly-functioning cog in a big machine; the point is that even within certain 'margins of discretion' local authorities in South Africa are subject to the fiscal constraints established by the central state. Development of Eldorado Park, located 15 km south-west of Johannesburg (Fig. 2.) commenced in 1963.

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[38] Rogerson, C.M., 1982: Apartheid, decentralisation and spatial industrial change. In D.M. Smith, (Ed.), *Living Under Apartheid*, George Allen and Unwin, London, pp. 47-63.

[39] Hindson, D., 1991, op. cit.

[40] Intermediate Archives Depot, Johannesburg (IADJ), Files of the City Engineer's Department (CED) (8/10/9) vol. 1.: City Engineer to Cllr. S. Moss, Chair of the Housing and Technical Services Committee, 28 January 1974.

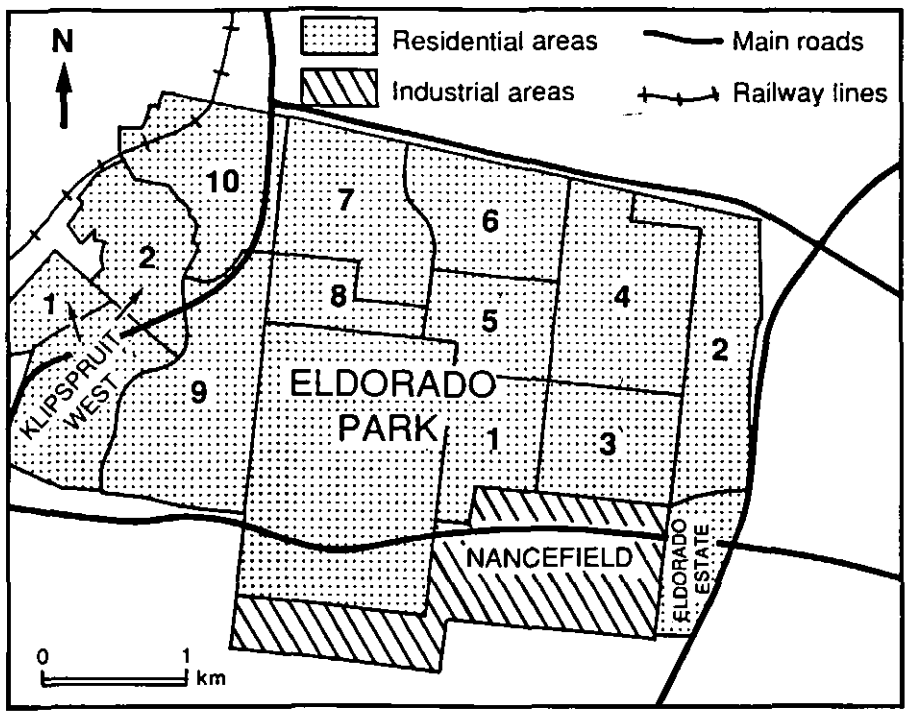


Figure 2.: The Eldorado Park complex.

The Department of Community Development (hereafter DOCD), established in the early-1960s, acquired approximately 173 morgen of cheap agricultural land in Nancefield, which it had expropriated from white smallholders.[41] The isolation and distance of the area from Johannesburg appear to have made it unattractive to private developers and most of the 697 white-owned properties affected by the proclamation of Nancefield as a coloured area were purchased by the DOCD with the intention of replanning it as a coloured suburb. By 1965, the first 200 sub-economic housing units were completed.[42] The suburb was not planned as a unit, but expanded when necessary in response to the growing housing crisis; hence the long time span of its construction. From 1963, thirteen neighbourhoods were constructed in the Eldorado Park complex, each named with immutable bureaucratic logic: Eldorado Park 1, 2, 3... 10 and Klipspruit 1 and 2. Today, Eldorado Park is a high-density area, with a population in excess of 61 000.[43] The physical shape and management system of the suburb is an expression of socialised housing

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[41] DOCD, 1961/62: *Annual Report*, Government Printer, Pretoria.

[42] Assembly debates (Hansard), 25 May 1963, 18 cols., 6758-9; DOCD, 1965: *Annual Report*, Government Printer, Pretoria.

[43] City of Johannesburg, 1987/88: *Annual Report*, Housing Department, Johannesburg.

produced under state initiative: according to procedures examined below, the South African state built, at the lowest possible cost, public housing for a population suffering from an accommodation crisis.

State financing of Eldorado Park operated within the broader fiscal resource structures which served as the logistical framework for the mass housing construction programmes of the 1950s and 1960s. The main source of funds spent on the building of Eldorado Park was the DOCD. As a financing body, the DOCD administered both the National Housing Fund and the Community Development Fund, the capital of which comprised loan funds voted annually by parliament. At the local tier, the City Council directed money procured from these funds into the construction of Eldorado Park.[44] The building programme of the central state (Tab. 1.) progressed steadily from 1965 and even gained momentum in 1975.

Table 1. BUILDING PROGRAMME OF THE DOCD (1976)[45]

Number of units completed		Progressive totals (31/03/1976)		Number of units under construction (31/03/1976)
total (31/03/1976)	completed for financial year 1975/76	units completed	expenditure in Rands	
2 443	216	2 659	9 102 246	734

Within the first 10 years, the DOCD built 2 443 housing units in the Eldorado Park complex. Thereafter, 1976 saw the completion of Eldorado Park 1 and major construction activity in Eldorado Park 3. By 1978, the amount spent by the department on building activities in the suburb rose from R 9 million to R 12 million as Eldorado Park 3 and 8 were completed.

The building of new housing units in Eldorado Park was suddenly halted by the government in 1979. For the 1980 financial year, the DOCD completed only 70 units, with another 20 still under construction to be completed the following year and since 1981, not a single unit has been built. Central state involvement in Eldorado Park showed a slight increase after the introduction of the tricameral parliament in 1984, when the newly created Department of Local Government, Housing

[44] DOCD, 1978: *Annual Report*, Government Printer, Pretoria.

[45] DOCD, 1976: *Annual Report*, Government Printer, Pretoria.

and Agriculture (House of Representatives)[46] launched an urban renewal strategy for extension 10. However, when it became clear to the Labour Party that Africans, rather than coloured people would be the main beneficiaries of the scheme, the administration of the House of Representatives first decelerated, and then effectively halted the programme.[47] To date, very little development has occurred in Eldorado Park extension 10 where approximately 150 black families still live.[48]

It was the City Council which provided, and still manages, most of the housing stock of Eldorado Park. In 1987, the City Council controlled 7 646 units,[49] all built with funds obtained from the National Housing Fund and the Community Development Fund. Eldorado Park 2, 4, 6, 7 and 9, as well as Klipspruit West and its two extensions, were all developed by the Johannesburg local authority. When the City Council first got involved in the provision of housing in Eldorado Park 2 in 1970,[50] its capital expenditure nearly doubled from approximately R 1.5 million in 1972 to just below R 3 million the following year.[51] Moreover, the proportion of the City budget allocated for coloured housing rose sharply, reaching R 10 million in 1977[52] as the City Council built row upon row of standardised houses and large complexes of three-storey flats according to a uniform design.

For Marxists, state penetration of an unprofitable sector, such as public housing provision in Eldorado Park represents a devalorisation of capital through investments at a 'loss'. The devalorisation of capital through the housing construction programme in Eldorado Park is indexed by a sharp rise in the value of land in the area, from R 518 500 in 1973 to just below R 13 million

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[46] Since the tricameral constitution came into operation in 1984 the DOCD was abolished and its bureaucracy devolved to three 'own affairs' departments for coloureds, Indians and whites.

[47] IADJ, Files of the Metropolitan Planning Department (MPD) 12418 (326/1) vol. 3.: Minutes of meeting to discuss problems encountered in the redevelopment of Kliptown and the proposed Eldorado Park extension 10 township, 9 September 1988.

[48] *Ibid.*

[49] City of Johannesburg, 1987/88: *Annual Report.* Housing Department, Johannesburg.

[50] City Council of Johannesburg, Minutes of the City Council, 24 March 1970, p. 778.

[51] City of Johannesburg, 1974: *Vade Mecum,* City Treasurer, Johannesburg; City of Johannesburg, 1975: *Vade Mecum,* City Treasurer, Johannesburg.

[52] City of Johannesburg, 1977: *Budget Estimates,* City Council, Johannesburg.

in 1982.[53] As Harvey would have it[54] the housing stock of Eldorado Park functions as 'devalued capital in space' and it is to an analysis of the underlying processes of state financing of devalorised urban facilities in Eldorado Park, and how it has shaped the physical characteristics and management system of the suburb, that the focus now shifts.

The various infrastructure and facilities in Eldorado Park (blocks of flats, houses, shops, roads, services) were produced by a combination of productive capital (construction companies) and circulation capital, under the relative dominance of the latter. Preteceille points out that the characteristics of a housing estate are closely linked to the 'rules of operation' of the type of capital which dominated its creation.[55] Private developers were conspicuous by their absence in the construction ofthe suburb, and so private property capital, guided by the logic of profit, had an insignificant influence on the physical shape and management system of Eldorado Park. On the contrary, the construction of Eldorado Park was funded by state-devalorised capital, and the characteristics of the suburb are explicable in terms of the 'rules of operation' of this type of capital.

Capital devalorised by the state l as certain broad effects independent of whether it is financed by the local or central state.[56] The basic 'rule of operation' of state devalorised capital is its subjection to *political* calculations and not to the search for profit. As part of this scenario, The provision of affordable housing by the state is more a response to the social needs of the working class than to solvent demand. This fact is highlighted in the case of Eldorado Park. In a dispute between the Industrial Council for the Building Industry and the Johannesburg municipality over the employment of black labour on construction sites in Eldorado Park, it was pointed out to the Public Prosecutor, on behalf of the Johannesburg local authority, that the City Council did 'not build with a profit motive' and that it was 'obliged to provide housing' for a community which was in 'no position to afford the payment of high rents'.[57] Significantly, the City Council did not deny the charges brought against it by the industrial council (*viz.* using black instead of coloured labour) but argued instead that it could not, as a provider of a public service, be subjected to the rulings

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[53] City of Johannesburg, 1973: *Vade Mecum*, City Treasurer, Johannesburg; City of Johannesburg, 1982: *Vade Mecum*, City Treasurer, Johannesburg.

[54] Harvey, D., 1981: The urban process under capitalism: A framework for analysis. In M. Dear and A. Scott, (Eds.), *Urbanization and Urban Planning in Capitalist Society*, Methuen, London, pp. 91-121.

[55] The classic account of French housing policy, which culminated in the construction of vast working-class housing complexes, or the *grands ensembles* on the periphery of Paris, is the study by Preteceille, E., 1973: *La Production des Grands Ensembles*, Mouton, Paris.

[56] *Ibid.*

[57] IADJ, CED 701 (8/10/5) vol. 1.: Town Clerk to Senior Public Prosecutor, 17 September 1975.

of industrial councils. Marketability was not perceived as an overriding concern in the final product; hence the uniform design and standardised industrial building techniques that went into the construction of houses and flats in Eldorado Park. Three characteristics of Eldorado Park can thus be accounted for through a perspective informed by the operation of devalorised capital. First, the limited quantity of such capital[58] caused the insufficient provision, or even the total absence, of certain basic services, such as adequate health-care and cultural facilities, public transport, shops, schools and day-care centres. Second, the fragmentation of this capital among a variety of different state apparatuses made it difficult to mobilise. As a result the construction of schools, infrastructure and services lagged behind the provision of houses[59] because these were the responsibility of different state departments. Third, separate priorities and policies of different parts of the state apparatus hindered the adequate provision of collective means of consumption, effectively reinforcing the first two effects.

Significant to the construction of Eldorado Park was the relationship between local and centrally funded devalorised capital. Discernible differences exist between devalorised capital financed by the central, as opposed to the local state. That controlled by the central state rotates slowly because it does not seek its own self-expansion and often leads to the realisation of construction programmes at a rate slower than that forecasted. For example in 1978 the slow progress with road construction in Eldorado Park was discussed as a matter of urgency by the Management Committee of the City Council.[60] Adding complexity to this situation is the fact that there is little possibility of funds being transferred from one state department to another, or from the central government to a local authority, once budget allocations have been made. Co-ordination of this fragmented capital becomes highly unlikely with predictable results. The large open spaces lying idle in Eldorado Park, despite having being allocated for specific uses on the structural plan of the area, indicate a lack of co-ordination between different components of the state machinery.

Where a local authority controls devalorised capital, the effect is a deceleration in the provision of facilities because of the restricted ability of local governments to raise capital.[61] Eldorado Park does not have a large and wealthy tax base, being a residential area with a predominantly working-class population. In addition, there are severe political constraints limiting the capacity of the City Council to finance facilities in the suburb from rates and taxes raised elsewhere, for

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[58] IADJ, CED 702 (8/10/7) vol. 2.: Acting Secretary for Community Development to Town Clerk, 15 January 1973.

[59] IADJ, CED 703 (8/10/7) vol. 4.: Chief Officer, Coloured and Asiatic Affairs Division to City Engineer, 17 December 1974.

[60] IADJ, CED 701 (8/10/5) vol. 1.: Extract from minutes of Management Committee, 1 May 1978.

[61] Preteceille, E., 1973, op cit.

example in white suburbs of the city. The resultant inability of the City Council to raise large amounts to fund goods and services in Eldorado Park is the main reason why the central state initiated and bore most of the costs incurred in the creation of the suburb. It is to be recalled that even where the City Council did fund housing schemes, for example Eldorado Park 2, it derived its capital from the National Housing Fund and the Community Development Fund as non-refundable loan advances by the government.

The construction of Eldorado Park was closely tied with the period spanning the 1960s and 1970s, when urban policy was characterised by massive state intervention in the reproduction of a racially fragmented workforce. By the end of the 1970s, the central state halted its building programme in Eldorado Park as it began to withdraw from socialised consumption nationally under the impact of a deepening economic and fiscal crisis. This shift in broader urban and regional policy[62] impacted also on the experience of the new town project in Ennerdale.

(b) The New Town of Ennerdale and The Social Limits to Urban Design

Since the late 1970s, several changes have occurred in national urban policy. In 1977, the DOCD issued a circular to local authorities instructing them not to start any new housing projects.[63] The Riekert Commission of Enquiry, which reported in 1979, also recommended a rationalisation of state housing finance policy and the introduction of private capital into working-class housing provision.[64] Furthermore, the DOCD announced, in 1983, that while money would still be provided for the construction of sub-economic schemes, funds would no longer be made available for economic schemes, and a public campaign aimed at simultaneously selling 500 000 houses was launched.[65] Money would henceforth only be supplied for services as far as the provision of housing at economic rates was concerned.

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[62] Cobbett, W., D. Glaser, D. Hindson and M. Swilling, 1986: South Africa's regional political economy: A critical analysis of reform strategy in the 1980s. In South African Research Service, (Eds.), op. cit., pp. 137-168.

[63] DOCD, 1983: Internal circular minute, No. 1., issued to all local authorities, DOCD, Pretoria.

[64] Republic of South Africa, 1979: *Report of the Commission of Enquiry into Legislation Affecting the Utilisation of Manpower (Excluding the Legislation Administered by the Departments of Labour and the Mines)*, (Riekert Commission), R.P. 32/1979, Government Printer, Pretoria.

[65] *Rand Daily Mail* (Johannesburg), 4 March 1983, 5 March 1983; *Citizen* (Johannesburg), 4 March 1983; *Star* (Johannesburg), 4 March 1983.

The shift in policy generated some discussion on the 'recommodification' of working-class housing in South Africa.[66] Data for the 1980s in South Africa[67] shows, however, that public expenditure on housing was not reduced but actually increased. There was apparently no cut at all in the overall level of state expenditure on housing even during the prevailing economic crisis. What has emerged during periods of crisis, however, is a general reorientation of the use of public funds and a qualitative transformation in the types of collective consumption.[68] The new town project at Ennerdale, 30 km south-west of Johannesburg (Fig. 3.) shows, at a local level, emerging trends in urban policy within the context of economic crisis.

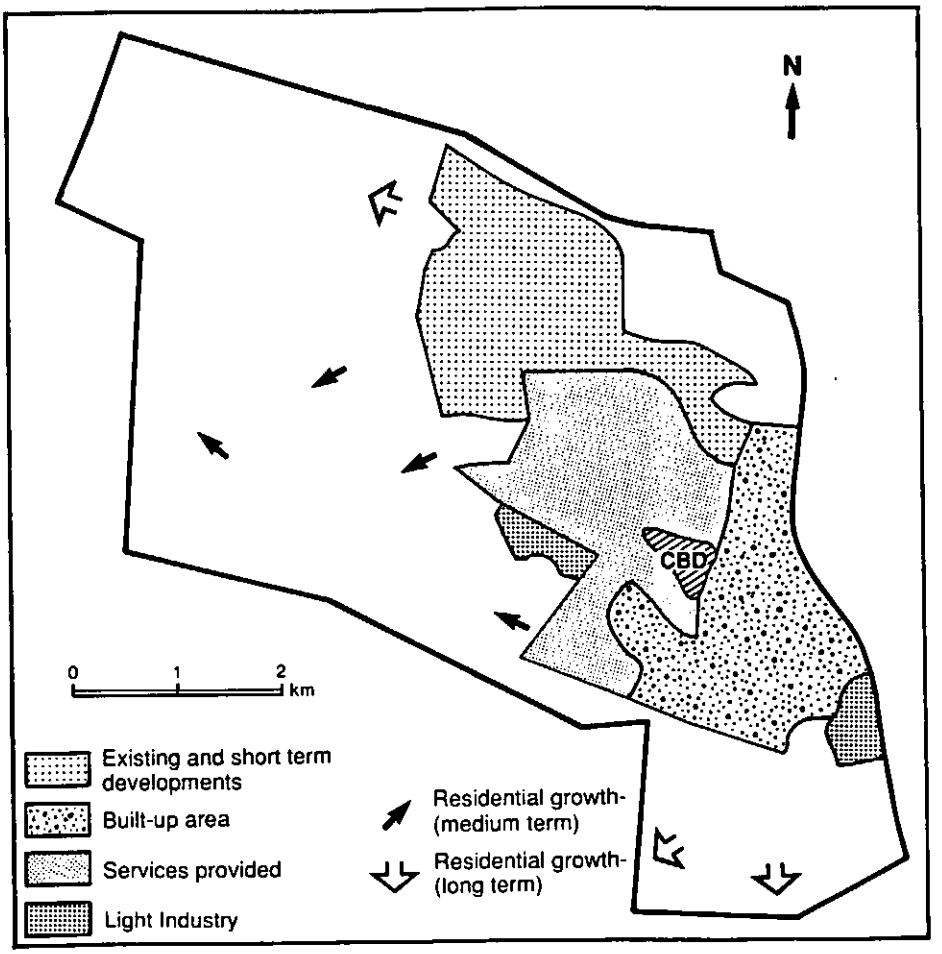


Figure 3.: The new town of Ennerdale.

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[66] Glover, C. and V. Watson, 1984, op. cit; Mabin, A. and S. Parnell, 1983, op. cit.

[67] Parnell, S., 1991, op. cit.

[68] Harloe, M., 1981: The recommodification of housing. In M. Harloe and E. Lebas, (Eds.), op. cit., pp. 17-50; Preteceille, E., 1981, op. cit.

In 1974, the Department of Planning and Environment announced its intention to develop a new town for coloured people in Ennerdale.[69] Response to the project varied from enthusiasm, by the director of the Coloured and Asiatic Division of the City Council,[70] to opposition by local capital. The latter opinion was expressed by the Johannesburg Chamber of Commerce which preferred that funds and land be made available for coloured housing within the city boundaries;[71] long commuting distances for the workforce was clearly not in the interest of labour productivity and hence local capital accumulation. The significance of the project is shown by the fact that Ennerdale was planned, in terms of a master plan, not as a suburb of Johannesburg, but as a self-sufficient new settlement similar to the French and British new towns. In 1976, the DOCD, which subsequently assumed responsibility for the project, proclaimed 5 500 hectares in Mid-Ennerdale a coloured area,[72] and appointed landscape architects to "enhance the appearance of the township".[73] Ennerdale was officially opened in 1980 by the State President in an ultra modern new civic centre. With the introduction of the tricameral parliament in 1984 renewed impetus was given to the project with the launch of a-10 year development plan for the town, drawn up by planners in the Department of Local Government, Housing and Agriculture (House of Representatives). A contract of R 14 million was awarded for the installation of services in Ennerdale 8 while another R 60 million was spent on the development and servicing of 1 200 sites in Ennerdale 2 during 1987.[74]

It is through urban planning, in the more technical sense of the term, that the state co-ordinates the appropriation of urban space.[75] A critical analysis of planning needs to confront three aspects of urban design: (1) formal plans and policies; (2) financial and legal instruments with which these plans are brought into operation; and (3) social effects of planning practice.[76] The new town project at Ennerdale presents an opportunity for analysing state intervention from the angle of urban

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[69] SAIRR, 1975: *Survey*, SAIRR, Johannesburg; *Rand Daily Mail*, 24 December 1974.

[70] *Ibid.*

[71] SAIRR, 1977: *Survey*, SAIRR, Johannesburg.

[72] DOCD, 1976, op. cit.

[73] DOCD, 1977: *Annual Report*, Government Printer, Pretoria, p. 7.

[74] Republic of South Africa, 1987: *Ennerdale Ontwikkeling*. Unpublished report of the Department of Local Government, Housing and Agriculture (House of Representatives), Government Printer, Pretoria.

[75] Preteceille, E., 1976: Urban planning: the contradictions of capitalist urbanisation, *Antipode* 8 (1), pp. 69-76.

[76] Lojkine, J., 1977, op. cit.

planning. On the plans at least, Ennerdale is a peaceful middle-income town without much internal social segregation and, according to official projections, will accommodate a rapidly- increasing population (Tab. 2.).

Table 2. POPULATION ESTIMATES FOR ENNERDALE[77]

Year	Population	Households
1987	15 890	3 430
1990	30 000	6 480
1995	87 000	19 000
2000	128 000	27 650
2005	189 000	41 000

By means of the master and development plans for the town, it would appear that the state planning apparatus managed to overcome some of the anarchic processes which undermine capitalist urbanisation. Through zoning practices, land was demarcated for light-industrial, residential and recreational activities, albeit still within the framework of a racist segregation policy (Fig. 3). Green belts and landscaped open spaces also appear on the master plan of the town. However, this ambitious vision of urban design began to fade from the moment of its inception. Although substantial amounts of public funds are involved in Ennerdale, the social form and ideological content of state spending have changed. More than 90 per cent of the housing stock is now directed at home-ownership schemes financed through building society or bank loans and state subsidies.[78] At the time of writing (July 1991), 27 private developers ranging from small operators to huge monopolistic concerns such as the Basil Read and LTA construction groups, were involved in the development of the town.[79] The experience in Ennerdale suggests that a major change in urban financing policy during economic crisis is a reorganisation of state intervention to create and widen zones of profitability for private capital accumulation.

The 10 year development plan of the Department of Local Government, Housing and Agriculture (House of Representatives) was an ill-disguised attempt at shoring up an ailing project. When the development plan was announced in 1984, only 2 000 housing units were completed with 1 000 serviced sites available for development. Considering that, with the official launch of the new town project in 1974, it was envisaged that Ennerdale would ultimately accommodate between 200

[77] Republic of South Africa, 1987, op. cit.

[78] Personal communication, Marketing Manager of LTA Ltd., October 1990, Johannesburg.

[79] *The Housing Monitor*, 1990, 2nd Ed., vol. 1., SPT Housing Consultants (PTY.) Ltd. Publications, Johannesburg.

000 and 300 000 residents by 1985,[80] the extent of the failure of the project becomes apparent. The vision of overcoming the alienating conditions associated with working-class coloured suburbs (such as Eldorado Park, for example) through programmes of cultural animation, as part of an integrated urban design, simply failed to materialise. By 1983, Ennerdale still lacked sufficient shops, schools, health-care and day-care facilities and an adequate transport system.[81] The idea of creating a stable home-ownership middle class community never materialised. With the sharp rise in interest rates during 1989 and 1990[82] major private developers such as LTA and Basil Read experienced a default rate of 30 percent on houses built and sold in Ennerdale.[83] This technocratic utopia evaporated completely when Ennerdale erupted into violent conflict between residents and the state.

Class Struggle and the Role of the State

The main struggles in Ennerdale were centred on the effects of the privatisation of transport and services. As part of its general withdrawal from socialised consumption the state in 1987 sold the highway connecting Ennerdale to Johannesburg to a private consortium.[84] Residents had to pay a toll fee when commuting to work. The privatisation of the road led to an anti-toll road campaign, which drew the support of all commuters. The outcome of the ensuing conflict between residents and the state was a reduced toll rate for Ennerdale commuters.[85] By granting the concession, the state recognised the existence of the social needs of the workers. However, the most radical action by Ennerdale residents against the state occurred in mid-1990 when they opposed an increase in water and electricity service charges.[86] The increases were a direct result of subjecting the provision of these services to market forces. Mass protest meetings were organised by the Ennerdale civic association, and the conflict with the state became violent when security forces moved into the town to suppress the struggle.[87] Barricades were erected in the streets and youths fought pitch battles with

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[80] DOCD, 1976, op. cit.

[81] Needham, K., 1983: Social work services in Ennerdale. Unpublished B.A. (Soc. Work) thesis, University of the Witwatersrand, Johannesburg.

[82] From approximately 12 percent in early 1989 to over 20 percent in 1990.

[83] Personal communication, Marketing Manager of LTA Ltd., October 1990, Johannesburg.

[84] *Horizon* (Eldorado Park), 11-17 October 1990.

[85] *Ibid.*

[86] Personal communication with an activist of the Ennerdale Civic Association, Ennerdale, 16 June 1991.

[87] *Ibid.*

security forces. In the ensuing violence, the civic centre was burnt down exactly 10 years after the State President officially opened the new town project at the venue.

The most important factors to be considered as possible explanations for the rise and fall of the new town project in Ennerdale are the broader economic and political changes in South Africa. When the new town concept was conceived in the Department of Planning and the Environment during the early-1970s the economy was still in a strong position, which explains the project's ambitious scope and vision. When actual implementation began in the late-1970s, however, deep rooted crisis tendencies were already manifest in the economy. Falling corporate profits[88] led not only to a fiscal crisis for the state but also caused severe problems of overaccumulation for monopoly capital. The close connection between the property developers (the LTA construction company, Basil Read, etc.) and monopoly capital, means that the urban crisis in Ennerdale is an aspect of the general crisis of monopoly capitalism. The central contradiction is between property capital on the one hand, whose main interest is the extraction of profit out of urban space, and, the predominantly working-class people of Ennerdale, who have an interest in a policy which would address their basic social needs, on the other.[89] The interests of industrial capital also stood in direct opposition to the demands of property capital. From the start, local industrial capital was negatively disposed toward the Ennerdale project, and virtually no industry (and thus work opportunities) has relocated to the town despite a concerted attempt by the administration of the House of Representatives to elicit industrial capital involvement. For the monopoly controlled property developers, the organisation of space in Ennerdale meant new areas for profitable investment. For local industrial capital however, the new town project meant upward pressure on the wages of workers caused by longer commuting distances, higher service charges, etc. The CBD and industrial zones of the new town are nothing more than wide open spaces, reminders of a failed urban policy.

Similar struggles in Eldorado Park, developed in parallel with housing construction. The first major conflict occurred in late-1976, when residents from Kliptown (an officially declared slum area which was later re-developed as extension 9 of Eldorado Park) occupied housing units built by the DOCD in Eldorado Park extension 3.[90] Extensive flooding which damaged most of the housing stock of the slum, appears to have been the main motivation behind squatting in the newly-constructed houses of Eldorado Park 3. The initial response of the state was that the

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[88] Nattrass, N., 1990: Economic power and profits in post-war manufacturing. In J. Nattrass and E. Ardington, (Eds.), *The Political Economy of South Africa*, Oxford University Press, Cape Town, pp. 107-128.

[89] For a theoretical discussion of property development under monopoly capitalism see Lamarche, F., 1976, op. cit.

[90] *Star* (Johannesburg), 8 October 1976; *Transvaaler* (Johannesburg), 9 October 1976.

squatters should vacate the illegally occupied houses.[91] In terms of the Prevention of Illegal Squatting Act (No. 52 of 1951), a magistrate had the power to issue an eviction order, provided it was applicable to a township proclaimed by the State President. An application for a court order to evict the squatters was duly lodged by the DOCD. The ensuing confrontation between the squatters and the DOCD was temporarily resolved when the state had to withdraw its charges on the technical ground that Eldorado Park 3 had not yet been officially proclaimed a coloured group area. An amendment to the Community Development Act was passed the following year (1977), enabling the state to circumvent all legal obstacles to evicting the squatters in Eldorado Park.[92] A small victory was scored by the squatters when the DOCD provided them with accommodation in nearby three-storey flats, but only after they had resisted attempts by the state to re-house them in a disused mining compound. Soon after the central state conceded the demands of the squatters they had to confront the City Council. A rent increase, ranging from 60-100 per cent, was announced for Eldorado Park, drawing immediate resistance from tenants, including the newly resettled squatters.[93] The response of the South African state was, as usual, violent repression: police armed with teargas and dogs dispersed a crowd of women who had gathered at the City Council offices in the suburb to demonstrate over the rent increase. Despite negotiations, rent was increased and collected.

In contrast to the rather localised tenant struggle of 1977, the rent and service charges increase announced by the City Council in 1982 for all coloured suburbs, including Eldorado Park, was met with 'massive opposition' leading to the formation of 'action committees' in all affected areas.[94] These committees combined to create a Co-ordinating Resident's Action Committee (CRAC), setting the scene for a major confrontation with authorities.[95] Faced by strong opposition from tenants the City Council retracted its decision to increase rent but refused to compromise on the question of service charges.[96] The limited nature of state concessions underline the fact that although the rent struggle of 1982 in Eldorado Park and the 1990 conflicts in Ennerdale were characterised by militancy and intense antagonism toward the state, they contained the seeds of their own weaknesses. They also failed to move beyond limited and even economistic demands to

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[91] The term 'squatter' is engaged here in a purely juridical sense, *viz.* the illegal occupant of a property, and is therefore not to be confused with 'shack dwellers'.

[92] Senate debates (Hansard), 8 March 1977, vol. I., 4 cols. 1096 and 1100.

[93] *Rand Daily Mail* 3 May 1977.

[94] *Speak* (Johannesburg), November 1982.

[95] *Speak* June 1983.

[96] *Ibid.*

broader political mobilisation against the state. Reasons for the limitation can be sought in the way the collective means of consumption were provided and managed for Eldorado Park and Ennerdale residents.

Three processes appear to have operated in conflicts over the collective means of consumption in these suburbs. First, the highly socialised nature of the provision and control of the suburb by the state, which acted as developer, landlord and manager, created common interests over which residents could mobilise. Specifically, the squatter movement and the tenant's struggles of 1977 and 1982 were all linked to the costs of the reproduction of labour power. Second, the harsh living conditions had an adverse effect on human relations. A study in the 1970s revealed that Eldorado Park had insufficient services such as health-care and cultural facilities, poor public transport and a shortage of shops, schools and day-care centres.[97] The first inhabitants practically lived on a construction site with no amenities. As a result of of weak or non-existent organisation struggles tended to be very issue-specific and localised. Finally, the social composition of both Eldorado Park and Ennerdale precluded any effective mass mobilisation which could have unified residents. There is very little sense of community in these areas because of the intense fragmentation among residents. The suburbs are not only internally fractured into several self-contained localities separated from each other by wide open spaces, but the historical trajectories of households and individuals are extremely diverse. There are those residents who came from the old townships which were demolished to make way for the new suburbs - Kliptown and Nancefield in Eldorado Park and Grasmere in Ennerdale; Some were resettled because of apartheid removals from both white and black townships. Finally, there are residents who have migrated to Johannesburg from as far as Durban and Cape Town, in search of work. When cleavages between homeowners and tenants, users of public and private transport etc., are also taken into consideration, it becomes clear why the struggles took on a very specific, even insular form, focused only on narrow, material demands.

Conclusion

To conclude provisionally, research on Eldorado Park presented here shows that, after years of massive intervention in the reproduction of a racially-fragmented workforce the state did respond to the economic crisis by cutting back on the financing of socialised consumption. In Ennerdale, local developments further reflect a fundamental change in the form and content of urban policy. In this context new conditions were created for the development of urban struggles on issues about the reproduction of labour power and the question of the social needs of workers. Re-organisation of state intervention in the urban field, as suggested by its withdrawal from socialised consumption,

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[97] Segal, G., 1974: Community resources in the Eldorado Park, Nancefield and Kliptown complex. Unpublished B.A. (Soc. Work) thesis, University of the Witwatersrand, Johannesburg.

and the new uses to which public funds are put, have implications for an understanding of current crisis policies in South Africa.

In the South African context, financing of devalorised urban facilities through mass housing construction programmes during the 1950s and 1960s enabled the state to regulate problems of overaccumulation, relatively successfully. However, the effect of such public spending during the first two decades of the apartheid period was to raise the organic composition of social capital which, in turn, intensified crisis tendencies in the economy, thus contributing to the fall in the rate of profit. From the mid-1970s, South Africa experienced a deepening economic and political crisis which had an immediate impact on urban policy. Confronted with declining corporate profits and a fiscal crisis of the state, the dominant classes realised that the racist urban and regional policies of the apartheid regime, and the attendant waste of resources, no longer serve the interests of monopoly accumulation. In the final analysis, therefore, instead of having resolved the contradictions of monopoly capitalism urbanisation, the urban interventions of the apartheid state only extended their field of application to new levels.

Acknowledgements

Mrs. Wendy Job of the Cartographic Unit of the Department of Geography and Environmental Studies, University of the Witwatersrand is thanked for the preparation of the diagrams, and Rebecca Lammas for the proof-reading.