CHAPTER 01

Opening the Circle: Preliminary Notes on the City

1.1. Background

The unmaking of apartheid, that ideology of separate development and practice of racial capitalism premised on the prejudices of Afrikaner Nationalism, or rather its partial destruction almost seventeen years ago; unraveled for Johannesburg a myriad of possibilities. They were possibilities of imagining and constructing new subjectivities and polities, architectures, aesthetics and spatialities, of enabling mobilities without boundaries. How these possibilities unfolded helps to account for what the city has become (or is becoming). There are many layers and levels to this becoming, and there have been many accounts, to which the current effort is an addition. And like all these accounts, it is partial, incomplete, and does not claim to grasp the city as a whole. It adds to the various attempts at capturing Johannesburg after apartheid (see inter alia, CoJ, 2001; Beall *et al*, 2002; Beavon, 2004; Bremner, 2004; Bremner and Subiros, 2007; Mbembe and Nuttall, 2009; Brodie, 2008; Murray, 2008).

In writing about Johannesburg, one is forced to 'write in the midst of uncertainty, knowing the transformation's origins but at a loss to name its destination' (Tomlinson *et al*, 2003: xiv). To navigate uncertainty, necessitates the adoption and continuous refinement of *conceptual categories* 'with which to account for social velocity, the power of the unforeseen and of the *unfolding*' (Mbembe and Nuttall, 2004: 348-350, emphasis in the original). It is to acknowledge that Johannesburg, and any other city, is 'at once a thing and a process', and it therefore demands conceptualisations of its *'experience'* and '*production'* …'not as either/or, but as *both simultaneously*' (Merrifield, 2002: 159) — shifting thinking from the city and the urban as end-states to processes. In the unfolding, there are many impulses to be read. For those meticulous enough to read these impulses, the city has served as a rich repository repeatedly excavated from varied angles. The burgeoning literature generated from these excavations, celebrating and mourning, although comprising a critical point of reference for any concerted effort at understanding the city and its complexities; 'making sense of it all, [remains] an elusive quest' (Mabin, 2007: 34). Mabin's sentiment is applicable to both making sense of the city, and making sense of the literature grappling to make sense of the city. An 'unruly urban place' (*ibid.*: 32), new layers of analyses are constantly added, unbundling and decoupling in a bid to 'make sense of it all' (for refreshing reviews of this literature, see Mbembe and Nuttall, 2004; and Mabin, 2007). But perhaps Mbembe and Nuttall capture it lucidly when they argue that 'the ways in which societies [and in this case cities] compose and invent themselves in the present (*the creativity of practice*) is always ahead of the knowledge produced about them'.

Against this backdrop, the current research enters the dialogue through exploring the *restructuring* impulses triggered by two definitive and coinciding (both start in the early 1970s) *crises of overaccumulation*, local (see for example Bond, 2000; Marais, 2001; and Hirsch, 2005) and global (Harvey, 2005; Saad-Filho and Johnston, 2005), and how those impulses have cross-pollinated to structure core elements of the future of the city. The one impulse is the discourse (neoliberalism) necessitated by the exigencies of global economic decline that came to prefigure the content of global political economic thought post-1970s (see Larner, 2000; 2003; Brenner and Theodore, 2005; Peck and Tickell, 2007; Brenner *et al*, 2010b). The other, a transformative project deeply defined by anti-apartheid resistance imperatives upon which hopes of redress were pinned and images of integration were to be imprinted in a post-apartheid socio-economic and politico-spatial configuration (see Mabin, 2000; Harrison *et al*, 2003; Pieterse, 2006; Harrison *et al*, 2008; Turok and Parnell, 2009). Both impulses would be important in *patterning* restructuring efforts in Johannesburg after apartheid (see Robinson and Parnell, 2006; Hunter, 2007). This is the restructuring of state territoriality and institutional configurations, of policy content and state strategy (and therefore state forms of intervention in socio-economic life), of space (the built and natural environments); and by extension of the distribution of life chances within that city—spatially, and socio-economically. To enter the dialogue at the level of analysing the interface between these impulses, their co-constitution and co-evolution, is to reflect on the patterns that form at the intermingling of global dynamics, influences, requirements and precepts, and local dynamics, peculiar realities, expectations and innovations.

Neoliberalism is argued 'to have usurped globalisation as *the* explanatory term for contemporary forms of economic restructuring' (Larner, 2003: 509).See also Larner, 2000; 2003; Brenner and Theodore, 2005; Harvey, 2005; Saad-Filho and Johnston, 2005; Peck and Tickell, 2007; and Brenner *et al*, 2010b). At its core, is a free-market fundamentalism ideologically attributed to once-renegade economists Frederick von Hayek and Milton Friedman, premised on the argument that the market is the most optimal mechanism for economic development, and the most efficient distributor of life chances (Brenner and Theodore, 2002b: 2). As such, it can be understood as a project of dismantling all constraints to the smooth operation of markets, including revising the forms and degrees of state intervention characteristic of post-war Keynesian regimes (Brenner and Theodore, 2002; Peck and Tickell, 2002; and Harvey, 2005). In fact, more than a non-intervening minimal state, neoliberalism in practice has mobilised the state to ensure the defense, extension (creation) and de-politicisation of markets (Bretton Woods Project, 2000; Harvey, 2005; Houghton, 2010). The extension of market logics and operations to all spheres of socio-economic life is supposedly guaranteed to yield high economic growth rates, whose benefits will in time trickle down to every member of society. As a rising tide that lifts all boats, growth precede redistribution (Morris,1991: 57, cited in Hart, 2001: 20).

Neoliberalism—emerging following the 1970s crisis as yet another 'distinct phase in the struggle between market- and state-led capitalism' (Leitner *et al*, 2007a: 3)—does not only provide a 'growth model' as sketched above, but also cares to define the institutional frameworks and state policies capable of reproducing such a model (Brenner, 2003: 200). Emerging as the dominant response to the various spatio-temporal crises linked to the overaccumulation crisis of the early 1970s, it is (through conceptualizing a growth model linked to specific institutional frameworks and state policies) an 'accumulation strategy' (Jessop, 1990; Brenner, 2003; McDonald, 2008). A set of policy precepts following from this market logic—including stabilisation, liberalisation, deregulation and privatisation—came to circumscribe the organisational design and policy orientation of polities from regional, national to local scales (see Harvey, 2005; Saad-Filho and Johnston, 2005). At a global scale, it produced a new rule system intended to embed these policy precepts at other scales, comprised in World Bank/International Monetary Fund loan conditionalities and World Trade Organisation tariff agreements (among others) (Bond, 2000; Bretton Woods Project, 2000;and Stiglitz, 2002). But most importantly here is the fact that neoliberal policy precepts have been 'naturalized as the unquestioned parameters for local policy experimentation' (Brenner, 2003: 198). See also Brenner and Theodore, 2002b; 2005; Peck and Tickell, 2002; 2007; and Leitner *et al*, 2007a; 2007b).

This diffusion across scales and spaces however does not turn neoliberalism into a hegemonic project simply reproducing contexts in its own image, resulting in repetitively similar outcomes (Larner, 2000; Brenner and Theodore, 2002; Leitner *et al*, 2007b; and Brenner *et al*, 2010a; 2010b). What emerges from those real time 'frictions of transition' (Harvey, 2005) are variants of neoliberalism—translocally connected but specific to context—'actually existing' (Brenner and Theodore, 2002b). Real time contexts are simultaneously central authors, producers, and defendants (active *architects*) and variably products (*artefacts*) of neoliberalism (Larner, 2003; Leitner *et al*, 2007b). Neoliberalism becomes then only a dominant tendency *patterning* regulatory restructurings unfolding variously within particular scales, states, and spaces. The incumbent study then will analyse the existence and particular forms of neoliberalism in Johannesburg after apartheid. While not presupposing the existence of neoliberalism in Johannesburg after apartheid, the study acknowledges that convincing arguments in that regard have been made (Beavon, 2000; Khunou, 2002; Bond, 2007; Bond and McInnes, 2007; Murray, 2008).

To analyse the 'actually existing', 'urbanisation of neoliberalism' (Brenner and Theodore, 2002b; 2005) in Johannesburg, this must be studied against the backdrop of that city's transition from apartheid. Democratisation, deracialisation and redistribution were some of the imperatives at the heart of the anti-apartheid struggle (ANC, 1956;

1992; 1994). The new institutional frameworks that would be set up and state policies to be adopted had to incorporate these principles, dislodge the distortions immersed by apartheid in all spheres of life (education, industry, space, family), and bring about an egalitarian society. Building on an ailing economy, and inherited state debt, restructuring would have to enable the redistribution of land; mass education of hitherto marginalised majorities; improvement of the quality of infrastructure and extend basic services to all, inter alia (ANC, 1994). The transfer of power would have to involve both the political and the economic, making cities important nodes in the transformation project, given their centrality as economic heartlands of the country (Mabin, 2000). Johannesburg is the biggest local economy in the country, and the most connected to the global economy (GaWC, 1999; Pillay, 2004; SACN, 2006; Presidency, 2006). It becomes a very important player in and marker of the transformation project (Bremner and Subiros, 2007: 14). It is most exposed though, to both the volatilities of the global economy, and the political economic thinking they inspire. So it is that Johannesburg provides the richest entry point to analysing 'neoliberal urbanism' in the country. Interestingly, there is no book length effort towards an analysis of neoliberalism in Johannesburg after apartheid (although Beall *et al* (2002), and Murray (2008) make invaluable contributions in that regard), and it is Cape Town (see McDonald, 2008), and Durban (see Houghton, 2010) that have generated such endeavours.

The current research is an effort in that direction. It ponders if following the (partial) destruction of apartheid (see Robinson, 2008), the restructuring that followed in Johannesburg, while anchored on redistribution, democratisation, deracialisation, was in any way patterned by that extra-local rule system or restructuring tendency called neoliberalism. How at the 'zone of exchange', the local experiment has (been) shaped (by) the discourse and the ideology. So that this modest contribution will be an added layer in the elusive quest to grapple with and to grasp Johannesburg, the 'unfolding' metropolis, to enrich both studies of 'neoliberal urbanism' and excavations of Johannesburg as a city.

1.2. Research Question

> ‘Will Johannesburg always be a potluck city on some journey of chance? A city trapped in hazardous indetermination? Who will structure the journey? Who will signpost the route? The city is fickle, innovative, and malleable. With vigorous direction she will continue to develop in her own mold.’ (Palestrant, ND: 133; cited in Czegledy, 2003: 21)

> ‘Is it possible to re-couple political choice and action in city rebuilding through utopian thinking, subversive planning and participatory democracy, or will our cities continue playing the role assigned them by history? The consequences of the latter are too ghastly to contemplate, and the prospects of the former’s success are extremely uncertain’ (Khan: 2004: 45).

In excavating the unfolding Johannesburg, the study intends to ponder on whether the ‘journey’ traveled is indeed one ‘of chance’, of a city ‘playing the role assigned to it by history’—‘fickle’, ‘malleable’, ‘indeterminate’. At the same time, it seeks to muse over what happened when boundaries were blurred in the transition and the city found itself having to navigate the circuits, and networks, and circulations of the emerging global economy. It ponders whether like many other cities, Johannesburg consciously ‘played the part assigned to it by history’, as primarily a ‘command centre’, ‘relay station’, and ‘experimental site’ ‘in the roll-out of neoliberal modes of governance’ (Leitner *et al*, 2007b: 315)—a large-scale agglomeration of ‘fixed capital that lubricates circulating capital and enhance the accumulation of capital’ (Merrifield, 2002: 161).

The objective of this project is to contribute to the theorisation of Johannesburg as a ‘glocalised’ space on whose spaces (state and territorial) neoliberal urbanism could be premised. The project does so through analysing its mobilisation as a critical scale and territory strategic for the restoration of capital accumulation within the country’s space economy. In an assessment (by no means exhaustive) of local state territorial and institutional configurations, state policy and select spatial restructuring projects in

Johannesburg after apartheid, the research scrutinizes urban change in Johannesburg between the years 1994 to 2009.

In adopting neoliberal urbanism as a theoretical lens through which to analyse urban change within the very peculiar context of Johannesburg, the study delineates a central focal point of enquiry around the 'premise that cities must be competitive units in the world economy first and foremost, and that everything from design of the urban form to pricing of municipal services must be based on market principles' (Bond, 2003: 41). Thus, when the opportunity presented itself to produce new spaces of hope on the ruins of the apartheid city, market-led economic growth espoused by neoliberal ideology gradually occupied centre-stage as the structuring thread patterning restructuring in Johannesburg. This research therefore is an attempt at a systematic enquiry structured around the following question:

> ***To what extent has 'neoliberal urbanism' patterned state/spatial restructuring in city Johannesburg in the fourteen years following the demise of apartheid?***

As a caveat, it must be added that there is no assumption advanced here that possibilities do not exist that the Johannesburg experiment might have contributed in turn to redefining the contours of neoliberalism as an extra-local project. Instead, the study intends to (a) deepen the nuanced analysis of neoliberalism's creative destruction capacities, the 'contextual embeddedness' of its restructuring projects, the strategic centrality of the urban scale in these restructurings, and significance of both state and space in its consolidation (Brenner and Theodore: 2002b) . In doing so, it commences with the following arguments:

1. The crisis of apartheid starting in the 1970s, and the crisis of both Fordism and Keynesian welfarism (both crises can arguably be summed as 'crises of overaccumulation') that preceded the rise of the global, networked and informational economy around the same time, represent *parallel* and *interconnected* processes that were to *necessitate* and *pattern* the 'restructuring'

of state/space in the country as well as in its cities, and shape the form and content of that restructuring in varied ways;

2. The search for a new 'scalar fix' upon which to premise accumulation after the 1970s global economic crisis has led to 'denationalisation' (i.e. the displacement of the national scale as the primary container of economic activity and political control), placing the subnational and supranational scales at the centre of political control and economic activity. Given the rule of towns in the post-1970s world, cities became these important subnational scales exposed to the operations of the global economy (Sassen, 2000; Brenner and Theodore, 2002; Leitner *et al*, 2007). Johannesburg emerges in this regard as the most important local scale that South Africa looks to for the prosperity of its economy, and its competitiveness in the global economy;

3. While the footprints of apartheid on the urban spatial and the socio-economic landscapes generated an antithesis built around the themes of 'integration' and 'redistribution', the central naturalising instrument of globalisation (i.e. neoliberalism) has brought with it a set of policy precepts anchored on and around the extension of markets and the concomitant unfettered pursuit of growth. Arguably, both these themes (of redistribution and of growth) have been central to the *contestations* around *trajectories* of restructuring in the South African context, and in the specific case of Johannesburg;

Building on these arguments, the main question is broken into the component sub-questions below:

1. What are the commonalities, resemblances, and parameters that distinguish neoliberalism as a geographically variable but translocally connected restructuring tendency?

2. In what way do the state scalar arrangements emerging in South Africa after apartheid amount to a 'denationalisation' that allows for intimate co-constitutive exchanges between the sub-national, national, and supranational scales; thus making the diffusion of neoliberalism more easy?

3. To what extent does national state policy, particularly policies governing the functioning of the local state, force metropolitan local states to expand, depoliticise and protect markets?

4. Do elements and tendencies of local state institutional arrangements, state strategy (mainly city-level strategic vision statements (e.g. Joburg 2030), and spatial restructuring projects) resemble the policy precepts and shared macro-spatial parameters of 'neoliberalism' in general, and/or neoliberal urbanism in particular?

5. Is there evidence of the 'urbanisation of neoliberalism' in Johannesburg, and if so, what are the specificities of that neoliberal urbanism?

1.3. Why neoliberalism urbanism in Johannesburg?

The adoption of the Growth, Employment and Redistribution (GEAR) as a macro-economic strategy flirting with neo-classical economics only two years into the new dispensation represented for many observers a critical shift that was, covertly or overtly, to *pattern* the 'restructuring' project for a South Africa after apartheid (see Lodge,1999; Bond, 2000; Marais, 2001; Bond, 2003; Harrison *et al*, 2008). It remained the centre-piece of macro-economic policy in the country, shaping the terms of debate on development trajectory in general between 1996 and 2010 (fourteen years) (Marais, 2001). It represented a self-imposed structural adjustment programme, adopted without coercion through arms (like the Pinochet coup) or through World Bank/IMF conditionalities (Bond, 2000; Hart, 2002). It is a quintessential neoliberal macro-economic framework. It is important to analyse how such a framework has set parameters for the restructuring of cities in the country, especially Johannesburg.

A year after the adoption of GEAR nationally, in the winter of 1997 the City of Johannesburg found itself in a deep financial crisis. That crisis was important for a number of reasons: (a) it represented the kind of crisis that makes states (including city governments) become prone to administration of neoliberal policy through conditionalities that accompany rescue interventions (see Harvey, 2005; 2007b); (b) most crises of such nature are usually redefined as institutional crises as opposed to financial, leading to restructurings that impose new public management logics into the functioning of the state (Jones and Ward, 2002); and (c) depending on the response, it has foundational implications for the nature of state interventions in the political economic life of the city (Harvey, 2005; 2007b). Indeed, the *iGoli 2002* Plan that was adopted following the crisis in Johannesburg had many of the makings of a neoliberal local state, spawning an anti-privatisation movement in the process (CoJ, 2001; Bond, 2007). The organisational structure that evolved from there produced corporatised agencies and introduced fiscal austerity measures (see Chapter Three for the examination of the extent to which the restructuring was neoliberal).

Johannesburg is the most important city in the country and more connected to the global economy than any other African city. Neoliberalism is the dominant discourse regulating the behaviour of cities within the global economy and between each other at a global scale. A study of neoliberal urbanism in Johannesburg is urgently needed.

1.4. Towards a Theoretical Map (Of Themes and Concepts)

Johannesburg is a city where the local and the global interpenetrate to exude spatialities embossed in continual contest and shift (ever-moving, fixated—never fixed). A complexly interwoven assemblage of conflicting aspirations differentially suppressed and elevated; it is a glocalised space occupying a special place within the space economy of a country reinventing itself on the ruins of racial apartheid. It is to this locality that the study zooms in, to bring to bear the general onto the particular, so as to analyse neoliberalism in its variegated, contingent, and incomplete form. ‘Variegated, contingent and incomplete’ are terms equally applicable to any attempt at studying Johannesburg, ‘since its morphological form, its places, and its people are in constant motion, continuously changing and evolving in ways both planned and unplanned, anticipated or unanticipated’ (Murray, 2008: vii). Johannesburg enables us to move back and forth between the concrete contextual dynamics of our local restructuring experiment, and the ‘substantial connections and necessary characteristics of neoliberalism as an extralocal project’ (Peck and Tickell, 2002: 34). But with what kind of themes and concepts is such a study to be preoccupied? A tentative map, the nuanced enunciation of which is a central concern of the next chapter, is provided below—solely to delimit the core set of conceptual instruments to be deployed throughout the study.

It is perhaps critical to revert back to the title of the research and explain its components, to lay a basis for constructing the theoretical map. *In the name of growth* is an anchor point, so stated to underline how growth becomes an overarching framework for development under neoliberalism, as already briefly argued in the preceding paragraph and explored in detail in chapters two and six of the thesis. Consequently, the term ‘growth’ will be used throughout the study, unless otherwise stated, to refer to ‘economic growth’—market-led, export-oriented, precursory to redistribution; arguably the most primary axis around which the neoliberal project revolves, galvanised as a supposed panacea to all of society’s challenges. State intervention is harnessed towards attaining macro-economic stability and investing in elements that would create a conducive environment for private investment, domestic and foreign,, the materialisation of which is pinned the hope of increased total production and income.

In the phrase *the state/spatial restructuring*; the choice of the concept of ‘*restructuring’* is a deliberate one, most appropriate here to help understand the ‘break in secular trends and a shift towards a significantly different order and configuration of social, economic and political life’ ‘arising from certain incapacities or weaknesses in the established order [apartheid] which preclude[d] conventional adaptations and demand[ed] significant structural change instead' (Soja, 1987: 178, cited in Brenner, 2009: 1). The political resistance, international sanctions and declining profitability for capital combined to force the anti-apartheid movement and the ruling national party to the negotiating table (explored in detail in chapter three). If the crisis was one of overaccumulation, then it necessitated the search for a new accumulation strategy. Such a search amounts to breaking down (deconstruction) and building up (reconstruction), i.e. 'restructuring'. This process comprises, for the purposes of this study, three components, namely the institutional framework, state policies, and space. The institutional framework, state policies, and space are restructured so that they are tailored to reproduce a particular 'economic growth model'. If neoliberalism is the predominant 'economic growth model' after the 1970s, then it is important to ponder if it patterned the restructuring of the state (institutionally/territorially), state policies, and space in South Africa after apartheid.

The term *state*, used here to refer to government, with a particular focus on the local sphere in Johannesburg, in particular its territorial and institutional organisation is the first entry point to the analysis of restructuring. The economic crisis is recast as one of failed management as opposed to economic decline (elaborated in chapter two), and state territorial and institutional arrangements become targets of reconfiguration. But the reconfiguration of the state's territorial (i.e. rescaling) and institutional organisation is just a starting point, to lend the state coherence and legitimacy. The second important point in state restructuring is the revision of state strategies i.e. the definition of its forms of intervention, through policy frameworks, legislation, etc., in the socio-economic life of society.

The concept of *spatial restructuring* is also examined because (a) space was mobilised as a critical coercive instrument embedding the apartheid project, shaping consciousness around belonging, and not belonging, differentially among the citizenry; (b) it is constantly summoned as a precondition, an arena and outcome of the accumulation strategies within the capitalist mode of production as theorised in Marxism; (c) built environments are often a product of intense political struggles expressed in contestations between the exchange value and use value of urban land (Logan and Molotch, 1987), and (d) built environments, however they are produced, structure social relations, and constrain or stimulate economic activity (Fainstein, 2001). *In Johannesburg*, the study singles out a locality that is very much a contested space, on whose institutional and geographical scaffoldings conflicting aspirations [1] are pinned—with a reverberating glocal echo[2] It provides an archive for exploring in detail at a local level the urbanisation of neoliberalism, casting light on another dimension of actually existing neoliberalism in South Africa. In the important city that is Johannesburg, possibly the largest local economy in the continent, how the city is governed, the futures envisaged in policy narratives and how the city form, fabric and function is reworked (i.e. how the city is spatially restructured) all matter for the rise in levels of total production and incomes for the country.

The relationship between neoliberal growth and state/spatial restructuring is dialectical, with each conditioning the other at varied moments. Accumulation strategies each require their unique kinds of institutional frameworks, state policies and spatial fixes. But once they begin to act as barriers constraining accumulation, they must be dislodged and even destroyed. Moreover, because accumulation strategies, neither their growth models, nor institutional frameworks and state policies they purport, are never imposed in contexts uncontested, they coexist everywhere with other regulatory regimes, discourses and practices.

As a point of departure, <u>globalisation</u>, that loaded term employed as a short-hand to describe and analyse the interconnections/interdependencies and flows/circulations of goods, services (including information) and people in enhanced pace and scale across the global space; is a contested but useful conceptual tool. It provides a lens through

[1] *Succeed/Essential Special Publication (August 2007)* notes that 'On a recent visit to Johannesburg, President Mbeki said that for the country's economy to grow at the national goal of 6%, Johannesburg needs to grow at 9%', p18. These aspirations conflict and compete with those of the many migrants driven off rural land and propelled by hopes of employment in the metropolis

[2] Johannesburg was the only so-called global city in Africa by 1999, according to the Globalisation and World Studies Group (GaWC, 1999)

which to capture a series of views of the complex and dynamic geo-economic and socio-political matrix that the global space has become over the past few decades. Debates continue to rage on around its 'existence, definitional characterization, historical prominence, societal contribution(s)…its processes of incorporation and the resultant complex and contradictory outcomes' (Conway and Heynen: 2006: 6). And from these varied concerns and preoccupations sprout a series of schools of thought, with divergences and convergences whose clear demarcation is a subject less imperative for the purposes of this study.

However, there is an intervention made in some studies of globalisation that urgently warrants mention, for it points in trails that could be appropriated here to focus the current effort. That intervention asserts that while global trends and forces impact on the internal institutional and spatial structures of localities (e.g. nation-states, urban regions), concrete local practices and their outcomes also find significant resonance in the global scale (Held, 1995, cited in Conway and Heynen, 2006). Writing on urban restructuring and Urban Development Projects, Swyngedouw *et al* (2003: 13) venture that 'urban dynamics…are both a consequence of, and a key element in, the formation of a new global economy' (see also Swyngedouw, 2004). So that the intermingling of the global and the local represent a strategic zone of exchange that cannot be ignored in any analysis of globalisation.

The **first strand** tied to this assertion is an observation of the coinciding upwards (to supranational scales) and downwards (to the sub-national scale) shifts in institutional/regulatory arrangements and socio-economic activity (see Swyngedouw, 2004.). The centralisation in analysis of the 'local' and its meanings for the supposedly extra-local phenomena of globalisation is a profound insertion into the study of globalisation. It has yielded critical research agendas that have called for analysis of the scalar fixes of globalisation—recasting it as re-territorialisation and/or glocalisation[3]. The concept of 'scalar fix' has been theorised by Smith (1995), and used to refer to 'the multiscalar configurations of territorial organisation within, upon, and through which

[3] i.e. globalisation as a phenomenon produced at the intersection between global and local forces

each round of capital circulation is successively territorialized, deterritorialized and reterritorialized' (Brenner: 1998: 461).

Departing from the argument that '[c]apitalism has always been a decidedly geographical project' and that 'globalisation has [always] been part of the capitalist enterprise' (Swyngedouw: 2004: 29); attention is drawn to the sociopolitical production and contestation of the geographical scale as 'a presupposition, medium and outcome of the contradictory social forces associated with the capital relation' (Brenner, 1998: 464). In a complex examination of the two major contradictory tendencies of *fixity* and *motion*, Brenner (1998) singles out territorial states and urban spatial configurations as two specific, most essential components of the scalar fix in the (perpetual) geographical/territorial (re)organisation of social relations. The tendencies of 'fixity' and 'motion' refer to the fact that flows and circulations of capital across space at a rapid pace (*motion*) are launched and premised upon a relatively fixed spatial and institutional infrastructures (e.g. transport systems, communications, etc.), i.e. *fixity*. (Brenner, 1998). In moments of capitalism's systematic crisis of overaccumulation, capital dismantles and reconfigures these essential forms of territorial organisation, resituating them within restructured multiple and intertwined geographical scales. To elaborate on this point, Brenner (1998) traces, with specific reference to the territorial state, three historic crisis moments necessitating restructuring, and the scalar fixes emerging from the rescaling processes characterising each restructuring. In that schematic historicisation, he delineates three scale configurations, namely, 'the *encagement* of capitalist territorial organization within the national scale of state territoriality (1890s-1930s); the *entrenchment* of nationally scaled forms of territorial organization as scalar fixes for the Fordist-Keynesian round of capitalist growth (1950s-early 1970s); and the *denationalization* of capitalist territorial organization and the pursuit of alternative glocal scalar fixes (post-1970s)' (Brenner, 1998: 473, italics in the original).

As capitalism grapples to fix the geographical scale through, within and upon which to premise expanded accumulation, the temporarily stabilized forms of territorial organisation inaugurated in previous rounds are dismantled, interdependencies between the various scales in the hierarchy reshuffled, and new territorial state and urban space matrices are produced through contested and protracted processes of 'creative destruction'. These restructurings, triggered by crisis, are catalysed by and embedded in the contradictory dynamic of fixity and motion—capital's strive to 'overcome all geographical barriers to its circulation process' on the one hand, vis-à-vis its necessary dependency upon 'relatively fixed and immobile territorial infrastructures, such as urban-regional agglomerations and territorial states' Brenner, 1998: 473. It is in its dynamic of fixity (of space and of scale), that capitalism cannot but inaugurate territory as its precondition, its arena, and its outcome. It is through analysing restructuring within the ambits of this dynamic (and its interpenetration with its opposite- i.e. motion), that globalisation can be rewritten as reterritorialisation. This scholarship emphasises the necessarily territorial character of global capitalism, as opposed to the linear and one-sided celebration of its space annihilating tendencies focused on flows and circulations (deterritorialisation). So that the fixed infrastructures, broadly state institutional and urban spatial infrastructures, i.e. the transportation systems and the built environment, enabling such circulations and flows are brought vividly to view.

Against this background, attention is drawn to the post-1970s scalar configuration of *denationalization* to recast globalisation as glocalisation. As opposed to earlier periods of crisis-induced restructuring where the national scale was the locus of state/space configurations, the national scale is decentered, and both the global and the local scales are privileged as critical axes within the multi-tier, hierarchical scalar configurations. Social relations are embodied in territorial organisations that are 'simultaneously intensely local and intensely global', so that territorial states and urban spaces are 'glocalized' (Swyngedouw, 2005: 135; see also Swyngedouw, 2004). Glocalisation dislodges the centrality of the 'global' scale in reflections on globalisation, and points to the complexities of the 'politics of scale' in the current round of restructuring, where each scale is enmeshed into hierarchies and networks of other scales.

However, glocalisation can also be understood as a state strategy[4] based on the mobilisation of strategies and capacities to position 'selected subnational spaces (localities, cities, regions, industrial districts) within supranational (…global) circuits of economic activity' (Brenner: 2003: 206). It is in these selected subnational spaces that there is a 'reconcentration of economic capacities' (Brenner, 2003: 206) (i.e. a 'combination of different spatial and administrative scales in urban policy-making' (Rodriguez *et al*, 2003: 38), enabling a bias in our analytical focus on the urban spatial and territorial state configurations of these selected spaces. Brenner and Theodore (2002: 20), argue in an analysis of 'actually existing neoliberalism' that although the current reconfigurations of territorial organisation of social relations involve a myriad of interconnections between the various scales from the local to the global, neoliberalism's reconfigurations are 'occurring with particular intensity at the urban scale, within major cities and city-regions'. The selection of particular subnational sites is reflective of the distinct capacity of capitalist states of spatial selectivity—the process of 'spatial privileging and articulation' ones (1997: 851; cited in Brenner, 2003: 202) that underpin territorial differentiation within the national scale. The notion of spatial selectivity is deployed to underpin the argument that '[e]ach round of capitalist development is associated with a distinctive, historically specific geographical landscape in which some places, territories and scales are systematically privileged over and against others as sites for capital accumulation' (Brenner and Theodore, 2002b: 8).

The **second strand** asserting the usefulness of the intervention cited earlier, that globalisation cannot be reduced to a linear and one-directional imposition of global forces on passive recipient local spaces, is to be found in analyses that depart from the argument that neoliberalism 'is the ideology that rationalizes or naturalizes globalization' (Harrison, Todes and Watson, 2008: 114) or put differently, that it is 'globalization's most powerful ideological persuasion' (Conway and Heynen, 2006: 20). From this argument stem a number of analyses of neoliberalism, its character, precepts, varied

[4] Defined by Jessop (1990) as 'initiatives to mobilise state institutions in order to promote particular forms of socio-economic intervention' (cited in Brenner, 2003: 202)

strands and consequences. As a project bent on disembedding capital from constraints, freeing capital accumulation from the grip of the confining infrastructures, both the institutional and spatial, of Keynesian welfarism and Fordist production; there is particular focus, if not obsessive preoccupation, under neoliberalism on the nurturing of competitive economies (see Harvey, 2005). As Brenner and Theodore (2002b: 2) put it: '[t]he linchpin of neoliberal ideology is the belief that open, competitive, and unregulated markets, liberated from all forms of state interference, represent the optimal mechanism for economic development.'. It is a project championed by the so-called Bretton Woods institutions (World Bank, International Monetary Fund and the World Trade Organisation), multinationals and punctured in a mantra of 'there is no alternative' (TINA) by its advocates and at times adopted slavishly by its recipients. Its policy precepts, more classically packaged in the so-called 'Washington Consensus'[5], have underpinned local experiments differentially across the globe; activated, embedded in and recast variably as state territorial and urban spatial reconfigurations.

Consequently, methodologically a need arises to study neoliberalism as a process rather than as a closed end-state, to discern the notable internal shifts in its form, content, and outcomes; and thus avoiding reducing a 'multifaceted process to its concrete manifestations' (Peck and Tickell, 2002: 36). In its 'unfolding', neoliberalism is better studied as <u>neoliberalisation</u>, calling for enquiries into the continual reworking of both its theories and its practices—and the discernible disjunctures. This not only provides a platform for tracing the impulses and the shifts, but also enables an engagement with

> 'the contextual *embeddedness* of neoliberal restructuring projects insofar as they have been produced within national, regional, and local contexts defined by the

[5] So codified by John Williamson in a series of papers on and around the widely accepted policy prescriptions doctored by the earlier mentioned institutions largely based in Washington for developing countries (initially for Latin American countries). For a detailed review on the relations between *Neoliberalism and the Washington Consensus*, see Mavroudeas and Papadatos (2005)

> legacies of inherited institutional frameworks, policy regimes, regulatory practices, and political struggles' (Brenner and Theodore, 2002b: 4).

To this list might be added, inherited geographical spatial patterns and trends, for space is employed in these neoliberal restructurings as a 'privileged instrument' (Lefebvre, 1978: 262, cited in Brenner and Theodore, 2002a), or as Leitner *et al* (2007: 6) put it: 'space is simultaneously an object of contestation and part and parcel of political strategy'. To distinguish this kind of exploration of neoliberalism in its variegated, contingent, and incomplete forms, Brenner and Theodore (2002b) coin the concept of <u>actually existing neoliberalism</u>.

Acknowledging the centrality of the urban scale in these restructuring processes, Brenner and Theodore, 2002b: 28) re-assert that 'cities have become strategic targets for an increasingly broad range of neoliberal policy experiments, institutional innovations, and politico-ideological projects'. One of these innovations, an integral component of the territorial state reconfiguration at a local level (the urban scale in particular), is a discernible shift from managerialism to <u>entrepreneurialism</u> (see Harvey, 1989), intrinsic to the 'increasing neoliberalisation of urban politics' (Brenner, 2003: 198). Citing Leitner (1990), MacLeod (2002: 256) argues that an

> 'entrepreneurial regime is essentially concerned with reviving the competitive position of urban economies, especially the 'liberation' of private entreprise and an associated demunicipalization of and recommodification of social and economic life'.

The development instrument largely employed by there structured, and now entrepreneurial state as part of its state strategy in spatial reconfiguration endeavours has been the <u>urban development project</u> (UDP) (Swyngedouw *et al*, 2002, 2003; McLeod, 2002). Emblematic large mega-projects become the 'material expression of a development logic that views them as major leverages for generating growth and attracting investment capital and consumers' (Rodriguez *et al*, 2003: 34). A systematic interrogation of the UDP 'can provide key insights into both the mechanisms of global-local integration and the consequences in terms of new choreographies of power, mechanisms of social polarization, and the dynamics of inclusion and exclusion' (Swyngedouw *et al*, 2003: 10). Locked away in the nuances of these interventions, are processes of the rescaling and reconcentration, embodied in spatial fixes at a more micro-scale.

Neoliberalism only accounts for the growth discourse as it is reinvoked in the post-1970s city building experiences. While economic growth, in its post-70s character and conceptualisation, is a central concern of the study, the interest here is to understand its implications as a primary policy imperative for the geography of the city. The geography of the city speaks here to the city's form, the configuration of the built environment, the density patterns and the spread of land uses. As new demands are placed on the cityscape; land uses change, elements of the built environment are reconfigured or even relocated, densities are re-patterned, and the city form is reworked. Some old spaces are discarded, new ones valorized, and the distribution of life chances is remapped. This occurs as structural shifts occur in the economies of cities, or as new political imperatives commit to reconfiguration of social relations. Proposals for township establishment, for rezoning, for consolidation, etc. redraw the map of the city. Speculative development introduces new patterns. There are as many city-builders as there are competing interests over use of urban land. This contested process of production of space, constitute <u>spatial restructuring</u>, in its totality—always in motion. But spatial restructuring, always contested, is understood in this study as occurring within the ambits of a broader accumulation strategy adopted at a particular time. Such an accumulation strategy is best explored through analysing state projects and state strategies.

Although largely written for an external audience, Mabin (2007) provides in an introductory chapter on the city a schematic but useful review of key literature on the city (fictional and academic). Sketching its history, geography and sociology, and its regional economy and politics, he highlights gaps and pointers for future research. Although it is an added layer on theoretical excavations of Johannesburg, the paper is too short and the existing literature too focused to enable researchers to ‘grasp the city as a whole’ (*ibid.*: 34). But perhaps the city is too complex to be captured as a whole, too dynamic to be captured at all. After all, there is ‘[a] multiplicity of Johannesburgs’, ‘each with a different imaginative moment’ (Tomlinson *et al*, 2003a: ix). Navigating this complexity, and dynamism, and multiplicity is an elusive task, yet it is this ‘very elusiveness [that] makes [the city] especially compelling as an object of study’ (Mbembe and Nuttall, 2008: 26). Explorations should continue then, of ‘a city in formation, a metropolis in the making, a moment, captured in print, in the life of a city overwritten with possibility, underwritten by anxiety’ (*ibid.*: 32).

In the South African case, there is literature that analyses how post-apartheid South Africa embraced neoliberalism at national scale immediately after the dawn of democracy. Bond (2000: 1) explains ‘the transition from a popular-nationalist anti-apartheid project to official neoliberalism’ through exploring the 1970s crisis of accumulation in the country and the restructurings it triggered. He underscores the role of capital-initiated scenario planning exercises in shaping post-apartheid policy; the watering down of the radical elements of an otherwise conflicted, albeit largely progressive, Reconstruction and Development Programme; the neoliberalisation of housing policy; and tracks the role and contribution of the World Bank in the South African transition. He demonstrates in that effort how ‘globalisation’ has been used as a justification for the adoption of neoliberalism by national government. Bond’s concern with the transition from ‘racial apartheid’ to ‘class apartheid’ (Bond, 2000) has seen him explore neoliberalisation in the areas of urban policy (Bond, 2003; 2009), and in local scale contexts like metropolitan Johannesburg (Bond, 2007; Bond and McInnes,2007). In the case of Johannesburg, he has focused largely on how the neoliberal state institutional arrangements imposed through the *iGoli 2002* Plan have undermined the extension of quality basic services to areas otherwise left off the grid by apartheid planning. In all his explorations, he traces neoliberalism’s sources, channels of diffusion, practices, and outcomes (see also Bond, 2004). Hanson and Hentz (1999) examine the real-time contexts of Zambia and South Africa to analyse how neoliberal growth policy ideas are generated and owned through domestic initiative, as opposed to simple imposition by international financial institutions, as much of the literature argues. They argue that South Africa adopted neoliberalism at will, and were not coerced by international financial institutions (a case of neocolonialism). The existence of a neoliberal policy discourse at a national level in South Africa after apartheid has been acknowledged in various studies on the transition (see Marais, 2001; Hart, 2002; Hirsch, 2005; McDonald, 2008; Turok, 2008; Johnson, 2009).

The amount of scholarship generated on neoliberalisation in cities in South Africa is comparatively limited. In addition to the contributions by Bond (Bond, 2007; Bond and McInnes, 2007), there are other reflections on the city that, although expose the neoliberal tendencies emerging in post-apartheid regulatory regimes and spatialities, largely avoid using the concept of neoliberalism. For example, neoliberalism only appears twice in Murray (2008), and Benit and Gervais-Lambony (2005) use 'globalisation' instead. Additional contributions on the city that could illuminate on neoliberal urbanism in Johannesburg include (a) Beavon's mapping of the spatial evolution of the city from the discovery of gold to 2003 (Beavon, 2004); (b) Bremner's (2004) reflections on the various shifting landscapes of Johannesburg after apartheid, and the disparities existent and emerging (see also Bremner and Subiros, 2007); (c) The analysis of Beall *et al* (2002) of the efforts at uniting a divided city, and the emerging exclusions; and (d) Chipkin's (2009) exploration of the built environment of Johannesburg after 1950. In another context, McDonald (2008) chronicles the emergence of neoliberalism and inequality in Cape Town after apartheid. Drawing from the kind of literature reviewed in earlier parts of this section, he borrows the concept of 'actually existing neoliberalism' to analyse (a) local government restructuring; (b) investments in the built environment; (c) privatisation and cost recovery; and (de)Africanisation of the city. His conclusion is that the general character of national policy in South Africa is neoliberal, and that Cape Town has in the pursuit of world class city status has neoliberalised radically in the process. This study draws affinity to this contribution, for the fact that it employs the same theoretical framework (actually existing neoliberalism), and analyses a city in the South African context. In a PhD thesis, Houghton (2010) uses public private partnerships in select projects to explore neoliberalisation in Durban. Her conclusions are that in the Durban case, the imperatives of market-led economic growth and concerns with redress are enmeshed and continuously co-constitute each other, yielding the unique variant of neoliberalism particular to South Africa. Her work is not as wide in scope as that of McDonald, and combines the theory of 'actually existing neoliberalism' with those of 'ordinary cities' and 'entanglement', arguably limiting the depth of analysis that could enrich the former theory.

Specific literature analysing Johannesburg (see for example Tomlinson *et al*, 2003, Robinson and Parnell, 2007), and South African cities in general (see for example Harrison *et al*, 2003; SACN, 2003; 2006) after apartheid will be elucidated and engaged with in the discussions in the various chapters of the thesis (see Mabin, 2007 for detailed review). The study builds on the literature reviewed above. Its contribution to this literature is a detailed systematic analysis of 'urbanisation of neoliberalism' in Johannesburg following the partial destruction of apartheid.

1.5. Methodology

1.5.1. Tactical considerations

Engaging the 'unfolding' is a central tactic of this study, an attempt at reading the spasms generated by ever-present moments of uncertainty. This helps in analysing(state and spatial) restructuring and its patternings as a *process*, with its many fluidities and complexities; shifting thinking from the city and the urban as end-states to processes. How else does one study an unruly city, always 'in a state of flux' (DBSA, 2007: 58)? How else does one engage such a critical and contested space, where the latest ambitious and most creative of experiments are always carried out? To avoid fixing the city and the urban as things, the study steers clear of stopping the city dead to anatomise its structure, for it may elude analysis (Merrifield, 2002: 163). Instead, engaging the unfolding is a celebration of uncertainty, a characteristic that gives cities their peculiarity and vibrancy. To dissect the form, the study preoccupies itself with process i.e. analysing the underpinning ideological projects and attendant precepts, and the development tendencies appertaining. This is thus an attempt at continuously seeking to interrogate how cities arrive at the kind of polities and spatialities at which they have arrived.

The second tactic is the mapping of 'interpenetration and contest', allowing us to move back and forth between the *abstract* protocols of neoliberal ideology and its subsidiary precepts, and the *concrete* production and manifestations in the context of Johannesburg. Particular focus is directed towards the Johannesburg experiment, with its 'legacies of inherited institutional frameworks, policy regimes, regulatory practices, and political struggles' (Brenner and Theodore, 2002b: 4), to navigate the contextual peculiarities of neoliberalisation while exposing it as an 'extralocal project'. The study, as already alluded to in section 1.4 borrows from Brenner and Theodore (2002), the notion of 'actually existing neoliberalism' as a methodological foundation, which is underpinned by the argument that neoliberalism is peculiar in every context, shaped by local dynamics while simultaneously shaping global trends. To do so will be to 'spot…generality in particularity' (Merrifield, 2002: 160). It engages the devices that the City uses to balance the tensions between the parochial and the global in the definition of its polities and spatialities.

The third tactic will be to *emphasise the concrete*, to ground in the objective realities of city-building processes in the city of Johannesburg the materiality of the growth discourse, in its neoliberal form. It is to map Johannesburg as a mobilised scale and territory in the current round of accumulation.

1.5.2. Complexities

But there are concrete complexities in assessing the *extent to which 'neoliberal urbanism' patterned state/spatial restructuring in city Johannesburg after apartheid (1990-2009)*. First, while translocal commonalities and 'family resemblances' can be used to analyse the prevalence of neoliberalism, it does not as a theory have internal coherence, and is always evolving—its tactics revised, and its policy precepts adjusted. Consequently, its own evolution as an extra-local project must be tracked, and its modifications as it negotiates 'frictional problems of transition' in real contexts analysed (Harvey, 2005: 71). Its channels of diffusion must be mapped, while acknowledging the individual agency of those allegedly responsible for its imprinting in given contexts. This means that a study covering a time-horizon of at least two decades should pay attention to the significant shifts in the internal constitution of neoliberalism as the prevalent pattern of restructuring in the specific context under investigation. As the empirical chapters in the study will demonstrate, shifts in state institutional arrangements, state policies and spatial restructuring priorities and interventions are at times swift and drastic, at other times they are slower and predictable, with new patterns forming all the time. While there is no scope to account for these dimensions in detail in the incumbent study, chapter two will attempt to map the main characteristics distinguishing the project both at city-level and as an extra-local rule system.

The second complexity is that spatial restructuring occurs simultaneously at multiple scales, from a plot to a neighbourhood to metropolitan level—with shifts at each level having implications for the next scale in terms of for example, functionality, character, sustainability, value. In the end, these shifts (big and small), have implications for the form and function of the city. The built environment caters for varied and sometimes conflicting interests whose requirements impose different paces and patterns o development. Its assemblage, which is in essence the ordering of space, is a process driven by diverse authorities variously responsible for its different components. A thorough account of spatial restructuring would entail comprehensively mapping changes in land use and the built environment as they happen at all scales simultaneously, as elements fixed in space by various interests fit into the whole puzzle. It is impossible to provide that account within the limits of this research. Instead, the account given here is of efforts by the state[6] in Johannesburg to restructure space, through spatial policy and project interventions, at a metropolitan level. Even then, that

[6] All three spheres of government (and their state-owned entities) operating in the city space

account is comprised of three project case narratives clustered under two select development strategies (spatial policy concepts) adopted by the City as centerpiece of the Johannesburg's spatial logic. A series of project case narratives because a single case study would have been inadequate to account for spatial restructuring, an insufficient proxy for a process that requires an aggregate measure at metropolitan scale. From these project case narratives, only an incomplete picture of spatial restructuring and the direction of the city emerges. The third complexity is that the state in South Africa is rather variegated, with scalar configuration, cooperative governance, that distributes powers and functions that enable each scale to institutionally configure itself and adopt a set of policies that would distinguish it in character from the next. This makes it impossible to assume that if the general character of policy at national state level is neoliberal, it therefore follows that provinces and municipalities will equally adopt policy sets that mimic those of the central state. In the same vein, it cannot be assumed that the local state in Johannesburg is configured in ways that conform to the neoliberal precepts of entrepreneurialism in the same way that every other local state in the country will take the same direction, or that the states at a provincial and national scale are automatically configured as such. The relative autonomy enjoyed by the various scales allowing for the adoption of sometimes markedly divergent and even contradictory policies. The approach here is to select what are deemed critical moments in the restructuring of the local state and space in Johannesburg after apartheid, and to map the macro-economic and urban policy narratives nationally that are deemed critical for Johannesburg.

The fourth complexity relates to what *extent* which entails some level of measure, accounts for the causal link between a discourse, itself incoherent, and state/spatial restructuring projects. Take for example the restructuring of space: does assessment focus on the number of projects, for instance, that have as their explicit objective 'return on investment', creating a conducive environment for private investment, and increase in total production and income; as opposed to perhaps redistribution, or environmental sustainability? Does it measure the amount of rands and cents invested in the creation of an alternative built environment tailored to the needs of investors as opposed to quality of life interventions? How does the study even begin to draw distinction between the policy imperative of neoliberal economic growth and other imperatives, environmental sustainability, at a project level?

1.5.3. Theoretical pointers

The methodological parameters spelt out by Brenner and Theodore (2002b: 10) in their theorisation of cities and the geographies of actually existing neoliberalism provide some useful starting point. As outlined in their paper, the parameters for enquiry include exploring: (a) 'the historically specific regulatory landscapes and political settlements that prevailed within' South Africa 'during the Fordist-Keynesian period of capitalist development'; (b) 'the specific patterns of crisis formation, uneven development, and sociopolitical contestation that emerged…following the systematic crisis of the Fordist-Keynesian development model in the early 1970s'; (c) 'the subsequent interaction of market-oriented neoliberal initiatives with inherited regulatory frameworks, patterns of territorial development, and sociopolitical alliances'; and (d) 'the concomitant evolution of neoliberal agendas and restructuring strategies through their conflictual interaction with contextually specific political-economic conditions, regulatory arrangements and power geometries'. This entails mapping the inherited apartheid Fordist-Keynesian political settlements, accumulation paths and uneven development; tracking crisis formation, i.e. declining profitability for capital, and political instability and sociopolitical resistance, i.e. anti-apartheid struggles; the evolution of neoliberal restructuring agendas in the transition; and the new institutional and spatial landscapes following from that evolution.

These parameters provide key themes around which to structure the inquiry into the dialectical relations between neoliberal urbanism and state/spatial restructuring within the peculiar context of Johannesburg in South Africa. The study investigates these themes through analytically mapping three interlinked components to restructuring unleashed by the collapse of apartheid from the early 1990s, i.e. (a) the search for new state/scale arrangements; (b) the installation of a new set of policies; (c) and the reworking of the geography of city Johannesburg. The first component is a *state project*, where the state becomes the object for sociopolitical contestation, with the intention of producing historically specific 'state institutions with some measure of functional unity, operational coordination and organisational coherence' (Brenner, 2003: 200). This unity is a kind that lends the state apparatus the legitimacy it requires to act in society. But once stabilised, state institutions are mobilised 'towards particular forms of socio-economic intervention' (Jessop, 1990: 260–1, cited in Brenner, 2003: 200). The particular forms of socio-economic intervention constitute *state strategies*. This is the second component of restructuring to be examined—the adoption of particular state strategies. State strategies allow for the 'mobilisation of coherent accumulation strategies and/or hegemonic projects' (Brenner, 2003: 200). That an accumulation strategy 'emerges when a model of economic growth is linked to a framework of institutions and state policies that are capable of reproducing it' explains the link between state projects/state strategies and models of economic growth. One of the critical state strategies entails the location of a spatial fix upon which to premise a given accumulation strategy. Finding a *spatial fix* means tempering with the geography of the city, reordering land uses and repackaging the built environment. This is the third component of restructuring explored in this study, i.e. the spatial.

1.5.4. Methods

Qualitative research, Leedy and Ormrod (2010: 94) argue, 'involves looking at characteristics, or *qualities*, that cannot easily be reduced to numerical values' and 'typically aims to examine the many nuances and complexities of a particular phenomenon'. The influence of neoliberalism in state/spatial restructuring in Johannesburg after apartheid is too complex to be reduced to numbers. The study is in its nature exploratory, intended to yield insights into the emerging *state projects*, *state strategies*, and *spatial fixes* evidenced in Johannesburg between 1990 and 2009.

Johannesburg represents in the study the archive from which a series of case studies and processes are explored, related to state projects, state strategies, and spatial fixes as alluded to above. Mark (1996: 219, cited in de Vos *et al*, 2005: 272) refers to three types of case studies, distinguished from each other on the basis of purpose, namely:

1. *The intrinsic case study*: designed not with the aim of gaining insights into a broad social issue, but to describe the specific case at hand;
2. *The instrumental case study*: used to elaborate theory or illuminate a broad social issue; and
3. *The collective case study*: intended to elucidate a researcher's understanding of a social issue or the specific context, but is distinguished by the fact that it is the comparison between cases rather than the individual case that is primary.

The collective case study allows for comparisons 'so that theories can be extended and validated' (de Vos *et al*, 2005: 272). The current study explores specific elements or cases in relation to each of the threads of enquiry (state strategy, state project, and spatial fixes) as collective case studies. Each case then, while important in its own right, is analysed in relation to the other cases and threads.

To analyse the three threads to restructuring in Johannesburg; observation, document study, and interviews constituted the data collection methods adopted for the purposes of this research.

1.5.4.1. Document study

Document study entails the study and analysis as part of scientific research of documents that were not originally written for research purposes (de Vos *et al*, 2005: 315). These range from personal documents; official documents; mass media (e.g. magazines, newspapers, television, radio); and/or archival material. Although written specifically with 'grounded theory' in mind, what Leedy and Ormrod (2010: 144) termed ‘content analysis’ is useful as a definition of document study, understood there as ‘a detailed and systematic examination of the contents of a particular body of material for the purpose of identifying patterns, themes, or biases’.

To explore the restructuring of the local state (i.e. state project) in Johannesburg, the researcher studied and analysed primary documents including:

1. national policy and legislation related to developmental local government: the Constitution of the Republic of South Africa; White Paper on Local Government; Municipal Systems Act; The Intergovernmental Relations Framework Act; Municipal Finance Management Act;

2. Gauteng provincial government reports: Local Government Performance Review: Reflecting on the First Five Years of Democratic Local Government in Johannesburg;

3. City of Johannesburg policies and reports: the *iGoli 2002* Plan; Building Developmental Local Government 2000-2005; Mid-term Report 2008; Strategic Review of *iGoli 2002*; and a book length City of Johannesburg’s own review of *iGoli 2002* titled *Johannesburg: An African City in Change*;

Secondary sources on this aspect included a number of books and journal papers generally on the democratic transition, developmental local government, and Johannesburg’s post-apartheid experiment, reports (e.g. the South African Cities Network’s State of City Finances Report 2007), and newspaper articles.

To explore state policies (i.e. state strategies), the researcher studied and analysed some of the following primary documentary sources:

1. National policies: the Reconstruction and Development Programme; the Growth, Employment and Redistribution macro-economic framework; the Accelerated and

Shared Growth Initiative of South Africa; the Urban Development Strategy; the Urban Development Framework; the National Spatial Development Perspective;

2. City of Johannesburg policies and reports: the *iGoli 2010* Integrated Agenda for Action; *Joburg 2030* plan; the 2006 Growth and Development Strategy; Building Developmental Local Government 2000-2005; Mid-term Report 2008

Secondary sources included newspaper articles, books and journal papers related to the state policies under scrutiny, both national and local.

To explore spatial fixes, three cases i.e. the Gautrain Rapid Rail Link, the Rea Vaya Bus Rapid Transit, and the Inner City were studied through some of the following primary sources:

1. Blue IQ and Johannesburg Development Agency's business plans, annual reports and websites;

2. City of Johannesburg: Spatial Development Frameworks; 2008 Growth Management Strategy;

3. Building Developmental Local Government 2000-2005; Mid-term Report 2008;

Secondary sources included newspaper articles, books, and journal articles related to the specific projects and to spatial restructuring in South African cities in general and Johannesburg in particular after apartheid.

1.5.4.2. Interviews

Interviews are the most 'predominant mode of data or information collection in qualitative research' (de Vos *et al*, 2005: 287). Such interviews constitute 'attempts to understand the world from the participants' point of view, to unfold the meaning of people's experiences, [and] to uncover their lived world prior to scientific explanations' (Kvale, in Sewell, 2001: 1; cited in de Vos *et al*, 2005: 287).

Seven semi-structured one-to-one interviews in total were conducted, each lasting between an hour and two hours. Given the differences in the content and focus of each interview, an interview schedule i.e. a brief questionnaire with about ten predetermined questions were prepared to 'engage the participant[s] and designate the narrative terrain' (Holstein and Gubrium, 1995: 76, cited in de Vos et al., 296) The semi-structured nature of the interview allowed for probing and for the interviewees to enter terrains not initially anticipated by the researcher, yielding useful insights.

Marshall (1996) argues that there are three broad approaches to qualitative sampling, i.e. the selection of respondents for qualitative research, namely, convenience sampling, judgement sampling, and theoretical sampling. Judgment sampling or purposeful sampling, most relevant for this research, is where the researcher 'actively selects the most productive sample to answer the research question' (Marshall, 1996: 523). Two of the conversations were with respondents with special expertise (key informant sample), one a former Executive Director for Development Planning and Urban Management at the City of Johannesburg, and the other with a former Urban Planning Consultant who is now the Urban Policy Specialist at the City of Johannesburg's Central Strategy Unit. These conversations involved discussion on both theory and the Johannesburg experiment. Six of the respondents are people who were intimately but variously involved at a senior level with the restructuring process in Johannesburg.

For the Bus Rapid Transit (BRT), a telephonic interview was conducted with a Former Executive Director for Transport in the City of Johannesburg Metropolitan Council and later Project Manager for the BRT. That means he was central to the development and implementation of the Integrated Transport Plan and the conceptualisation and rollout of the BRT. For Gautrain, an interview with the Technical Advisor for Gautrain Provincial Task Team was held. The respondent has been part of the planning and implementation of the Gautrain since inception. On spatial restructuring, an interview was held with an Assistant Director responsible for Development Planning and Facilitation in the City of Johannesburg Metropolitan Council. He has been central to the development of the Spatial Development Frameworks for the City. On state strategy, an interview was held with the Former Policy Specialist at the City of Johannesburg's Central Strategy Unit who was central to the development of the 2006 Growth and Development Strategy and the 2007 Inner City Charter. Finally, on state (institutional) restructuring (and state strategy, including spatial restructuring) the researcher interviewed the former City Manager of the City of Johannesburg. Before becoming City Manager (2000-2006), he was intimately involved in the transformation process in the City, including being part of the team (as Transformation Manager) that evolved the *iGoli 2002* plan.

The following is the list of interviews:

1. Gotz, Graeme (personal communication, 10 November 2009). Former Specialist: Policy and Strategy, Central Strategy Unit, City of Johannesburg.

2. Narsoo, Stephen (personal communication, 18 December 2009), Urban Planner, Independent Consultant Johannesburg.

3. Stanway, Bob (telephonic interview, 10 December 2010), Former ED: Transport and Project Manager: Rea Vaya, City of Johannesburg.

4. Joubert, Herman (personal interview, 13 January 2011), Technical Advisor: Gautrain Provincial Task Team, Johannesburg.

5. Moloi, Pascal (personal interview, January 2011), Former City Manager CoJ, Johannesburg.

6. Ahmad, Peter (personal interview, 01 February 2011). Assistant Director: Development Planning and Facilitation, Development Planning and Urban Management, City of Johannesburg.

7. Harrison, Philip (personal conversation, November 2010), Former Executive Director: Development Planning and Urban Management, Johannesburg.

1.5.4.3. Observation

Researchers can make observations either as outsiders (as in ethnography) or as participants in the situation being studied (see de Vos *et al*, 2005; Leedy and Ormrod, 2010). The researcher worked for the City of Johannesburg's Department of Development Planning and Urban Management and for the Gauteng Department of Local Government and Housing between 2007 and 2011. This provided him with access to primary documentary sources on state institutional restructuring, state strategy and spatial fixes; and with easy access to key respondents. The researcher, however, did not participate directly in the processes and activities under scrutiny in this study. The researcher has lived in the inner city, travelled on the BRT from Soweto to the inner city, and has been on the Gautrain.

The combination of the three data collection methods amount to methodological triangulation, defined as 'the use of more than one method for gathering data' (Bryman, undated: 2)[7].

Thus we begin to excavate Johannesburg as a critical scale and space, a productive force, central to the country's bid to nurture a globally competitive economy. In the dialogue between text (policy) and textuality (projects), the study conjoins the theoretical and the empirical. It is a qualitative endeavour, and will not be dominated with graphics of growth models and detailed formulas for measuring land value—for it seeks only to understand the ideas shaping peculiarities of South Africa's urban restructuring experiment. It is not intended to assess policy success or failure, only its ideological underpinnings.

1.6. Organisation of the Thesis

[7] Note that for other scholars, e.g. Neuman (2006: 150), triangulation of method, i.e. methodological triangulation only refers to the mixing of qualitative and quantitative methods. Bryman (undated) resolves this disjuncture by referring to in-method and between method triangulation

Chapter one maps the research question, rationale, methodology, and foundational conceptual and thematic frame, and *chapter two* details the main characteristics of the neoliberalism as understood for the purposes of this research, and its relationship with cities and their state/spatial restructuring. Together these chapters introduce Johannesburg and the theoretical tools selected as signposts for the analysis of that city's development in the fourteen years after apartheid.

Chapters three, four and five are the core of the research, providing narratives on the actual state projects, state strategies, and spatial fixes emerging in Johannesburg after apartheid. *Chapter three* traces the emergence of new state scalar reconfigurations organising the state after apartheid, and the evolution of the local state in Johannesburg. It accounts for the struggles (one city one tax base), various pieces of legislation (from LGTA to MSA), material exigencies (1997 fiscal crisis in the City), and technical considerations patterning the conception of the local state. *iGoli 2002*, the centerpiece of that local state project, is examined in finer detail there. *Chapter four* reviews Johannesburg's own evolving development agenda. It departs from *iGoli 2010*, travels through *Joburg 2030*, to pause at the *2006 Growth and Development Strategy (GDS)*. *Chapter five* focuses on interventions towards a spatial restructuring of the city. It explores the Bus Rapid Transit, Gautrain and Inner city regeneration; three important public-led initiatives that have far-reaching spatial implications for Johannesburg. Attempts are made to link these to the City's spatial policies and overarching development agenda.

Chapter six concludes the thesis with summative reflections on the extent to which neoliberal urbanism has patterned state/spatial restructuring interventions in city Johanneburg. Knitting together the theoretical and the material, it sums up the key conclusions and analyse the theoretical implications of the research.

CHAPTER 02

Theoretical notes on 'actually existing neoliberalism'

2.1. Introduction

A radical 'break in secular trends' (Soja, 1987: 178, cited in Brenner and Theodore, 2005: 101) in the regulatory arrangements of political control and economic activity occurred variously at different scales and spaces following the 1970s global economic crisis. The contestations that unfolded within the rubrics of that crisis between those that canvassed a 'projected' order as the viable route to recovery and those that campaigned in defense of the existing have produced new regimes riddled with continuities and discontinuities (Peck and Tickell, 2002). Through uneven processes of destruction and creation ('creative destruction', Brenner and Theodore, 2002b, Harvey, 2007), restructuring unraveled to redefine the scales, states and spaces upon which the post-war accumulation strategies had been premised. To explain these transformations and the emerging regulatory arrangements, scholars have argued that the concept of 'neoliberalism' is the best explanatory term for post-1970s forms of restructuring (Larner, 2000; 2003; Brenner and Theodore, 2005; Harvey, 2005; Saad-Filho and Johnston, 2005; Peck and Tickell, 2007; Brenner *et al*, 2010b). It is seen as such because the neoliberalism supposedly emerged as a hegemonic project patterning restructuring in varied spaces ranging from Pinochet's Chile, to the mid-1970s New York City, from Thatcher's Britain to Reagan's United States, and becoming the dominant policy content of supranational institutions like the World Bank and the IMF (see Harvey, 2005). Neoliberalism 'had become the dominant political and ideological form of capitalist globalisation' (Peck *et al*, 2009: 50)

At the heart of the neoliberal discourse is the freeing of markets from state regulatory control and their extension into new areas of social and economic life (Brenner and Theodore, 2002b; Larner, 2003; Harvey, 2005). As a new order, it does not represent a break with capitalism as the dominant mode of production, but is simply just yet another 'distinct phase in the struggle between market- and state-led capitalism' (Leitner *et al*, 2007a: 3). Against that backdrop, neoliberalism can be read as a new 'accumulation strategy'—'a model of economic growth…linked to a framework of institutions and state policies that are capable of reproducing it' (Brenner, 2003: 200, citing Jessop, 1990: 198). Unregulated, open and competitive markets are not only the central motor of economic development, but are in equal measure inherently redistributive (Brenner and Theodore, 2002b). In such a growth trajectory, economic development and redistribution does occur simultaneously but sequentially, where economic development *must* precede redistribution (Morris, 1991: 57, cited in Hart, 2001: 20). The institutional frameworks and state policies geared to the reproduction of such an economic growth model would have to be those that ensure the freeing and extension of markets into all spaces, geographic and socio-economic.

To analyse how the freeing and extension of markets, as purported by neoliberal discourse, *pattern* restructuring in cities, this chapter outlines what are widely accepted tenets of neoliberalism through presenting what are termed here main 'reconfigurations' emerging. The chapter explores how neoliberalism would pattern (a) scalar arrangements (i.e. power relations between local-national-international sociospatial organisations), (b) the state (institutional arrangements and policy repertoires, in particular forms of intervention in socio-economic life), (c) cities (role in political control and economic activity, development tendencies, local state institutional arrangements and forms of intervention), and (d) forms of interspatial competition (i.e. rule systems governing governance). Underlining and unraveling these reconfigurations is crucial for examining the existence or even prevalence of neoliberalism in given transformations.

The chapter departs by sketching the character of the 1970s global crisis that triggered the breaking down and building up that followed in many contexts, maps what are deemed key policy propositions characteristic of neoliberalism, thereby setting the context for the discussion of each of the four reconfigurations selected here. But to map these main reconfigurations is not to argue that neoliberalism is an internally coherent and complete project that is imposed in toto upon scales and spaces across the globe. Neoliberalism is understood as 'historically specific, unevenly developed, hybrid, patterned tendency of market-disciplinary regulatory restructuring' (Brenner *et al*, 2010b: 330, emphasis removed). It is historically specific because its emergence in practice as a dominant restructuring strategy can be tracked to the 1970s crisis, but also because it emerges at different historic moments in each context. It is unevenly developed because in its negotiation with specific contexts, and in its own evolution as a project, different variants emerge. It is hybrid because it is never imposed anywhere in pure form, but instead co-exists with other regulatory practices and discourse peculiar to specific contexts. It is a tendency because it is not a totality covering all aspects of regulatory restructuring in any given context (*ibid.*; see also McDonald, 2008).

It is the dialectical interaction between sites (states, scales, cities) and neoliberalism, where each constitute the other, that calls for analysis of the 'actually existing' in the tracking of neoliberalism at any site. But such localised analyses must not lose sight of the nature and character of neoliberalism as an extralocal project, so that they 'must be attentive to *both* the local peculiarities *and* generic features of neoliberalism' (Peck and Tickell, 2002: 41; see also Leitner *et al*, 2007b). Brief reflections on the variegated nature of 'actually existing' neoliberalisation follow the sections on the four reconfigurations that form the nucleus of this chapter. The conclusion draws on the various sections of the chapter to focus on neoliberal urbanism, or the 'urbanisation of neoliberalism', laying the foundation for the analysis of the Johannesburg restructuring experiment. After all, cities 'have served as command centres, relay stations, and experimental sites in the roll-out of neoliberal modes of governance', 'battlegrounds in strategically significant moments in the process of neoliberalisation', and 'epicenters of contestation and transformative struggle' (Leitner *et al*, 2007b: 315).

2.2. Crisis

> "The progressive development of the capitalist economy was from the start a process punctuated by setbacks. There were good times and bad times…" Mattick (1981: 3).

> "In its innermost essence capitalism has always been a process of capital accumulation, and at no time in history has this process been smooth or uninterrupted" (Sweezy and Magdoff, 1988: 10).

Capitalism, if consistently and continuously punctured and punctuated by interruptions and disruptions, is an economic system and social order perpetually under siege. There are always good times and bad times, moments of spectacular growth and of miserable decline. The rate of profit falls as society fails to maximally employ the productive forces which it has generated, can no longer derive surplus value from capital in circulation, nor consume quantities it has produced. A setback of *overaccumulation* dawns, calling for the destruction (and *devalorisation*) of that which had been created, and economic activity stagnates; an impasse that Marxist theory terms 'crisis'. Overaccumulation 'refers, simply, to a situation in which excessive investment has occurred and hence goods cannot be brought to market profitably, leaving capital to pile up in sectoral bottlenecks or speculative outlets without being put back into productive investment' (Bond, 2000: 10). Other symptoms of overaccumulation 'include unused plant and equipment; huge gluts of unsold commodities; an unusually large number of unemployed workers; and…the inordinate rise of financial markets' (Bond, 2000: 10). This crisis is an outcome of the internal contradictions inherent to a mode of production premised on 'capital accumulation', i.e. the 'generation of wealth in the form of 'capital'' (*ibid*.: 8). Capital is 'capital' 'because it is employed by capitalists not to produce with specific social *uses* in mind, but instead to produce *commodities* for the purpose of *exchange*, for profit, and hence for self-expansion of capital' (*op cit*, emphasis in the original). When the crisis of overaccumulation threatens to wreck havoc to the system, it has not only historically exposed the system's vulnerabilities, but has also demonstrated its highly adaptive capacities.

The 1970s represent such a moment in the historical development of capitalism. It was a period characterised by a marked decline in economic growth (stagnation), high inflation and unemployment rates, huge budget deficits and balance of payment crises, and a collapse in asset values (stocks, property, and savings) (Harvey, 2005). . With the declining profitability[8] of Fordist sectors, deindustrialisation became central to the decline in economic centrality and activity of certain cities. An oil embargo had been introduced by OPEC in 1973 following the devaluation of the US Dollar by Nixon's government, and the Bretton Woods system of fixed exchange rates had been abandoned (Harvey, 2005, Brenner and Tickell, 2002b). An explanation for the crisis had to be found, if proper responses were to be designed.

As a precursor, some decades earlier, the Great Depression (1930s) and World War II had required 'a new theory to help account for what was happening and to show the way to remedial policies', and 'John Maynard Keynes (had) met the challenge' (Sweezy and Magdoff, 1988: 8). Keynesianism, as the post-war settlement came to be known, combined with a Fordist production system, 'had delivered high rates of growth to at least the advanced capitalist countries after 1945' (Harvey, 2005). North Atlantic Fordism, named after Henry Ford, was a production system dominated by manufacturing and 'embodied rigidity, mass production, standardized products, large inventories (just-in-case), labour deskilling, vertical integration and global firms' Holly (1996: 25). This Fordist-Keynesian settlement (or the Fordist-Keynesian regime, see Brenner and Theodore, 2002) was centered on an interventionist state that managed aggregate demand, contained swings in the business cycle, redistributed the social product (welfare), and regulated uneven development, i.e. redistributed economic activity and populations. Markets (particularly the labour market) were robustly regulated, with organised labour wielding stronger bargaining power. The state had direct control and ownership over some sectors in the economy, while providing subsidies and other forms of support to critical national industries. Mechanisms were put in place to regulate trade, with a fixed exchange rate, with the national scale being the locus and focus of economic policy.

[8] As an example, Holly (1996: 24) cites Harrison (1994: 125-126) observing that 'since the mid-1960s the portion of gross domestic product of OECD countries accounted for by corporate profits fell by anywhere from 12 to 37 percent. These profit rates, defined for the seven richest industrialized nations as an operating surplus divided by net capital stock at current prices, diminished from 25 per cent in 1965 to 12 per cent in 1980. Taken across all sectors, the profit rate declined from 17 to 11 percent'

In explaining of the crisis of the 1970s, however, analyses problematised existing political-economic institutional arrangements that governed the (i) wage relation, (ii) form of intercapitalist competition, (iii) form of financial and monetary regulation, (iv) state and other forms of governance, (v) the international configuration, and (vi) attitudes and approaches to uneven spatial development (Brenner and Theodore, 2002b). This problematisation (and the reconfigurations it purports), at a state level at least, recasts the crisis as 'one not just of economic decline but rather as one of failed management' (Jones and Ward, 2002: 135). For the state, '[t]hrough its multifarious modes of intervention and policy repertoires…has the strategic capacity to transform economic crises into crises of political management or rationality within new modes of governance' (*ibid.*: 132).

Hence, against this backdrop, new management mechanisms had to be designed to manage and resolve the crisis and to revamp the conditions for renewed growth of national economies. For Harvey (1999, cited in Jones and Ward, 2002), crisis tendencies are never resolved, but temporarily absorbed and stabilised through displacement (or switching)—a process of 'shifting and stalling' (Bond, 2000), that uses space and time as temporary shock-absorbers. The displacement is achieved through (a) sector-based switching of investment in the production process, (b) new forms of circulation involving financial and monetary arrangements, and (c) locating new 'spatial fixes' (sites of production and markets). But as Marx and Engels (1848: 4) further argue: '[i]n these crises, a great part not only of the existing products, but also of the previously created productive forces, are periodically destroyed'.

Declining profitability—central to the crisis of overaccumulation—'can only be resolved capitalistically by developing an effective new *accumulation strategy* and institutionalizing it' (Jessop, 1990: 29, emphasis added). Such an 'accumulation strategy', Brenner (2003: 200; citing Jessop, 1990: 198)) argues 'emerges when a model of economic growth is linked to a framework of institutions and state policies that are capable of reproducing it'. It is scales, states and spaces that provide the instruments for such institutionalization of new accumulation strategies. It was neoliberalism that emerged as such a hegemonic accumulation strategy (Saad-Filho and Johnston, 2005; Harvey, 2005; Leitner *et al*, 2007). But caution must be raised that neoliberalism is a product of contest, once a marginal free-market economics project , and only emerged as a response to various crisis (e.g. New City 1976 fiscal crisis, high country debts, the collapse of actually existing socialism) (Leitner *et al*, 2007a: 5, Brenner *et al*, 2010b).

2.3. Neoliberalism: the 'sense held in common'

These market reforms, arrived at in tentative and experimental ways at varied scales and contexts in response to prevailing 'spatio-temporal moments of crisis', coalesced into a 'pervasive metalogic' (Peck and Tickell, 2002: 383). Distinguished from 'the classical liberal project of constructing 'self-regulating' markets during the *belle e´poque* of late nineteenth and early twentieth century British imperialism' to which its doctrinal and ideological roots can be tracked, neoliberalism emerged under 'qualitatively different geopolitical and geoeconomic conditions' following the 1970s crisis (Brenner *et al*, 2010b). As Peck and Tickell (2007, 34) put it, '[i]f liberalism was substantially defined by its antipathy to merchantilism, neoliberalism is substantially defined by its antipathy to Keynesianism'.

The main elements of the post-1970s 'marketization' project, the pervasive metalogic that is neoliberalism, were arguably summed up in what John Williamson coded the *Washington Consensus*. In this codification, Washington refers to both 'the political Washington of Congress and senior members of the administration and the technocratic Washington of the international financial institutions, economic agencies of the US government, the Federal Reserve Board, and the think tanks' (Williamson, 2002: 1). The consensus, is the 'lowest common denominator of policy advice being addressed by the Washington-based institutions to Latin America as of 1989' (Williamson,1990, 2000: 252-253, cited in Mavroudeas and Papadatos, 2005: 1), comprised in 10 policy instruments imposed as conditionalities for funding (e.g. debt rescheduling), widely accepted by the political and technical Washington. These 'ten commandments' as

Williamson (2004: 1) was to later term were not, he writes, 'written as policy prescription for development' but rather a set of policies 'that commanded a consensus' in Washington. Ironic then, that on the effort at evaluation and impact assessment of the consensus, he focuses on 'whether each of them was in fact a good prescription for promoting development' (Williamson, 2004). Whatever Williamson's position on the consensus[9], it was set out in the ten propositions he tabled in 1990 were as follows:

1. *Fiscal discipline:* 'macroeconomic stability' is 'an indispensible precondition for growth', and 'price stability' (non-inflation) is 'an essential aspect of macroeconomic stability' (Williamson, 2004: 3). Budget deficits should also be drastically reduced.
2. *Redirected public expenditure*: into areas of 'high economic returns': cut subsidies, invest in infrastructure, and in health and education (investment in human capital)
3. *Tax reform*: find alternative sources of revenue, lower the marginal tax rates and broaden the tax base.
4. *Financial liberalisation*: credit allocation decisions and interest rate must be determined by markets not government, international capital flows liberalised, autonomous financial institutions created.
5. *A unified, competitive exchange rate* must be established to induce rapid growth in non-traditional exports. The principle is that 'export growth is key to igniting a general growth process' (*ibid.*: 7), paving way for export orientation as opposed to import substitution.
6. *Trade liberalisation*: abolish trade restrictions, and reduce tariffs.
7. *Abolish barriers to entry for foreign direct investment*
8. *Privatisation*: raises efficiency and profitability and increases coverage and access. Privatise state-owned entities, land and provide for development and public services

[9] which unfortunately arguably fluctuates between that of a detached observer merely summarizing some consensus, and an activist proponent of the consensus who even commitedly tracks its spread and impact with the view of refining it

9. *Deregulate*: economic activities to enable competition
10. *Private property rights*: conditions must be created for the full realisation and adequate protection of property rights[10].

Thus, as Dani Rodrik (2006: 1) later reflected: ''[s]tabilize, privatize and liberalize' became the mantra of a generation of technocrats who cut their teeth in the developing world and of the political leaders they counseled'. These prescriptions confirm the conceptualisation cited above, of the crisis of the 1970s in this instance, not as one of economic decline but rather one of failed management. As Mavroudeas and Papadatos (2005: 1) put it, the argument was that '[e]conomies are in crisis because of impediments to the free operation of the market'. These impediments can be traced back to 'the overinflated interventionist Keynesian state and its expansionary and redistributive policies that deform market data and signals' (Mavroudeas and Papadatos, 2005: 1).

The propositions then can be interpreted as part of the project to free the market, and the process of capital accumulation, from the grip of the stifling and confining infrastructures (scale, state and space) of the Keynesian-Fordist settlement. This project then, becomes yet another 'distinct phase in the struggle between market- and state-led capitalism' (Leitner *et al*, 2007a: 3). If this freedom could be facilitated, more specifically the 'free mobility of capital between sectors, regions, and countries' (Harvey, 2005: 66), wealth could be created and the well-being of populations at large improved (see *ibid.*). This facilitation should leave markets 'open, competitive, and unregulated', 'liberated from all forms of state interference', crowned as the most 'optimal mechanism for economic development' (Brenner and Theodore, 2002b: 2).

The central pillars exposed in Williamson's propositions are sure to guarantee free markets, free trade, and private property; thus 'liberating individual entrepreneurial freedoms and skills' (Harvey, 2005: 2). The ten propositions, read together as a policy

[10] For a detailed discussion of these propositions, see Williamson, 1990; 2004a; 2004b

that is diffused at various scales, sum up the neoliberal project as a 'restructuring strategy'. They constitute as a policy package the 'evidently powerful family resemblances' that constitute the policy substance of neoliberalism. In short, as Brenner and Theodore (2002b: 2) put it: '[t]he linchpin of neoliberal ideology is the belief that open, competitive, and unregulated markets, liberated from all forms of state interference, represent the optimal mechanism for economic development'. Here is 'an economic growth model' that identifies free markets as its central motor, reorientates states to guarantee that market freedom, and dislodges national borders and regulatory frameworks, for accelerated market-driven export-oriented economic growth that will ultimately self-redistribute to bring everyone into its fold.

Building on this, the four subsections that follow present and discuss these widely accepted tenets of neoliberalism through highlighting what are termed the emerging main 'reconfigurations'. These main 'reconfigurations' are explored briefly to demonstrate how neoliberalism would pattern (a) scalar arrangements (i.e. power relations between local-national-international sociospatial organisations), (b) the state (institutional arrangements and policy repertoires, in particular forms of intervention in socio-economic life), (c) cities (role in political control and economic activity, development tendencies, local state institutional arrangements and forms of intervention), and (d) form of interspatial competition (i.e. rule systems governing governance). Underlining and unraveling these reconfigurations is crucial for examining the existence or even prevalence of neoliberalism in given transformations. These reconfigurations, it must however be noted, are path dependent, 'rooted in crisis and a competitive conflict between the old and the new, between an 'inherited' and a 'projected' order', resulting always in 'a complex mix of continuity and change' Soja (1987: 178, cited in Brenner, 2009: 1).

2.3.1. Rescaling (1st reconfiguration)

Departing from the argument that '[c]apitalism has always been a decidedly geographical project' and that 'globalisation has [always] been part of the capitalist entreprise' (Swyngedouw, 2004: 29); attention is drawn to the sociopolitical production and contestation of the geographical scale as 'a presupposition, medium and outcome of the contradictory social forces associated with the capital relation' (Brenner, 1998: 464). In a complex examination of the two major contradictory tendencies of *fixity* and *motion*, Brenner (1998) singles out territorial states and urban spatial configurations as two specific, most essential components of the scalar fix in the (perpetual) geographical/territorial (re)organisation of social relations. The tendencies of 'fixity' and 'motion' refer to the flows and circulations of capital across space at a rapid pace (*motion*) that are launched and premised upon a relatively fixed spatial and institutional infrastructures (e.g. transport systems, communications) (*fixity*) (Brenner,1998). In moments of capitalism's systematic crisis of overaccumulation, capital dismantles and reconfigures these essential forms of territorial organisation, resituating them within restructured multiple and intertwined geographical scales. To elaborate on this point, Brenner (1998) traces with specific reference to the territorial state, three historic crisis moments necessitating restructuring, and the scalar fixes emerging from the rescaling processes characterising each moment. In that schematic historicisation, he delineates three scale configurations, namely, 'the *encagement* of capitalist territorial organization within the national scale of state territoriality (1890s-1930s); the *entrenchment* of nationally scaled forms of territorial organization as scalar fixes for the Fordist-Keynesian round of capitalist growth (1950s-early 1970s); and the *denationalization* of capitalist territorial organization and the pursuit of alternative glocal scalar fixes (post-1970s)' (*ibid.*, italics in the original).

When barriers to trade are overhauled and a conducive environment for investment is created through deregulation and liberalisation, economic activity is freed from its 'encagement' within the national scale (Brenner, 1998). To guarantee these freedoms that enhance mobility, political institutional/regulatory arrangements are equally 'denationalised' (*ibid.*). In this process, multinational corporations and finance become strategic actors in the economic well-being of nations and regions, and supranational institutions like the World Trade Organisation, the World Bank and the International Monetary Fund emerge as important setters and guarantors of the new rule system governing international relations and intra-national operations. It is this freeing of economic activity and political control from the entrapments of the national scale, state and territory that is referred to as globalisation (Brenner, 1998).

But denationalisation does not however account only for upward shifts to the supranational, it also points to the important downward shifts that have repositioned the subnational scale as an important point in the economic activity and political regulatory grid. Purcell (2008: 11) points out, for instance, that a 'regional economy is now more able to grow when the national economy is stagnating, or stagnate as the national economy is growing', making regions (and cities) more critical for the well-being of not only national, but also the global economy. Important powers, functions and obligations hitherto carried out by, and marshaled through the nation-state, have been devolved to subnational scales.

This interlocking of the upwards and downwards have prompted other scholars to write no longer of globalisation but of 'glocalisation'—the interpenetration of the local and the global (Swyngedouw, 2004; 2005). This 'rescaling', producing a new 'scalar fix', concentrates political control and economic activity variously within different scales (sub-, supra-, national) in restructured relations within the new hierarchy where the national is dislodged as the primary state territorial container of capital accumulation, so that 'no single scale serves as the primary pivot for accumulation, regulation, or socio-political struggle' (Brenner and Theodore, 2002b: 16). Scalar configurations are a product of socio-political contestation, the Cancun and Seattle protests do not only represent resistance against the neoliberal political economic content, but also the privileging of the supranational scale (as embodied in the WTO) in the determination of national policy development (Brenner and Theodore, 2002b; Leitner *et al*, 2007a). As is clear from the above, the new scalar configuration is necessitated by, and is designed to aid, the policy propositions at the centre of neoliberalism as *a restructuring project*.

Each scale is equally critical in the emergent scalar fix, so that 'processes of deregulation, liberalisation, and state retrenchment—the linchpins of the neoliberal policy repertoire—have been imposed at a range of spatial scales, from the global and the continental to the national and the local' (Brenner and Theodore, 2002a: vi). As such, the interdependencies between scales have become complex, allowing for intense degrees of co-constitution and co-evolution. It is such complexities that expose the fact that studies of neoliberalism at any scale become inadequate if in their engagement with the specificities of context do not equally grapple with the connections with other scales (and contexts). It is such inadequacies that Brenner *et al* (2010a) expose in their engagement with conceptualisations of neoliberalism emerging from three traditions of heterodox political economy, namely the varieties of capitalism approach (VoC), the historical-materialist international political economy (HM-IPE), and governmentality. In that intervention, they specifically examine how each of these approaches has accounted for the geographies, modalities and pathways of neoliberalism, and the limitations of such accounts.

The first approach, VoC, presents neoliberalism as primarily a project that evolves internally at a national scale within each country's boundaries. The second, HM-IPE, theorises globally constituted forces and interests, and their institutional apparatuses as primary to the imposition of neoliberalism upon national states, and the third, governmentality, emphasises the hybrid, sporadic, fluid nature of localised neoliberal experiments and outcomes. The inherent weakness in each of these approaches and their conceptualisation of neoliberalisation is that they de-emphasise the constitutive connections that the scales they choose to focus on (i.e. national, supranational, local) have with other scales. The VoC approach ignores the neoliberal regulatory systems operating at a supranational level in ways that undermine national boundaries and regulatory systems (i.e. neoliberalism's extra-local rule system). The HM-IPE ignores the reshaping of neoliberalism in its interpenetration with national and local contexts and the 'upwards' interscalar relays that reshape the very supranational parameters of neoliberalism. And the governmentality approach ignores the interconnections, shared macrospatial parameters, and transcontextual 'family resemblances' and commonalities between context specific neoliberal experiments and their elsewheres. The national, supranational, and the local scales are simultaneously implicated in the production of neoliberalism, 'albeit always in context-, territory-, and/or place-specific forms' (Brenner and Theodore, 2002a: vi).

The city scale, and the process of the urbanisation of neoliberalism, must be studied against the backdrop of this co-constitutive nature of scales, according equal significance to specificities of 'real-time processes of marketizing institutional transformation and regulatory restructuring' (Brenner *et al*, 2010a: 206) and extralocal connections.. This is because the 'interlinkages between urban and supraurban scales' are 'intrinsic to the very content of the urban question' (Brenner, 2009: 66).

2.3.2. The embattled state (re)mobilised (2nd reconfiguration)

By inserting market logics into all spheres of life, and guaranteeing them, the neoliberal experiment finds its most substantive expression as the 'content of political-economic thinking' (Purcell, 2008: 9) in the 'neoliberal state', and the attendant notion of (state) intervention. Theorised thus, the project can be disaggregated into four thematic processes that define its essence —the dismantling of constraints (laissez-faire), retrenching welfare, assembling and rolling out of enablers (aidez-faire), and disciplining deviants (Purcell, 2008: 9)[11]. The state must withdraw its active controls that increase the 'cost of doing business', basically by reducing regulation of economic activity (deregulate) (e.g. land use, environmental regulations, taxes, labour laws); by withholding social spending and inculcating a culture of work (workfarism); by actively creating an enabling environment (flagship projects, advanced human capital, guarantees, etc.); and it must instill the competitiveness ethic (fund on the basis of economic potential and not social need, and threaten those that do not toe the line with stagnation) and unleash zero-tolerance policing interventions.

As the market becomes 'the inner regulator of the state, rather than the state as an external regulator of the market' (Leitner *et al*, 2007: 3); state intervention is in practice not banished altogether, only the constituent interests on whose behalf the intervention should occur are revised (Bourdieu, 1998; Peck and Tickell, 2002, Harvey, 2005; and Purcell, 2008) and its institutional arrangements and geopolitical configurations are restructured. It dismantles 'its assistance for labour and the poor' while 'increasing its

[11] It is 'disciplining of deviants' that Smith (1996), MacLeod (2002), have analysed in detail, coining in the process the concept of 'revanchist city'

assistance for capital' (Purcell, 2008: 15). Restructured, its mandates include, *inter alia*, the aim to (a) 'defend the rights of private property, individual liberties and entrepreneurial freedoms', (b) 'impose market rule upon all aspects of social life', (c) contain effects of excesses by providing 'social protection', (d) redirect public spending to creation of a conducive investment environment (e.g. infrastructure—transportation, telecommunications, and water; education for a skilled workforce, etc.) (see Peck and Tickell, 2002; Harvey, 2005; and Purcell, 2008). With this reorientation and reorganization, international capital mobility is guaranteed and enhanced, inter-locality competition invoked and intensified, old solidarities dislodged[12], and the poor are criminalised.

In its *laissez-faire* mode, neoliberalism insists that the state must 'withdraw', through deregulation (e.g. abolish trade barriers at international level; reduce environmental, labour laws at national level; reduce taxes and ease up land development planning regulations at local level, etc.) and through outsourcing its functions at a local level. Its reorientation of public spending (and reduced taxes) *retrenches welfare*, thus imposing (re)entry into labour markets by cutting social security nets for vulnerable unemployed workers. Investment is in areas of economic potential, socially and geographically. It is this imperative that is central to the *aidez-faire* mode of neoliberalism, when revenue is redirected towards augmented public spending in massive infrastructure necessary for economic growth, education (for churning out human capital for industry, as opposed to critical citizens), mega-projects (with state as the principal investor within the public-private partnerships that normally execute them), and technology transfer. The state also exits the housing market (in terms of rent controls and ownership, and instead provides subsidies to low-income groups), and places the highest and best use principle to land development prioritises exchange value over use value of land. Finally, because freedoms must be preserved at all costs, the state must actively pursue wider social

[12]The 'commitment to the extension of markets and logics of competitiveness' includes a 'profound antipathy to all kinds of Keynesian and/or collectivist strategies', one prompting Pierre Bourdieu (1998) to label neoliberalism 'a programme of the methodical destruction of collectives'—where individualism and flexibility are mobilised as virtues to disaggregate all forms of social solidarity

stability (manage disparities and contain political tensions), even if this means it must ‘use its monopoly of the means of violence’ (Harvey, 2005: 64). Zero-tolerance policing and surveillance tactics are used to deal with the homeless, migrants, etc. The ‘competitiveness’ ethic drags even reluctant localities and regions into the race (see 4th reconfiguration, section 2.3.4. below).

The reorientation of public expenditure from areas that merely generate cost (e.g. subsidies) to investment in areas with ‘high economic returns’, the general retrenchment of the redistributive agenda, the need to create conducive environments (through deregulation, tax reforms that do not increase cost of production, etc.) for capital (foreign and domestic), and the privatisation of land, public services, and enterprises, generate particular development tendencies. These tendencies, against the backdrop of a state paralysed from ‘intervening’ to directly redistribute the social product (economic activity and benefits in particular), consolidate uneven spatial development, a ‘kind of inequality is inherent to the capitalist system’ (McDonald, 2008: 59). In fact, Harvey (2005: 87, emphasis in the original) even goes on to argue that the ‘general progress of neoliberalisation has…been increasingly impelled *through* mechanisms of uneven geographical developments’ (see also Leitner *et al*, 2007b; Brenner *et al*, 2010b). For, ‘due to its inherent dynamism, capital renders obsolete the very geographical landscapes it creates and upon which its own reproduction and expansion hinges’, in a bid to ‘establish a new locational grid for the accumulation process’ (Brenner and Theodore, 2002b: 7-8). The variances in the state and level of development within the national space economy between regions (subnational) and between countries (and regions beyond the national scale) are reflective of the neoliberal’s state spatial selectivity, a strategy that does not mediate but perpetuate uneven development.

While the rescaling discussed in the first reconfiguration accounts for the territorial and spatial organisation of the state, the freeing of markets from state regulation means that ‘the best government is the least government’ (Bretton Woods Project, 2000: 5), lean and mean in its institutional structure and organisational design. In the next reconfiguration explored, i.e. cities, details around the institutional redesign of the (local) state will be discussed.

2.3.3. Cities revoked (3rd reconfiguration)

According to David Harvey (2005), when investment bankers refused to rollover the debt in 1975 and rendered the New York City technically bankrupt, they tabled a bailout with conditionalities. These conditions included: (a) obligatory restructuring of institutional management of the budget; (b) the use of tax revenues to pay off bondholders; (c) implementation of wage freezes and cutbacks in public employment and social spending (e.g. education, health); (d) introduction of user fees; and (e) investment of employee pension funds into city bonds. He argues that bankers were initially withholding funding because New York was doing something wrong, it was 'playing nice to the unions', 'actually spreading money around', 'engaged in all kinds of philanthropic projects', and 'actually being nice to minorities'—in short, the city was 'heading towards becoming social democratic, almost socialist, kind of municipality' (Harvey, 2007b: 7-8). The loan conditionalities that followed their reluctant intervention, amounted to 'a financial coup against the city' (*ibid.*: 8). An important principle was introduced, he argues, that in an instance where 'there is a conflict between the well being of financial institutions and the well being of the population, the government will choose the well being of financial institutions' (*op cit*, see also Harvey, 2005). Indeed, this was to be a central principle guiding structural adjustment programmes throughout most of the developing economies. Importantly though, the New York case became one of the pioneering neoliberalisation experiments at city scale in the early years of that project's ascendance.

Against this backdrop, it is in major cities and city-regions that neoliberal restructuring is 'occurring with particular intensity', as 'increasingly important geographical targets and institutional laboratories for a variety of neoliberal policy experiments' (Brenner and Theodore, 2002b: 20; see also Harvey, 1989; Moulaert *et al*, 2003; Peck and Tickell, 2002; Leitner *et al*, 2007; Purcell, 2008; McDonald, 2008; Houghton, 2010). These experiments include:

> 'place marketing, enterprise and empowerment zones, local tax abatements, urban development corporations, public-private partnerships, and new forms of local boosterism to workfare policies, property redevelopment schemes, business-incubator projects, new strategies of social control, and surveillance, and a host of other institutional modifications within the local and regional state apparatus' (Brenner and Theodore, 2002b: 21).

After all, cities 'remain important crucibles for new ideas' (Leitner *et al*, 2007a: 2), 'hotbeds for the formulation of and experimentation with new philosophies, politics and social practices' (Swyngedouw, 2005: 125) and 'battlegrounds in which preservationist and modernizing alliances struggle…to influence the form and trajectory of economic restructuring' (Brenner and Theodore, 2002b: 26). Their centrality is reasserted by the scalar reconfigurations that have placed the subnational scale at the heart of global economic circuits and circulations, an important site for the premising of production and exchange. With capitalism having 'subjected the country to the rule of towns' (Marx and Engels, 1848: 4), it follows that this 'critical subnational' will be dominated by cities and urbanised regions.

As Friedmann (1995: 22) argues, the 'form and extent of a city's integration with the world economy, and the functions assigned to the city in the new spatial division of labour, will be decisive for any structural changes occurring within it'. It is in cities that there is a '<u>reconcentration</u> of economic capacities' (*op cit*) i.e. a 'combination of different spatial and administrative scales in urban policy-making' (Rodriguez *et al*, 2003: 38), precisely because 'the 'interlinkages between urban and supraurban scales' are 'intrinsic to the very content of the urban question' (Brenner, 2009: 66). Brenner and Theodore (2002: 20), argue in an analysis of 'actually existing neoliberalism' that although the current reconfigurations of territorial organisation of social relations involve a myriad of interconnections between the various scales from the local to the global, neoliberalism's reconfigurations are 'occurring with particular intensity at the urban scale, within major cities and city-regions'.

The selection of these particular subnational sites is reflective of the distinct capacity of capitalist states of spatial selectivity—the process of 'spatial privileging and articulation' (1997: 851; cited in Brenner, 2003: 202) that underpin territorial differentiation within the national scale. Because of the centrality of the city to this study, this subsection borrows from Brenner and Theodore's (2002b) attempt to map the mechanisms through which neoliberalism unfolds at a local level, both in moments of destruction (roll-back) and moments of creation (roll out), that are characteristic of the project at city level (see table 2.1. below).

The moments of 'creative destruction' (Brenner and Theodore, 2002b; Harvey, 2007) captured in table 2.1., realised through the specific set of mechanisms of neoliberal localisation discussed above reflect the tendencies and policy repertoires characteristic of the project at a city level. These are repertoires and tendencies that pattern the restructuring of the state territorial and institutional arrangements and space at that scale. The table shows the tendencies which reverberate with the 'new urban entrepreneurialism' (or 'entrepreneurial urbanism', see Ward, 2003).

This new urban entrepreneurialism, according to Harvey (1989: 354)

> 'typically rests…on public-private partnership focusing on investment and economic development with the speculative construction of place rather than the amelioration of conditions within a particular territory as its immediate (though by no means exclusive) political and economic goal'.

A few interlinked urban governance strategies are adopted. The first includes increased direct public (and private) investments in infrastructure (social and physical); the lowering of the cost of investment (deregulation, tax breaks); the provision of the right balance of 'qualities, quantities, and costs of labour supply'; and the generation of economies of agglomeration. The second is that 'the spatial division of consumption' should create cities that are safe and exciting spaces to live, play and work in. Increasingly, urban regeneration is comprises '[g]entrification, cultural innovation, and physical upgrading of the urban environment…, consumer attractions…, and entertainment (the organisation of urban spectacles on a temporary or permanent basis)'. The third is that cities actively work to attract 'command and control functions' (e.g. advanced producer services, and finance), through heavy investments in related infrastructure (e.g. transport, telecommunications), and through attracting central government investments.

'The neoliberal city is conceptualised first as an entrepreneurial city, directing all its energies to achieving economic success in competition with other cities for investments, innovations, and 'creative classes'' (Leitner *et al*, 2007a: 4). The narrow repertoires linked to concepts such 'world-class cities'/global cities, that have been sold as the quintessential urban imaginaries that should frame urban visions and governance are telling (see McDonald, 2008), Metileni, 2006). The organisation of local politics then, within cities, must necessarily be linked with the content of those politics fixated within an extralocal rule system of interspatial competition.

Although there are linkages between the literature on neoliberal urbanism (see Brenner and Theodore, 2002b) and urban entrepreneurialism (see Hall and Hibbard, 1998), the two theories are not to be conflated, so that this study confines itself to exploring the former.

In the end, here are cities that pursue a 'growth-first approach to urban development' (dismissing redistribution and social investment as uncompetitive), have lean governments (that have deregulated and privatized), with policy measures that 'anticipate, complement, and in some instances mimic the operation of competitive markets', learn from the best in terms of recipes for attracting investment (through fast policy transfer), adhere closely to the 'narrow urban-policy repertoire' (inner city regeneration, place promotion, etc.), or are punished harshly if they do not play by the rules (deinvestment, non-funding, etc.) (Peck and Tickell, 2002: 394-395). The next subsection explores this interspatial competition in detail.

Mechanisms of Neoliberal Localisation	Moment of Destruction	Moment of Creation
Recalibration of intergovernmental relations	Dismantling of earlier systems of central government support for municipal activities	Devolution of new tasks, burdens, and responsibilities to municipalities; creation of new structures to reward local entrepreneurialism and to catalyse 'endogenous growth'
Retrenchment of public finance	Imposition of fiscal austerity measures on municipal governments	Creation of new revenue-collection districts and increased reliance of municipalities upon local sources of revenue, user fees and other instruments of private finance
Restructuring the welfare state	Local relays of national welfare service-provision are retrenched; assault on managerial-welfarist local state apparatuses	Expansion of community-based sectors and private approaches to social service provision Imposition of mandatory work requirements on urban welfare recipients; new (local) forms of workfare experimentation
Reconfiguring the institutional infrastructure of the local state	Dismantling of bureaucratized, hierarchical forms of local public administration Devolution of erstwhile state tasks to voluntary community networks Assault on traditional relays of local democratic accountability	'Rolling forward' of new networked forms of local governance based upon public-private partnerships, 'quangos', and the 'new public management' Establishment of new institutional relays through which elite business interests can directly influence major local development decisions
Privatisation of the municipal public sector and collective infrastructures	Elimination of public monopolies for the provision of standardized municipal services (utilities, sanitation, public safety, mass-transit, etc.)	Privatisation and competitive contracting of municipal services Creation of new markets for service delivery and infrastructure maintenance Creation of privatised, customised, and networked urban infrastructures intended to (re)position cities within supranational capital flows

Restructuring urban housing markets	Razing public housing and other forms of low-rent accommodation Elimination of rent controls and project-based construction subsidies	Creation of new opportunities for speculative investment in central-city real estate markets Emergency shelters become 'warehouses' for the homeless Introduction of market rents and tenant-based vouchers in low-rent niches of urban housing markets
Reworking labor market regulation	Dismantling of traditional, publicly funded education, skills training, and apprenticeship programs for youth, displaced workers, and the unemployed	Creation of a new regulatory environment in which temporary staffing agencies, unregulated 'labour corners', and other forms of contingent work can proliferate Implementation of work-readiness programs aimed at the conscription of workers into low-wage jobs Expansion of informal economies
Restructuring strategies of territorial development	Dismantling of autocentric national models of capitalist growth Destruction of traditional compensatory regional policies Increasing exposure of local and regional economies to global competitive forces Fragmentation of national space-economies into discrete urban and regional industrial systems	Creation of free trade zones, entreprise zones, and other deregulated spaces within major urban regions Creation of new development areas, technopoles, and other new industrial spaces at subnational scales Mobilisation of new 'glocal' strategies intended to rechannel economic capacities and infrastructure investments into 'globally connected' local/regional agglomerations
Transformation of the built environment and urban form	Elimination and/or intensified surveillance of urban public spaces Destruction of traditional working-class neighbourhoods in order to make way for speculative redevelopment Retreat from community-oriented planning initiatives	Creation of new privatised spaces of elite/corporate consumption Construction of large-scale megaprojects intended to attract corporate investment and reconfigure local land-use patterns Creation of gated communities, urban enclaves, and other 'purified' spaces of social reproduction 'Rolling forward' of the gentrification frontier and intensification of sociospatial polarisation

		Adoption of the principle of 'highest and best use' as the basis for major land-use planning decisions
Interlocal policy transfer	Erosion of contextually sensitive approaches to local policy making Marginalisation of 'home-grown' solutions to localised market failures and governance failures	Diffusion of generic, prototypical approaches to 'modernising' reform among policymakers in search of quick fixes for local social problems (e.g. welfare-to-work programs, place-marketing strategies, zero-tolerance crime policies etc.) Imposition of decontextualised 'best practice' models upon local policy environments
Re-regulation of urban civil society	Destruction of the 'liberal city' in which all inhabitants are entitled to basic civil liberties, social services and political rights	Mobilisation of zero-tolerance crime-policies and 'broken windows' policing Introduction of new discriminatory forms of surveillance and social control Introduction of new policies to combat social exclusion by reinserting individuals into the labour market
Re-presenting the city	Postwar image of the industrial, working-class city is recast through a (re-)emphasis on urban disorder, 'dangerous classes' and economic decline	Mobilisation of entrepreneurial discourses and representations focused on the need for revitalisation, reinvestment, and rejuvenation within major metropolitan areas

Table 2.1. Destructive and Creative Moments of Neoliberal Localisation (Source: Brenner and Theodore, 2002b: 22-25)

2.3.4. Interspatial competition (4th reconfiguration)

'[A]ccumulation is the key precondition for realising other social goals' Jessop (1990: 31)

'Neoliberalism promotes and normalizes a 'growth-first' approach to urban development, reconstituting socialist-welfarist arrangements as anti-competitive

> costs rendering issues of redistribution and social investment as antagonistic to the overriding objective of economic development. Social-welfarist concerns can only be addressed *after* growth, jobs and investment have been secured, and even then in no more than a truncated and productivist fashion' Peck and Tickell (2002: 47).

The expansion of production and the upward and forward development of productive forces are crucial for society's own reproduction. The expansion in returns that accrue from expansion in production, or what could be termed accumulation, is crucial for capital. The expansion in returns supposedly is paralleled by rise in income levels for households and revenue for government. The latter inevitably amounts to enhancement of quality of life for all. These are evidenced in the statistical indicators, Gross Domestic Product (GDP) and GDP per capita, which either rise or fall in relation to expansion in production (include non-productive economic activity structured around the rise of finance capital post-1970s). These indicators serve as thermometers to determine the fundamental condition of a country, framing the terms of its public debate in the process (Mitchell, 2007: 1). It is the assumption that high growth rates as measured by GDP are a precondition for development that distinguishes neoliberalism's growth model. The distribution, and in cases of historic deliberate underdevelopment *re*distribution, of life chances naturally follows from accelerated and higher growth. As Morris (1991: 57, cited in Hart, 2001: 20) sums this 'redistribution through growth' model, the primary assumption is that 'a political settlement will result in a rapid inflow of foreign investment, and, if coupled with minimal state intervention and radical free-marketeerism, the consequent effect will be high rates of growth'.

The policy trajectory that follows from that logic is one that places the creation of conditions for such growth at the centre of state intervention in the socio-economic life of society. What had failed (the Fordist-Keynesian settlement) was an interventionist state that managed aggregate demand, contained swings in the business cycle, redistributed the social product, regulated uneven development, through redistributing economic activity and populations proportionately across the national space, regulated markets, and even had direct ownership and control over sectors of the economy. The alternative became that of dismantling any constraints to the market economy, through deregulation, liberalisation and privatisation. These policy instruments would assist, free, extend, create and depoliticise markets (see Houghton, 2010: 20). Much of the efforts dedicated to the redistribution of the social product are retrenched, left to the rising economic tide to lift all boats. Political stability, i.e. the management of societal contradictions, is crucial for such an enabling environment. Because the state invests and disinvests selectively in areas that do and do not enable growth, growth becomes the overarching framework defining the development path of a country, a region, a city. The 'naturalization of market logics' dictate that the state 'policy measures should anticipate, complement, and in some cases mimic the operation of competitive markets' (Peck and Tickell, 2002: 47).

That the crisis of Keynesian welfare-statist regulatory framework was linked to that of the Fordist regime of accumulation should provide a pointer towards the *character* of the economic growth that neoliberalism is concerned with. In the networked, informational global economy of Castells (2000: 52) where '[p]roductivity and competitiveness are, by and large, a function of knowledge generation and information processing', the tertiary sector of the economy, comprised largely in (a) revitalized craft production, (b) high-technology industries, and (c) advanced producer and finance services, becomes crucial (see Brenner and Keil, 2006: 10). In the global hierarchy of cities, it is those that have the highest concentration of these economic activities that occupy the apex of such a hierarchy, classified as the most productive and most competitive (see Friedmann, 1995; Sassen, 2000). These world/global cities are the 'post-industrial production sites for the leading industries of this period—finance and specialised services' and 'transnational marketplaces where firms and governments from all over the world can buy financial instruments and specialised services' (Sassen, 2000: 22). Starting from the 1980s, 'finance and specialised services emerged as major components of international transactions' relayed through 'financial markets, advanced corporate service firms, banks and headquarters of transnational corporations', which in turn 'lie at the heart of process of the creation of wealth' (*ibid*, 11). It is this kind of growth, this kind of competitiveness, that cities find themselves wrestling each other for.

This wrestling makes interspatial competition or interlocality competition, the device anchoring neoliberalism's extralocal rule systems, perhaps the most useful starting point to analysing some of the key characteristics of neoliberal localisation. For interspatial competition is 'a condition which acts as a 'bearer'…of the more general social relations of any mode of production within which that competition is embedded' (Harvey, 1989: 368). As Harvey (2005:65) writes, '[c]ompetition', 'between individuals, firms, between territorial entities (cities, regions, nations, regional groupings)', 'is held to be a primary virtue'. The ability to race, condensed in the elusive concept of competitiveness, is built through the various restructurings to the state's institutional and spatial architectures of localities (in the case of cities and urban regions). This 'competitiveness ethic of neoliberalism' as Purcell (2008, 22) calls it, 'is a pervasive way to discipline deviance'. Alternative institutional arrangements and development trajectories are occluded through (threats of) 'capital disinvestment' and 'economic stagnation'. Peck and Tickell (2002, 393) explain that the 'public subsidy of zero-sum competition at the interurban scale rests on the economic fallacy that every city can win, shored up by the political reality that no city can afford principled non-involvement in the game'. A 'fear of straying from the logic of growth' is instilled (Purcell, 2008: 22). This fear together with the energies it invokes and uneven successes it generates further propel 'the (actual and potential) mobility of capital, employment and public investment' (Peck and Tickell, 2002: 393).

In fact, Brenner (2009b) argues that interlocality competition is a (national) state project. This state project is manifest in, among other things, (a) the drastic reduction in national-local fiscal transfers and grants (amounting to a 'fiscal squeeze') following the post-1970s recession, (b) increased responsibilities for local economic development heaped on municipalities as part of decentralisation, (c) the adoption of national urban policies that see cities as 'locational keys to national economic competitiveness', (d) the construction of territory-specific institutions (e.g. urban development corporations) and development projects (e.g. enterprise zones), (e) the redefinition of local state functions intended to transform local states into 'entrepreneurial agencies oriented towards the promotion of economic development within their jurisdictions' (Brenner, 2009b: 452-456).

By 'selling themselves, cities are therefore actively facilitating and subsidizing the very geographic mobility that first rendered them vulnerable, while also validating and reproducing the extralocal rule systems to which they are (increasingly) subjected'; such is the 'logic of interurban competition' (op cit). These rule systems 'may even force repetitive and serial reproduction of certain patterns of development' (Harvey, 1989: 358). With the demands of interlocal competition put squarely on the door of cities, and given the dominance of neoliberalism as the 'prevalent restructuring pattern', it might be that it is neoliberalism (its institutional forms, policy repertoires, and development tendencies) that is being repetitively and serially reproduced in cities.

2.4. Conceptual caveats: seeing through words

> '[N]eoliberalism is understood variously as a bundle of (favoured) policies, as a tendential process of institutional transformation, as an emergent form of subjectivity, as a reflection of realigned hegemonic interests, or as some combination of the latter…Perhaps not surprisingly, faced with these conflicting thematic evocations and methodological tendencies, others have concluded that 'neoliberalism' has become a chaotic conception rather than a rationally defined abstraction' (Brenner, Peck and Theodore, 2010a: 183)

Conceptualisations matter, politically and theoretically (Leitner *et al*, 2007b: 316; Brenner *et al*, 2010b). Concepts are a way of seeing, and their design determines methodological parameters for theoretical endeavours in the same way that the insights they yield are material for political strategy. Arguably, neoliberalism should be understood as a combination of all of the things that Brenner et al (2010a) refer to, as tendential regime type favoured by an alliance of hegemonic forces, produced through restructuring and premised on a set of favoured policies that produce particular forms of subjectivity. But of course, it is possible to decouple these and see it as variably either or all these things. In the process, there are risks of underspecification and of overreach, yielding insights empowering and disempowering. This section highlights some of the main caveats that will underpin this study.

While market reforms could have arguably coalesced into a 'pervasive metalogic' accompanying and structuring globalisation after 1970, it was arrived at in tentative and experimental ways at varied scales and contexts in response to prevailing 'spatio-temporal moments of crisis'[13] (see Brenner and Theodore,2002b;Peck and Tickell,2002; 2007;Harvey, 2005; Leitner *et al*,2007a; 2007b). The adoption of the post-1970s market fundamentalism is consequently neither *universal* (covering all countries and regions and cities) nor *uniform* (the same in two places), neither *total* (covering all policy arenas) nor *final* (a stagnant end-state) (McDonald, 2008; Brenner *et al*, 2010a: 2010b).

It is neither *universal*, *uniform* nor *total* firstly because the interface between contexts (countries, cities, regions) and neoliberalism is not linear and one-sided—where neoliberalism reproduces contexts in its own image (so that they are reduced to mere *artefacts*), but is rather more nuanced, with contexts becoming central authors, producers and defendants of the project (active *architects*) (Larner, 2003). The dynamic of spaces being both architects and artefacts of neoliberalisation is derived from treating neoliberalism as contingent and experimental, everywhere negotiating the 'frictional problems of transition' (Harvey, 2005: 71). These frictional problems arise from the interaction between neoliberal restructuring experiments and 'national, regional, and local contexts defined by legacies of inherited institutional frameworks, policy regimes, regulatory practices, and political struggles' (Brenner and Theodore, 2002b: 4). To this list might be added, inherited geographical spatial patterns and trends; for space is employed in neoliberal restructurings as a 'privileged instrument' (Lefebvre, 1978: 262,

[13]New York City's 1976 fiscal crisis (see Harvey, 2005); debt-induced structural adjustment beginning in 1982; and shock therapy after the dissolution of the Soviet and eastern European state socialism in 1989, among other crises

cited in Brenner and Theodore, 2002a), or as Leitner *et al* (2007: 6) put it, 'space is simultaneously an object of contestation and part and parcel of political strategy'.

These legacies are also explanatory of the *necessity* (i.e. why) and *purposes* (i.e. for what) (of adopting neoliberalism), and the *channels of diffusion* (i.e. how) (e.g. technical advice, lending conditions, and/or policy debates) (see Fourcade-Gourinchas and Babb, 2002). At the interpenetration (where such penetration does occur) of contexts (cities, countries, etc.) and protocols (neoliberalism), peculiar strands and variants of neoliberalism emerge, with concomitant spaces, techniques and subjects that are multiple or even contradictory (Larner, 2003)—ultimately redefining the project itself. Neoliberalism therefore 'rarely, if ever, exists in pure form', coexisting instead with 'elements from other discourses, strategies, and organisational patterns' (Jessop, 2002: 106, see also Peck and Tickell, 2007: 35; Leitner *et al*: 2007a). This coexistence of neoliberalism and other discourses and strategies can be equally explained by the fact that 'neoliberalisation and contestation operate simultaneously, not sequentially' (Leitner *et al*, 2007b: 318). In short then, whereas 'neoliberalism appears to have usurped globalisation as *the* explanatory term for contemporary forms of economic restructuring' (Larner, 2003: 509), 'rather than entailing the construction of some fully formed, coherently functioning, 'regime-like' state of neoliberal*ism* that has progressively expanded to encompass global regulatory space, the *process* of neoliberalisation has been articulated unevenly across places, territories and scales' (Brenner, Peck and Theodore, 2010b: 331).

Secondly, neoliberalism is not *final* and *total* because it is not an end-state, it is variegated (see Peck, 2009; Brenner *et al*, 2010a), contingent, and incomplete (hence processual, see Peck and Tickell, 2002). There are '*historical* shifts in the constitution of the neoliberal project' over space and time, exposing both its vulnerabilities and highly adaptive capacities. These 'significant *internal* shifts in its institutional form, its political rationality, and its economic and social consequences', have seen the emergence of concepts like post-Washington Consensus (Stiglitz, 1998; not paginated), and 'soft neoliberalism' (third way politics, see Arestis and Sawyer, 2005a; 2005b; Palley, 2005) in attempts to analyse restructuring strategies.

Theorised in detail in Peck and Tickell (2002) (see also Peck and Tickell, 2007), these shifts include (a) the movement from 'proto'-to 'roll-back' neoliberalism (1970s): initially adhering to pasting the theoretical protocols of neoliberalism, it later entailed the dismantling of the Keynesian regulatory arrangements; and (b) from rollback to roll-out neoliberalism: the construction of new states, spaces, and subjects in a technocratic and depoliticized manner (1990s). Most of the revisions here were a response to neoliberalism's own excesses and inadequacies revealed by the experiments of the preceding decade. The substantive nuances to these shifts are discernible in a robust examination of given cases with timelines spanning several decades (although in some actually existing experiments, the shifts occur at intervals shorter than a decade, (see for example, Harvey, 2005; Fourcade-Gourinchas and Babb, 2002). In its experimental nature, it is a 'mutative project' (Peck and Tickell, 2007) confronted by its own internal contradictions and the resistances it generates (Leitner *et al*, 2007), always evolving—its tactics revised, and its policy precepts adjusted. Consequently, its own evolution as an extra-local project must be continuously tracked, and its modifications through time analysed.

From another context, Larner (2000: 4, emphasis added) argues the same point differently, that 'analyses that characterise neoliberalism as either a policy response to the exigencies of the global economy, or the capturing of the policy agenda by the 'New Right', run the risk of under-estimating the significance of *contemporary transformation* in governance'. Perhaps the dilemma is not so much accounting for the shifts than it is to analyse their meaning for the project, through asking the simple question of whether these shifts represent a break with neoliberalism or are simply adjustments within it.

Neoliberalism is finally not *total* and *final* because it is a project riddled with internal contradictions, tensions and inconsistencies. The contradictions between the theoretical protocols of neoliberalism and its actual practices are most evident in the notion of an 'absent state'. Neoliberal theory, in its impassioned advocacy for the extension of the markets and the expansion of individual freedom, calls for the withdrawal of the state in the regulation of economic activity and social life. In reality, the project requires an active state that intervenes to ensure this very extension (and imposition) of market logics to all spheres of life, and to manage contradictions arising from such an extension (see Bretton Woods Project, 2000; Harvey, 2005; Peck *et al*, 2009). There are other disjunctures between policy intentions and policy outcomes, including (a) the call to tame the state, and the reality of an active state; (b) individual freedom, strained through imposed market logics; (c) liberalisation of financial institutions, and the need to regulate the speculative behaviour that follows such liberalisation; (d) competition as virtue, while monopolies, and oligopolies emerge as weaker players are forced out; and (e) the notion of the market as the optimal distributive mechanism, while inequalities are unleashed (Harvey, 2005: 79-81). Some of these contradictions between theory and practice are a result of the 'frictions' generated through, during and within the neoliberalisation of specific contexts (places, scales) (*ibid.*).

So that while the map above of the four reconfigurations characteristic of neoliberalism summarises some of the critical elements of neoliberalism's policy repertoire and regulatory regimes; their theoretical and analytical usefulness is limited by the variegated, contingent, and incomplete form of neoliberalism as a project (see Brenner and Theodore, 2002b; Larner, 2003; Harvey,2005; McDonald, 2008: 71). So that '[c]ongruence and coherence across policy domains…are not prerequisites for an active program of neoliberalisation to be underway' (Peck *et al*, 2009: 52). Instead, there are 'critical signifiers' to the process, including 'the growing ecological dominance of neoliberal structures, discourses, routines and impulses within state formations; the intensification of regulatory restructuring efforts and crisis-driven responses within neoliberal parameters; and the mutual interpenetration, heightened congruence, and increased complementarity of neoliberal reforms' (*ibid.*: 52-53). The 'critical signifiers' that Peck *et al* (2009) refer to are summarised in the four reconfigurations mapped above (i.e. scale, state, cities, and interspatial competition). The points made in the preceding paragraphs simply point to the fact that neoliberalism is 'geographically variable' as much as it is 'multiscalar and translocally interconnected' (*ibid*: 49; see also Leitner *et al*, 2007b).

Consequently, methodologically a need arises to study neoliberalism as a process rather than as a closed end-state, to discern the notable internal shifts in its form, content, and outcomes; and thus avoiding reducing a 'multifaceted process to its concrete manifestations' (Peck and Tickell, 2002: 36). In its 'unfolding', neoliberalism is better studied as *neoliberalisation*, calling for enquiries into the continual reworking of both its theories and its practices—and the disjunctures discernible. This not only provides a platform for tracing the impulses and the shifts, but also enables an engagement with 'the contextual *embeddedness* of neoliberal restructuring projects' (Brenner and Theodore, 2002b: 4). To distinguish this kind of exploration of neoliberalism in its variegated, contingent, and incomplete forms, Brenner and Theodore (2002b) coin the concept of *actually existing neoliberalism*. To study actually existing neoliberalism is to 'conceptualize neoliberalisation not as an all-encompassing global structure, but as a prevalent *pattern* of restructuring under post-1970s capitalism' (Brenner, 2009: 50). To analyse the 'actually existing', beyond and before the existing theoretical protocols, is to place real contexts (countries, cities, regions) at the centre of analyses of neoliberalism. It is to clarify that neoliberalism is not some comprehensive project simply imprinted *in toto* in blank spaces, but evolves (whether externally administered or internally originated) through frictions of transition, contested and revised—and never the same from one place to another, and one epoch to the next.

2.5. Concluding notes: the urbanisation of neoliberalism

There might be contestations around neoliberalism's 'existence, definitional characterization, historical prominence, societal contribution(s)…its processes of incorporation and the resultant complex and contradictory outcomes' (Conway and Heynen, 2006: 6), but this study contends that it is still a very elucidating tool to illuminate post-1970s regulatory transformations and economic restructuring. In its geographical variability and its translocal connections, its specific hybridities (co-existence and co-evolution with other discourses) and powerful family resemblances, the study acknowledges that neoliberalism's existence and precise forms in any given context cannot be presupposed (Leitner *et al*, 2007b: 316). Indeed, '[n]o two pathways to neoliberalism have been exactly the same, and neither is every contemporary trajectory headed for the same destination' (Leitner *et al*, 2007b: 315).

It is against this backdrop that the chapters that follow attempt to analyse a context—Johannesburg—to explore if the restructuring triggered by and premised on the collapse of racial capitalism was patterned by neoliberalism, and to analyse what regulatory forms and practices such patterning (if it exists) could have produced. If presence (of neoliberalism) is corroborated by evidence the chapters represent then an attempt to *locate* neoliberalism, to come 'to terms with', and to 'explain' its 'real conjunctural complexity', 'conditions of (re)production, characteristic features, and contradictions' (Leitner *et al*, 2007b: 316). Even if not conclusively, the chapters will attempt 'figuring out its relational and constitutive connections to extra-local sources, channels, and agents of neoliberalisation', 'a careful cross-referential mapping of the shifting political terrain' and 'relational analyses of those local conjunctures that together constitute the wider regime' (Leitner *et al*, 2007b: 316). The study will attempt to analyse as far as is possible here the 'complex, contested ways in which neoliberal restructuring strategies interact with pre-existing uses of space, institutional configurations, and constellations of socio-political power' in Johannesburg (Peck *et al*, 2009: 54).

Johannesburg is a city, a scale deliberately selected because indeed 'cities have become increasingly central to the reproduction, reconstitution and mutation of neoliberalism itself' (*ibid*: 50). Cities are not being neoliberalised, as 'incubators for, and generative nodes within' neoliberalism's reproduction, it is neoliberalism that is being urbanised (*ibid.*: 65; Brenner and Theodore, 2002b: 28-29). Each facet of, and each moment in the evolution of neoliberalism is defined by simultaneous (not sequential) processes of constitution and contestation (Peck *et al*, 2009: 65; Leitner *et al*, 2007b). Even then, neoliberalism remains 'a framework that powerfully structures the parameters for the governance of contemporary urban development' (Brenner and Theodore, 2005: 103). To analyse the urbanisation of neoliberalism is to add to the ‘powerful insights into that process of city-making that is both product and condition of ongoing social processes of transformation in the most recent phase of capitalist development’ (Harvey, 1989: 345).

In South Africa, Johannesburg is an important city, included in world cities rankings in Friedmann(1995) *World Cities beyond the Core list*, the UN Habitat’s global city ‘connectivity’ and ‘world city-ness’ list (ranked 29 out of 55) (Pillay, 2004: 353), the 1999 Globalisation and World Cities Study Group’s (GaWC, 1999) *Inventory of World Cities*, and the 2007 MasterCard Worldwide Centres of Commerce Index (number 47 of 50) (CoJ, 2008a). Johannesburg is the only city in the African continent to feature in all these rankings.

Despite the shifts in the structural composition of its economy, its ‘old history of economic advantage’ remains a critical resource, embedded in the ‘dense business, capital exchange and transport networks’, in its ‘telematics and conventional infrastructures’, ‘web of international firms’ and ‘highly competitive labour market for professionals and specialised service workers’, ‘capacity for global transmission and communication’ and ‘its increasingly digitised economy’ (Mbembe and Nuttall, 2004: 360). This is South Africa’s largest and wealthiest city; and as Roberts (2002: 10) puts it: ‘[f]ollow the planes in Africa’s skies—from London, Atlanta, Delhi—or trace the dust behind Africa’s buses or the direction of footprints, and you are more likely to end up in Jo’burg than anywhere else’.

It ‘constitutes an inevitable point of reference’, and in the post-1994 milieu, something more important—‘an indicator of the transformation process underway’ (Bremner and Subiros, 2007: 14). It is against this backdrop that it is selected here as entry point to analysing neoliberal urbanism in South Africa after apartheid, its existence, its forms and outcomes, and the connections and implications for the extralocal project.

CHAPTER 03

The Protracted Conception of an Alternative Local State

3.1. Introduction

The reconfiguration of the state in South Africa—its objects (intent and purpose), character and apparatuses, territorial organisation and scalar patternings—was a central element to the negotiations upon which the post-1994 political democratic settlement was to be premised. A culmination of a series of negotiated outcomes and transitional compacts; the settlement was envisaged as a solid antithesis to a capitalist development trajectory structured around racial segregation, and an embodiment of a synthetic set of ideas definitive of an alternative egalitarian society (ANC, 1994).

Inspired partly by international experiments at decentralisation (see Harrison *et al*, 2008: 80) and new localism (see Brenner and Theodore, 2002a) and necessitated primarily by pronounced local struggles (see Hunter *et al*, 2007), debates on the form, status and space of the local scale in the new structures and systems of governance in South Africa were accorded considered attention[14].In South Africa as well as elsewhere, '[l]ocal government is a central pivot of the state building entreprise' (Fakir, 2006: 8). The notion of *developmental local government* (DLG) emerges against this backdrop, recasting local government as an autonomous sphere driving development, growing local economies, guaranteeing social rights, and championing environmental justice (see Pieterse, 2002). Within the ambits of legislation that evolved during the various phases of local government transformation, there were flexibilities and rigidities introduced that structured the individual experiments in the each municipality across the country.

The distribution of powers and functions among and between the three interdependent but distinct and autonomous spheres of government within a cooperative governance framework, representing the recalibration of intergovernmental relations, received

[14] Symbolised in the establishment of a Local Government Negotiating Forum (LGNF) and other more localised such forums e.g. the Greater Johannesburg Metropolitan Chamber between 1990 and 1994

considerable attention only beyond the final phase (post 2000) of local government transformation (e.g. the Intergovernmental Relations Framework Act (IGR) (no.13 of 2005) was only passed in 2005). That recalibration did not crystallise organically, however desirable that could have been, but is consciously (even at present) being negotiated daily in the reworking of legislation against experience and new demands on the state, and in continuous efforts to achieve joint planning, budgeting and monitoring across the three spheres. These transformations are reshaping spaces like the city of Johannesburg, itself contested, simultaneously a site, generator and product of these processes[15].

With denationalisation as the primary characteristic of the scalar reconfiguration that followed the 1970s economic crisis, the new territorial organisation of the state after 1994 does dislodge the primacy of the national scale to produce instead three state scales (national, provincial, and local) that have relative autonomy, allowing for co-constitution and co-evolution between them. This chapter attempts to synoptically map a transforming local government, thus unraveling efforts at lending 'organisational coherence, functional coordination and operational unity' (Benner, 2003: 202) to state institutions for a development agenda. Although attention is given in this mapping to national trends and developments, there is a particular focus on the Johannesburg experiment—itself central in framing the terms of debate on the transformation nationally.

The pages that follow commence with tracing the genesis of the state institutional restructuring and scalar reconfiguration that produced the municipal entity and territorial unit that is Johannesburg after 1994. A few years into the restructuring effort that followed the signing of the Soweto Accord and the establishment of the Central Witwatersrand Metropolitan Chamber, an important development in the City of Johannesburg overtook the process and redefined its content in very fundamental ways.

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[15]see for example Hlongwane, 2009 on IDP as plan of all government, or CoJ, 2001a on interfaces between CoJ's local state transformation process and national local government transformation processes

That development is the 1997 financial crisis and the events that followed it, as explored in section 3. The financial crisis is an important entry point in a number of ways: (a) it represents the kind of crisis that makes states (including city governments) become prone to administration of neoliberal policy through conditionalities that accompany aid interventions (see Harvey, 2005; 2007b), (b) most crises of such nature are usually redefined as institutional crises as opposed to financial, leading to restructurings that impose new public management logics into the functioning of the state (see Jones and Ward, 2002) , and (c) depending on the response, it has foundational implications for the nature of state interventions in the political economic life of the city (Harvey, 2005; 2007b).

This is followed by a brief exploration of the most important pieces of legislation around which local state restructuring was designed. These are the laws that define the scope, form and content of local government after apartheid. This mapping should in the end assist us understand how the intents and instruments of local government evolved in Johannesburg have been influenced by the institutional design precepts of neoliberalism. Or even more importantly, what development imperatives are incorporated as intents guiding the restructuring, and which interests are likely to gain an upper hand within the confines of the new local state institution. In essence, this chapter is an analysis of the local state *institutional framework*, the first entry point to analysing the 'urbanisation of neoliberalism' in Johannesburg after apartheid.

3.2. Inheritances and the Genesis of Restructuring

The focus here is on the genesis of state institutional restructuring in the post-1994 period. Cronin (2003) borrows from Antonio Gramsci the notion of 'a state of reciprocal siege' to explain how the mutual dependencies generated by decades of racial capitalism imposed structural limitations to the weapons of opposition (mass resistance) and power (repressive minority rule), presenting negotiations as the most viable option out of the stalemate.

As a case in point, while the colonial-cum-apartheid regimes insisted that Africans were but temporary sojourners in the city, a white man's creation, the logics of accumulation saw to their absorption as cheap labour in the mines and factories of the city. The state's insistence on their transient nature was throughout the years discernible, for example in Johannesburg, in the incremental and disjointed approach to the development of black areas to the south west of the city—in the stops and starts in housing provision, the multiple but fragmented administrative authorities placed in charge of them, the plethora of confused pieces of legislation governing their development, the extension and withdrawal of certain rights for and of its inhabitants. The principle then was simple: sustain the migratory nature of cheap black labour, disallow ownership of urban land, discourage family life, dispose of surplus labour; and thus limit the emergence of more urban problems (Mandy, 1984).

But those black spaces south west of the city, the archetypical township of Soweto, metamorphosed daily through resistance and resilience into a permanent feature on the cityscape. As Chipkin (2008: 217) would years later remark, Soweto became the 'principal monument in Johannesburg to the age of Apartheid', one though, that 'Doctors Verwoed and Eiselen would have regarded with equanimity, for Soweto, the site of one of Apartheid's greatest triumphs, became the source of its greatest failures'. Cronin (2003: 19) sums up the outcome of the mutual dependencies by reflecting about the 'polarised but internalised, a contradictory but unitary space' that the country has become, a space most pronounced in its cities. It is in this state of reciprocal siege, when popular power generated by mass resistance interlocked and potentially undermined brute physical repression by a minority regime, that space was created for the negotiation of an alternative South African society analogous to the first clause of the Freedom Charter ('South Africa belongs to all who live in it, black and white').

South African cities, as it were, were to be crucial platforms and spaces where the actualities of the transformation project had to be grounded, if it was indeed to be carried through in a sustainable manner (Mabin, 2000; Turok and Parnell, 2009). They constituted the economic core, with the highest concentrations of people, and the uneasy co-existence of prosperity and squalor. It was in the cities' township streets and factory floors that apartheid was fought. The concerns with their disfigured forms, tainted fabrics, and mal-distributed life chances had to be central in structuring the contestations around the form and trajectory of restructuring. At a state territorial and functional organisation level, the central state was at the core of the state, with local government a mere tier—with an urban management system 'predicated on the notion that towns and cities can be compartmentalized into separate units presided over by separate local governments, with their own fiscal, legal, administrative and representative systems' (Planact, 1989/90: 5, cited in Tomlinson, 1994: 5).

It was the racialised, deliberately manufactured distortions in the system that generated the discontent that most notably exploded during and following the June 16 uprisings in Soweto in 1976. Although initially a struggle against the imposition of Verwoed's Bantu Education, it provided impetus for a series of boycotts and protests (sometimes violent) that were to bring the system on its knees by the 1980s. These include the burning of beer halls (then an important source of revenue for black areas), and the campaigns for non-recognition of the Black Local Authorities imposed by a 1982 Act, and bond and service boycotts in the 1980s. Despite the various 'state of emergency' declarations imposed and the presence of soldiers in the townships, the demands raised in the context of each of these acts of resistance pointed to the unsustainable nature of the entire system of racialised separate development (skewed settlement patterns, service delivery provision, housing delivery, and urban management) (Planact, 1989/90: 5, cited in Tomlinson, 1994: 5).

The alternative, according to the Soweto Civic Association and other organisations, was 'one city, one tax base'. Johannesburg 'had to be conceived as a functionally integrated metropolitan region constituting a common area of economic activity and a logical frame of reference for coordinated planning' (CoJ, 2001: 10). It could not be that the production that led to economic growth and prosperity of the city was collective, while the consumption and distribution of opportunity was racially selective. If uneven development is an inherent structural outcome of capitalist development, the disjunctures and disparities of the apartheid city were a product of deliberate segregationist policies and legislation that apportioned life chances across the city space according to race. According to race, the apartheid city '[sought] to exclude residents who cost the tax base more than they contribute. For example, through land-use regulations that exclude undesirable or low-rateable forms of development, or the creation of high entry costs' (Wooldridge, 2002: 128, also Gotz, 2009). The struggles then, were a call for the recognition of the unitary nature of the city space. The signing in 1989 by the White City Council and the Soweto Civic Association of the Soweto Accord[16] and the establishment of a Central Witwatersrand Metropolitan Chamber (CWMC)[17] signaled the beginning of the unraveling of the apartheid city in Johannesburg, but most importantly, the genesis of negotiations nationally for an alternative local government system[18].

Until the time of the crystallisation of an agreement in the National Local Government Negotiating Forum (LGNF) (formed a year after the CWMC) as embodied in the 1993 Local Government Transition Act ((LGTA), no. 203 of 1993), the CWMC discussed policy options through its various working groups (including the allocation of powers and functions of the envisaged local government structures) 'in a legislative vacuum', with

[16] 'In terms of the Soweto Accord, the Chamber was charged with negotiating the modalities of implementing the following: [t]he writing off of rental arrears; [t]he introduction of new service tariffs; [t]he ending of the rent boycott; [t]he establishment of joint technical committees; and [t]he creation of a Greater Soweto People's Fund' (Hunter *et al*, 2009: 156)

[17] It comprised of statutory (existing white local authorities) and non-statutory (civic organisations and political parties) members, and included as observers interested parties like Eskom and Rand Water, and the Chambers of Commerce. Chaired by Dr. Frederick van Zyl Slabbert, it included on behalf of the SCA and Soweto People's Delegation's key negotiators such as Cyril Ramaphosa. Providing technical support to the SCA/SPD from Planact were Mark Swilling, Billy Cobbett, Andrew Borraine and Roland Hunter (Op cit).

[18] Remarking on the historic significance of the CWMC, Hunter *et al* (2009: 155) write that '[b]etween April 1991 and December 1995 the GJMC was to become a laboratory of local government experimentation and thought for the country'

'no national guidelines regarding what the 'new' local government system would look like' (Wooldridge, 2000, cited in CoJ, 2001: 11). Despite this shortcoming, the CWMC (up to its formal recognition nationally as a statutory forum within the framework of the LGTA and its subsequent renaming in late 1993 into the Greater Johannesburg Local Negotiating Forum (GJLNF)) was able to simultaneously manage, even if temporarily, the crisis and conflicts that had necessitated its formation in the first place, and blaze trails in urban policy development (CoJ, 2001). The newly established statutory forums[19], at least in metropolitan areas, had to 'select a model of local government for their area; define the area's external boundaries; define boundaries of internal metropolitan substructures (MSSs); and [...] agree on the allocation of powers and functions between the Transitional Metropolitan Council [TMC] and the MSSs' (CoJ, 2006a: 25). This work would culminate two years after the passing of the LGTA in the election of transitional councils throughout the country, ushering in the interim phase in the transition. Through the LGTA then, the LGNF 'sought to create a single framework to give direction and consistency to the myriad of emerging local processes' through establishing 'a process whereby the previous racially fragmented municipal areas could be combined into single bodies' (SACN, 2007: 13).

Within the ambits of the LGTA, what followed in Johannesburg is a series of heated debates, particularly around the question of (internal) boundaries and the distribution of powers and functions across the (internal) tiers envisaged, comprising a core transitional council and a set of substructures. Redemarcating internal and external boundaries, could not merely be about some arbitrary drawing of lines on a map; for it determines for a given area of jurisdiction (inter alia) (a) the size and character of the populace; (b) the financial viability of the municipality (location and spread of tax base versus expenditure pressures);(c) the size, extent, form and fabric of settlements; (d)the sustenance of important socio-economic networks; and (e) relations between the emerging municipality and its adjoining counterparts (Bekink, 2006: 146). While

[19] Which Schmidt (2008) reads as symbolic of a bottom up process that was inclusive and based on consensus rather than an imposed top down final restructuring package, an important principle that was later reinforced by the notion of 'spheres' as opposed to 'tiers' in government.

amalgamation of hitherto racially fragmented and variously (dis)empowered local authorities (White municipalities, Black local authorities, and Indian and Coloured Management Councils) required radical organisational change management (e.g. merging of asset registers, accounting and billing systems (see Pieterse *et al*, 2008), it also entailed as a point of departure their very dismantlement (even if gradual).

So the debate about the size and number of municipal substructures in Johannesburg prior to 1995 was simultaneously a debate about the levels of racial integration, the (relative) powers and functions of substructures (weak or strong substructures), and the internal boundaries that could reconcile both. The resolutions brokered, at times through arbitration, in these discussions culminated in the enactment on 3 December 1994 of Provincial Proclamation 24. Placing the central metropolitan transitional council (TMC) at the centre of the transition, it bestowed on this structure the responsibility of 'managing a process to wind down the old administrations corresponding to the dissolved councils, and capacitate the new MSSs', 'whereby each MSS would submit a management plan to the TMC, detailing the organisational structure, financial plan and budget, capacity requirements, and powers and functions required by the MSS' (Wooldridge, 2000, cited in CoJ, 2001: 15).

It is through these plans that the TMC would be able not only to allocate powers and functions in line with the respective requirements, but also transfer accordingly the assets and human resource inherited from the dissolved administrations (op cit). As opposed to the eight substructures that the Democratic Party (DP) and the white municipal councils were arguing for in the LGJNF, the three that the African National Congress (ANC) was advancing, or the final seven that the LGJNF finally agreed upon; a Special Electoral Court ruled on June 20 1995 in favour of four MSSs for Johannesburg following a dispute between the Provincial Legislative Committee on Local Government and the Premier. With 'rather odd boundaries', the MSSs served to 'locate a large low-income population with a tax base and a pre-existing white local authority (that is, with institutional capacity)' (Tomlinson, 1998: 7, cited in CoJ, 2001: 16). And to the dismay of those who had worked hard for a strong metropolitan council with weak substructures or local councils, a Provincial Proclamation 42 was passed[20], allocating to the substructures original local government powers and functions (constituted as fully-fledged councils (see CoJ, 2006a: 26), and effectively reducing the TMC to a coordinating body with limited powers (*ibid.*: 25). An example is that of the electricity and water, where the TMC was responsible for purchase and transfer of bulk services, but the MSSs were charged with delivery and billing to customers, leaving the TMC with no guaranteed revenue (which was accruing to MSSs without an instrument forcing them to deposit revenue into the coffers of the TMC). Despite attempts at reinforcing the strong metro approach through a Joint Negotiating Committee (JNC) report adopted after the 1995 elections recommending an integrated service delivery approach with the TMC in charge; a Second Amendment to the LGTA reinforced a two-tier system of local government in the city. And so the work ensued of separately and independently setting up processes and systems, designing policy frameworks for governing the varied MSSs areas, leading to disjunctures and duplications with far-reaching effects for the future and vast room for the nostalgic to harken into past practices of now-defunct racial administrations. In an organisational review report commissioned by the City, PriceWaterhouseCoopers uses the example of the use of five different financial and billing systems throughout the five municipalities to demonstrate the confusion that followed (PriceWaterhouseCoopers, 1998: 21-22).

Interestingly, the institutional arrangements in Johannesburg were not imposed by the provincial demarcation board or national legislation in areas such as City of Cape Town, but emerged as resolutions of the local negotiating forum (in this case the Cape Metropolitan Negotiating Forum). And as opposed to Johannesburg, where the statutory representatives are ones who pushed for a strong metro (although later defeated), it was the non-statutory representatives who lost the same battle in Cape Town. (See McDonald, 2008: 119, and CoJ, 2001: 14). These arrangements were to make this phase (1995-2000), was the most turbulent moment in the transition for the City, but

[20] This happened despite the protests by municipal workers who took to the streets and 'thrashed the city, broke shopfront windows, smashed cars and overturned dustbins' (CoJ, 2001a: 164) in response to the proclamation

also one that was to catalyse the production of that City's most solid structural and systematic redesigns and strategic vision.

Faulted for its preoccupation with processes, the LGTA did not venture into the nuanced substantive discussions that were to characterise later legislation and policies structuring local government (Wooldridge, 2002: 131; CoJ, 2001a: 11, PACD, 1998: 13). In its nature foundational, the LGTA was generated from below largely as a response to the crisis imposed on society by the deficiencies yielded by years of legislated separate development. Although it did not provide a comprehensive and final contribution to the 'one city, one tax base' call by not sufficiently changing 'local government and revenue sources', it 'did underpin a major process of boundary changes which led to huge shifts in patterns of resource allocation' (SACN, 2007: 13).

Unlike the abrupt stops and starts that characterised negotiations at Kempton Park, the deliberations on local government restructuring moved swiftly, although not without their own complexities. Examples of these complexities include the fact that many of the resourced white local authorities robustly attempted (and even succeeded on occasion) to negotiate themselves out of the new metropolitan boundaries at the time of redemarcation. For example, Sandton and Randburg's refusal to partake in the CWMC in its early years, and Bellville and Tygerberg's refusal to be merged with Khayelitsha in the demarcation of substructures. The non-statutory representatives and structures were almost always beset with resource constraints that limited their participation in the negotiating forums (Wooldridge, 2002, and McDonald, 2008). On a positive note, the explanation for these relatively smooth deliberations, according to McDonald (2008: 112), lies in the fact that on 'the surface of things, […] the deracialisation of local government and standardization of its relationship with other spheres of government presented an apparent win-win situation, with possible benefits for everyone'. It was inevitable then, that beyond agreement on deracialisation, democratisation and (some ambiguous notion of) redistribution, the objects, structures and systems of local government were to continue to generate heated (and sometimes confrontational) debates for years during and after the transition (see Wooldridge, 2002: 132). While there was generic consensus on the inefficiencies and disjunctures generated by the apartheid city, the details of an alternative order were as yet ambiguous and poorly defined. Summing up part of the confusion, the Foundation for Contemporary Research observed:

> '[M]etropolitan government has many meanings: for some it is a political victory over (the more inclusive) definition of the city and the recognition of citizenship within the city. For others it invades the psychological boundaries of the 'local' and represents a threat to their claim on the city. For some it is a means of redistribution and gaining access to the wealth produced in the city, to others it is an attack on lifestyle and economic interests. To some it is the beginning of city-wide democracy, to others an exercise in gerrymandering to suburban voice' (Foundation for Contemporary Research, 1998: 1, cited in Wooldridge, 2002: 129).

Ultimately, the LGTA and the developments it spawned should be scrutinised as part of the 'larger deal for non-racial democracy in the country as a whole', and that it was 'as such fraught with the same kinds of compromises that were made to pave the way for peaceful, multiparty national negotiations and elections' (McDonald, 2008: 114). These contestations and compromises represent the early years of the attempts to define a local government system for Johannesburg after apartheid.

3.3. The 1997 financial crisis, and creative destruction

This section focuses on the City of Johannesburg's 1997 financial crisis and the developments that followed from it; particularly the *iGoli 2002* restructuring plan and its implications for the local state in Johannesburg.

The final Constitution of the Republic (Act 108 of 1996) and the various pieces of policy and legislative frameworks (notably the White Paper on Local Government(WLP) (March 1998), the Municipal Structures Act (MSA I) (117 of 1998), Municipal Demarcation Act (27 of 1998), and the Municipal Systems Act (MSA II) (32 of 2000)) that emerged between the election of the transitional councils in 1995/6 and the first fully-fledged LG elections in 2000 defined variously the purpose of local government, summed in the directive concept of 'developmental local government' (DLG). Within the rubrics of DLG, 'the municipality becomes the primary development champion, the major conduit for poverty alleviation, the guarantor of social and economic rights, the enabler of economic growth, the principal agent of spatial or physical planning and the watchdog of environmental justice' (Parnell and Pieterse, 2002: 82). But this vision was to crystallise through a series of consultations that drew heavily from the concrete experiences of municipalities across the country during this period, for it was in these municipalities that some of the most brutal birth pains of the new era were deeply felt.

One such experience is the financial crisis that hit the GJMC and its MLCs in the winter of 1997, later attributed to the compromises made in the pre-interim phase, as contained inter alia, in Proclamation 42, and the LGTA Second Amendment. The investigations commissioned and conducted as foundational to the response that emerged to the crisis concluded that '[a]though the crisis in Johannesburg manifested itself as a financial problem, it is symptomatic of a deep underlying organisation crisis', 'caused by a large number of factors working together in a vicious cycle, fuelled by an environment of suspicion, mistrust and a basic lack of communication' (CoJ, 2001: 22, 31).

For three months, the GJMC could not pay its creditors even as its actual capital expenditure was soaring and budget deficit deepening, issuing high interest rate call bonds as an emergency measure to navigate the budget shortfalls. The City's credit rating declined dramatically, and borrowing became extremely difficult as '[b]anks refused loans and overdrafts carried exorbitant charges' (*ibid.*: 22). Whether a trigger or a worsening factor, commentators also point to the added constraint posed by a decision by the national Department of Finance ('a November 1996 amendment to the LGTA') to disallow offshore borrowing by local governments—which prevented the City engaging funds it had already successfully sourced overseas (see SACN, 2007: 14, and CoJ, 2001: 23). The most vivid manifestation of the crisis that drew public attention and prompted immediate action was the R300m owed to ESKOM for electricity bulk supply, which despite several attempts could not be raised.

The City cites as some of the central causes of the crisis,

> 'a split in responsibilities between metro and MLCs, with the former responsible for buying bulk services, and the latter for selling these to consumers and collecting revenue from the sales; aggressive capital budgets not supported by secured finance, resulting in reserves being eroded; an inability to motivate communities to pay for services, together with an unwillingness to budget for bad debts; as well as a rates revolt amongst Sandton residents and businesses' (CoJ, 2006a: 11).

The two-tier arrangement in the administration did not only yield 'fragmented revenue and expenditure arrangements' as demonstrated most vividly by the ESKOM arrears case, but also amounted to duplication in functions and services within and between the GJTMC and the MLCs, ambiguous understanding of roles, responsibility and accountability, different (and sometimes conflicting) policies and procedures and incompatible systems preventing harmonisation between the GJTMC and the MLCs. But most disconcertingly, it 'prevented the use of cash generated in richer sub-structures to be applied to poorer substructures' (SACN, 2007: 14), as amply demonstrated by the case of the ELM in Johannesburg which 'took the Metropolitan Council to court for placing a 'levy' on its outcome, to be used to provide municipal services in the rest of the city' (Wooldridge, 2002: 132)[21].

The 'overly-aggressive capital budgets' in the financial years 1995/6 and 1996/7, in Johannesburg and in several other municipalities across the country (Department of Finance, 2000, cited in CoJ, 2001: 24), have been attributed to the urgency with which municipalities sought to deal with infrastructural backlogs. Eager to demonstrate tangible progress on redistribution and redress, a central pillar of the 'one city, one tax base' slogan, councils unconsciously de-emphasised in their budgeting the critical

[21] The court ultimately ruled in the Metro's favour non-the-less

question of availability of finance for capital projects. These funds (at least in the case of Johannesburg), in the absence of any forthcoming credit ('the banks preferred to treat the Metro as a new institution with no credit history, and were skeptical of its structural arrangements' , were sourced through the expensive call bonds and drawn from the City's 'already stretched reserves' (CoJ, 2006a: 26). This was despite the fact that a Municipal Infrastructure Investment Framework (MIIF) was drafted in 1995, setting out the 'financial mechanisms and an institutional approach for overcoming service delivery backlogs', where capital expenditure in municipalities could be financed 'through a combination of the redirection of existing local resources together with recurrent and capital grants and loans for capital development', and stretching the timeframe for eliminating backlogs from five years to ten years (SACN, 2007: 14). Unfolding on the ground in Johannesburg around that time, was a short-term approach to redistribution funded solely through the 'redirection of existing resources'. Had systems and processes been properly intact, contend Ketso Gordhan and Roland Hunter, 'large-scale capital spending is never a problem *in and of itself*', rendering the inclination to 'blame the crisis on 'aggressive' capital budget' 'too simplistic' (CoJ, 2001a: 24).

The continued tendency of non-payment for services in the townships, generated in the 1980s as part of the resistance struggles, and the rates boycotts in then white areas like Sandton, further crippled the municipality fiscally by creating serious budget shortfalls. This unfortunately, exacerbated by poor billing systems and a genuine inability to pay for some households, was coupled with the lack of budgeting for bad debt. As Lodge (2002: 88) reflects:

> 'For traditionally under-taxed Sandton residents, the new rate scales in many cases represented threefold increases. Altogether 24 suburban associations, united under the leadership of the Sandton Federation of Ratepayers' Associations (SANFED), announced a rates boycott and opened a bank account into which ratepayers could make monthly deposits equal to their old taxes plus 20 percent…The boycott was to drag on for two years before fizzling out

(eventually a court found in favour of the metropolitan council), but by then the city had lost around R200 million in unpaid and unrecovered revenue'.

The amalgamation of hitherto 'dormitory' black local authority areas and rich white local authority areas 'with a tax base', creating huge financial constraints for the new structures attempting programmes at redress; coincided with a 'capital drought' sparked when the National Department of Finance 'reduced the country's central-local operating grant system by 85 percent (after inflation) from 1991 to 1999' (Bond, 2007: 123, see also CoJ, 2001: 24).

Beyond the mere existence of different (and sometimes conflicting) policies and procedures and incompatible systems, between the GJTMC and MLCs and within each; there were no clear prioritisation mechanisms and instruments or a performance management system, both of which could have assisted in channeling the limited resources in a sequenced manner to programmes and projects that would serve as milestones towards some form of coherent and integrated city vision.

These are some of the challenges arguably individually and collectively accountable for the crisis. Whatever the diagnosis of the challenge is, in the winter of 1997, the City of Johannesburg was technically bankrupt. And inevitably, as arguably the most important city in the country, the moment of explosion of the crisis caught attention from varied quarters (other spheres of government, business, political parties, communities)—rekindling the famous question of Russian revolutionary Vladimir Lenin, 'what is to be done?'. For it was clear for all to see, '[t]he bubble had burst in the biggest and most powerful metropolis and Johannesburg was forced to admit that it was in a serious crisis' (CoJ, 2001: ix).

The Development Bank of Southern Africa (DBSA), following engagement with the City, the Gauteng Provincial Government (GPG) and National Department of Finance (Treasury), granted an emergency loan to the GJTMC as a rescue intervention. Following one of the conditions attached to the loan (CoJ, 2006a: 26), the Member of the Executive Council (MEC) for Development Planning and Local Government (Sicelo

Shiceka) issued a notice in terms of Section 139 of the newly adopted final Constitution. Section 139 'authorises a Provincial Executive to intervene if a municipality "cannot or does not fulfill an executive obligation in terms of legislation"' (de Visser *et al*, 2000: 7) (. According to Pascal Moloi (2011), it was the municipality that proposed the provincial intervention following the eruption of crisis, in the same way that they approached national treasury to set the terms of a restructuring grant later offered to the City. The intervention entailed setting up an interim management committee, comprising two councilors from each of the five councils, tasked with stabilizing the financial situation. The mandate included: a quick review of budgets of all councils; making provision for the budget shortfall; blocking all capital projects except those already under way; design of policies that would immediately increase payment of rates and services,; converting expensive short-term call bonds into long-term loans; restructuring the financing of capital expenditure; and the rationalisation of functions and human resource use. This responsibility extended to '[i]dentifying core functions that needed to be performed by local government, including those functions that would generate income or profit for the local authority and those that could be outsourced' (CoJ, 2001: 36).

With the establishment of the Committee of Ten, power was transferred from officials to politicians (for officials were suspected to have misled councilors by keeping quiet while the 'city was sliding into debt' (CoJ, 2001: 37)), creating space for quick decision making. An expanded Committee of Fifteen (C15) was given additional responsibilities through an amendment to the original provincial notice.

Notably, in line with the emerging thinking nationally (encapsulated in the 1996 Growth, Employment and Redistribution (GEAR) strategy), the C15 was tasked with initiating public-private partnerships (PPPs) (or Municipal Service Partnerships (MSPs) and 'finalising and implementing the change management plan proposed by the organisational review to ensure the cost-effective performance of existing functions' (CoJ, 2001: 39-40). A Programme Manager for PPP, Prem Govender, was appointed, followed shortly by a procurement of services of consultants with international expertise on PPPs, and enlisting the guidance of the DBSA's Municipal Infrastructure Investment

Unit (MIIU). The work was broken down into 'disposition of assets—i.e. shedding of non-core activities (Metro Gas, power plants, fresh produce market and the Rand Airport); and accessing private sector financing and operating efficiencies (information technology, emergency services, and bus and fleet management)' (Govender and Aiello, 1995: 6). The amendment to the notice specified in terms of PPPs, the need to:

> 'develop and implement programmes and projects according to an approved policy on MSPs; finalise negotiations with private sector partners for the packaging of MSP projects in Greater Johannesburg and the respective MLCs; finalise MSPs on the following projects: fleet management, power stations, fresh produce markets, Rand Airport, Metro Gas, emergency services, information technology; identify other potential MSP projects for economic operation, including land and buildings and other council assets' (Govender and Aiello, 1999: 5).

Among the major recommendations from the organisational review were: a strong metro and weak substructures (a single-tier metro), distinction of the various types of services and differentiation between delivery and regulation, separation of core and non-core activities, and a client-contractor relationship for non-core activities. In addition, the C15's mandate was extended to include: compilation of the 1998/99 financial year operating budget for all the five councils plus a realistic 5-year operational/capital budget, source finance for unfunded capital projects from the previous years, and setting achievable targets for collection of outstanding debt.

The C10 and C15 were adhoc interventions, and noting the progress that was being made, the five councils resolved unanimously in 1999 to constitute a structure that would focus seriously on restructuring—and a Transformation Lekgotla (chaired by ANC councillor Kenny Fihla) with powers and functions ceded to it by the councils and reporting to the GJTMC, was established. It was to investigate (potential sources of loan finance, income generation strategies, expenditure controls and cash flows), review (financial management systems, management information systems), set (land development objectives, and partnerships and joint ventures) and coordinate (labour relations, communications, infrastructure and service delivery, housing projects, integrated development planning) (CoJ, 2001).

As the financial situation stabilised, expenditure curtailed and credit control enhanced, the Transformation Lekgotla established a Budget Office and a Central Assets and Liabilities Committee (CALC), sold assets (Metro Gas and Rand Airport), and appointed a new management to steer a speedy reconfiguration of the council(s) (CoJ, 2001a; 2006a). The small team, which included a Privatisation Specialist (CoJ, 2001a: 42), was led by Ketso Gordhan, a former United Democratic Front (UDF) activist and Director General in the national Department of Transport credited among other things for overseeing the 'most ambitious privatisation project undertaken in South Africa [until then]—the N4 toll road concession' (Govender and Aiello, 1999: 6). It included former Head of Department for Finance and Economic Development for Gauteng, Roland Hunter as Chief Financial Officer, a former Planact[22] employee, and member of the Technical Committee of the Soweto Civic Association Pascal Moloi as Transformation Manager, and a former trade union lawyer, Makgane Thobejane, now as a labour relations specialist in the Office of the City Manager. Thus, not only were these very senior technocrats at various levels, but also activists who had contributed directly or indirectly in the anti-apartheid struggle and had participated actively in shaping perspectives on local government in the pre-interim phase. Patrick Bond (2009), himself associated with Planact in earlier years, was to ponder reflectively on the role played by former Planact activists in oiling neoliberalism in policy and practice in a paper: *Neoliberal Urban Policy: Are Those Planact Fingerprints?*

With work already cut out for them following the various committees and their interventions, and after a series of workshops (including the iGoli Transformation College (ITC) workshops) and meetings largely comprised of internal stakeholders in the city, Gordhan and his team were to release a restructuring plan for the city—famously named *iGoli 2002*. Adopting one of the many names that Johannesburg has, iGoli, and the target final year of the three-year plan, 2002, the restructuring plan was

[22] A service organisation central to the CWMC and Soweto Accord processes

evocatively themed: 'making the city work…it cannot be business as usual' (CoJ, 1999). At the heart of what should change, according to the plan, was the structure and function of the City bureaucracy. As the plan would have it, the 'challenge is to transform the current bureaucracy into a business approach', precisely 'because the city is a 'big business'' (CoJ, 1999: 6). This transformation was about 'getting the basics right' for a Johannesburg that distinguishes itself as 'world-class, globally competitive city over the medium to long-term period', a vision that was later articulated in *iGoli 2010* (*ibid.*: 6-8).

Proceeding from the logic of a 'business approach' to governing the city, the plan's most important features include the introduction of a single metropolitan council (a unicity) for Greater Johannesburg. Such a council would have a core administration that includes (a) community services; (b) planning and development;(c) corporate services and finance;(d) infrastructure and contract management; (e) a metropolitan police force and a metropolitan transport authority;(f) centralised contractor for arts and culture, museums, sport and recreation and emergency services; and (g) regional directors contracting for local community services. Water and sanitation, electricity and waste management would be provided through utilities, while roads and storm water, parks and cemeteries would be the responsibility of agencies. Metro Gas, some land and housing, the Fresh Produce Market, Rand Airport, and stadiums, would be privatized. There would be corporatization of the zoo, the Civic Theatre, farms, the establishment of a housing company, and a focus on property and projects, urban and economic research and promotion and special projects. Other important initiatives would include a financial plan, special projects, and a labour relations strategy (CoJ, 1999). Water and sanitation, electricity, and waste management constitute trading services that are financially viable, and have the capacity to generate surplus. To introduce flexibility, and enhance efficiency and incentivise performance, improve service coverage and quality, increase revenue, and introduce customer care; trading services are better managed through utilities, companies registered in terms of the Companies Act, with the municipality as the sole shareholder. The three utilities are City Power (electricity), Johannesburg Water (water and sanitation), and Pikitup (waste management). Another set of companies, agencies, managing services that do not generate income from user fees, include Johannesburg Roads Agency (JRA) (roads and stormwater management) and Johannesburg City Parks (cemeteries and parks). Corporatised entities, companies still partially reliant on subsidies, include Metrobus, Johannesburg Fresh Produce Market, Johannesburg Zoo, Johannesburg Civic Theatre, Johannesburg Property Company, Johannesburg Development Agency, Metro Trading Company, Johannesburg Tourism Company, and the Johannesburg Social Housing Company (op cit). In these arrangements and structures, almost all the PwC organisational review recommendations and the MEC directives in the amendment that led to the establishment of the C15 had seen the light of day.

The *iGoli 2002* design was based on the principles of *economic decentralisation*, *substantive control*, and *internalised accountability* (Savage *et al*, 2003: 18). 'Economic decentralisation' means bringing together all dimensions of a given service entreprise under a single point of decision-making and accountability thus incorporating the costs/revenue and delivery/maintenance under one decentralised economic unit. 'Substantive control' means that Council maintains control over the selection of policy priorities, determination of resource allocation options, service strategies and service standards while ceding control over all operational matters to the decentralised economic unit/ service entity. 'Internalised accountability' is about clarifying roles to enhance internal accountability and therefore avoiding the externalization of costs and blame (*ibid.*). From these design principles evolved a *client/contractor split* in the organisation of functions, i.e. the Council, Mayor and his/her Committee, and the lean core administration is a 'client' exercising substantive control over a series of 'contractors' (the decentralised economic units/service entities). Utilities, Agencies and Corporatised Entities (*UACs*) were established as relatively independent companies in terms of the Companies Act (15 of 1973) responsible for specific large service functions, and *administrative regions* to manage social development (without political power, unlike earlier MLCs). *Centralised distribution functions,* i.e. those carrying statutory and regulatory functions that cannot be contracted out, e.g. the Metropolitan Police Department (JMPD), Emergency Management Services (EMS), and Arts, Culture and

Heritage (ACH), a *small and less cumbersome core administration*, and a *strong regulatory mechanism* (a contract management unit (CMU)) were put in place (*ibid*.: 19-20).

The plan was met with lots of opposition, from the South African Municipal Workers Union (SAMWU) and Independent Municipal and Allied Trade Union (IMATU), the Anti-Privatisation Forum (APF)[23], and left leaning academics (mainly from the University of the Witwatersrand). Despite this, Gordhan and his team were to claim 84% success rate by September of 2000 in implementation of the goals set out, pocketing bonuses in the region of R600 000 as a token of appreciation (Haffajee, 2000). The challenge of lack of community input into the plan was central, as Hlubi Biyana, then secretary of SAMWU's Johannesburg branch reflects: '[w]e thought the Council should have begun by meeting communities, finding out their needs and, on the basis of this, evolving new institutions geared to meeting needs' (cited in CoJ, 2001: 66). This omission was to lead the unions to conclude, rather dismissively, that the plan was an ill-conceived brew of 'textbook solutions' cobbled together by a man in a rush for credit, empty of any solid grasp of real dynamics within the city. Consequently, the 'document reduces all problems faced to the twin problems of finance and institutional design, and in the course of evolving the solutions to institutional design again makes the design contingent on narrow financial concerns modeled on 'big business'' (SAMWU, 1999, cited in CoJ, 2001: 67). And indeed, the preoccupations with the financial crisis and restoring stability were to be critical (if not consciously overriding) considerations in the restructuring process. Privatisation of assets represented 'less than 3% of the council's business' according to the City. It still generated the most charged reaction from the various organisations, making 'anti-privatisation' a central pillar of the 'anti-iGoli 2002' campaign.

[23] Then a loose forum including many structures that today would find it difficult to unite at any strategic level with APF the social movement; structures involved included the South African Students Congress (SASCO), the Central Johannesburg branch of the South African Communist Party (SACP), Democratic Socialist Movement, Workers Organisation for Socialist Action, and others

Privatisation was expanded in these interpretations to encompass corporatisation of the council, and the overall adoption of 'new public management' (NPM) principles in the proposed model for governing the city. These developments are summarised most succinctly in the phrase in the plan which proposed that the plan would: 'transform the current bureaucracy into a business approach because the city is a 'big business'. These NPM principles centred on notions of 'efficiency' and entailing fiscal prudence, performance management, flexible specialisation and procedural exceptionalities, PPPs, contracting (outsourcing, subcontracting, etc.), downsizing and rightsizing, cost recovery—basically the importation of private sector practices into the public sector (see Pieterse,2002: 8, also Harrison, 2006 on the mutations). Talks with the Unions and the NGOs collapsed irretrievably, and Gordhan (2000) dismissed the debate on privatisation as irrational, something that could never be resolved (cited in CoJ, 2001a: 73). Gordhan was to return to this point: '[w]e have asked, '[w]hat is your problem exactly when we have covered all your concerns on ownership, profit, job losses'…'[t]hey come back to the same point over and over again, '[p]rivatisation has failed everywhere in the world'. That is 'not something we can engage in rational debate' (Gordhan, 2000, cited in CoJ, 2001: 73).

Concerns included: (a) massive retrenchments in the transition (which were deemed inevitable); (b) the crippling of the broader agenda of transformation against the backdrop of the inevitable commodification of basic services that would erode the redistributive ethos of the CWMC local government vision; and (c) the insulation from democratic processes of daily operations, management and functioning of the emerging Utilities, Agencies and Corporatised Entities (UACs). For those voicing concern from within the ANC, the most important question was that of political oversight over the UACs, which the new structure potentially deemphasized (CoJ, 2001: 74). However, disturbingly for SAMWU (1999: 1) at the time, '[t]he plan will have far-reaching strategic and political effects on the city, especially on people's living standards', and 'will influence restructuring in every city in South Africa' (1999: 1). While the former concern continues to generate debate, particularly the impact of *iGoli 2002* on standards of living as it relates to service delivery; the latter, that the restructuring experiment (specifically the UACs component) would be emulated in other cities in the country, was never realised. Some of the legislation that was to be passed in later years, most prominently the Municipal Finance Management Act (MFMA) of 2004, were to prove highly restrictive for the easy establishment of municipal entities in other municipalities across the country, so that 'none of the other…cities have followed the [Joburg] model' (SACN, 2007: 71).

In its brief text, however, the plan conveyed a broader development objective embedded in its ethos, 'to turn the City of Johannesburg into a more outward-looking, growth-oriented institution that focuses on economically sensible investments in order to promote a dynamic rates base' (CoJ, 2001: 129). The goal of the iGoli 2002 plan was 'about laying foundations for a world-class city' (Topham, 2000, cited in *ibid.*: 128). What that objective meant for the City and for local government of South Africa's cities in general, was yet to be deconstructed and solidified in later years.

3.4. The legislative framework

The City, in December 2000, finally became a unitary metropolitan municipality ('unicity') with decentralised and also corporatised service-delivery entities' and not longer a 'collection of fragmented apartheid entities' or 'a two-tier metropolitan structure', (Hunter *et al*, 2009: 146). But while Johannesburg was grappling with reworking its institutional arrangements to enable 'growth with sustainability', critical pillars of local government were being erected through the enactment of key pieces of policy and legislation. 'Growth with sustainability' was in the Joburg instance contemplated to mean 'accelerated economic and social development and effective service delivery, while ensuring financial stability and sustainability' (Savage *et al*, 2003: 17).

The final Constitution, as already alluded to, envisaged the local sphere as an autonomous but interdependent sphere of government that is democratic and accountable, within its administrative and financial capacity striving to design programmes with the communities they serve, providing services in a sustainable manner, and actively promote socio-economic development and a safe and healthy environment (see s152 (a)-(e) of the Constitution (RSA, 1996).

After almost two years of research and consultation, the White Paper on Local Government (WPLG) was published in March1998; it analysed the existent reality of local government at the time; mapped the character, outcomes and tools for developmental local government; ventured a framework for cooperative government; suggested institutional, political and administrative systems; outlined a framework for municipal finance; and plotted the transformation process (Provincial Affairs and Constitutional Development (PACD),1998). Among other things, the WPLG acknowledged that the transitional arrangements in metropolitan councils, in particular the two-tier system, did not provide for optimal mechanisms for 'intra-metropolitan redistribution' which resulted in significant tensions; and the perpetuation, even in amalgamated councils, of old administrative practices and arrangements (hierarchical departmental arrangements, authoritarian management practices, etc.) (*ibid.*).

In the sketchy analysis in the WPLG of global and national trends, it concludes that large cities have 'become nodes or points of contact which connect economies across the globe', that 'municipalities will have to manage the consequences of globalisation—such as the restructuring and relocation of industries', and that they should have 'an interest in attracting investment based on promoting comparative advantages of the area for competitive industries, as well as supporting the growth of local enterprises' (*ibid.*: 18-19). While lamenting the skewed settlement patterns inherited, the huge service backlogs in black areas and extreme concentration of taxable economic resources in white areas, and an inability to leverage private sector resources for development; the WPLG echoes the constitutional mandate for local government to create 'humane, equitable and viable human settlements' (*ibid.*: 22).

The WPLG summarises the outcomes of developmental local government as those of provision of household infrastructure and services, creation of liveable, integrated cities, towns and rural areas, local economic development, and community empowerment and redistribution. It introduces the notions of integrated development planning linked to budgeting and performance management as its most primary tools. It points to the nurturing of democracy through involving citizens as voters, as participants in policy processes, consumers and service-users, and as partners in resource mobilisation. It distinguishes metropolitan areas as 'large urban settlements with high population densities, complex and diversified economies, and a high degree of functional integration across a larger geographical area than the normal jurisdiction of a municipality' (*ibid.*: 51, emphasis removed). Such areas require a metropolitan government because it 'creates a basis for equitable and socially just metropolitan governance', 'promotes strategic land-use planning, and coordinated public investment in physical and social infrastructure', and 'is able to develop a city-wide framework for economic and social development, and enhance the competitiveness and well-being of the city' (*ibid.*: 51-52). These justifications, detectible in their tone, stem directly from a deep awareness of the need to achieve the 'one city, one tax base' strategic objective. But as Wooldridge (2002: 131) observes 'experiences in the interim period showed that the mere existence of metropolitan government does not guarantee the existence of a single city (unified politically, administratively, spatially and economically) or a single tax base'. Hence, drawing from experience, the WPLG was to discourage a legislated two-tier system of metropolitan government, and conclude alternatively that '[m]aximum flexibility with respect to differing administrative systems between and within metropolitan areas is best achieved through empowering each Metropolitan Council to decide on the extent of administrative decentralisation required for each function', 'facilitated through vesting all powers and functions at the metropolitan level, and making provision for the Metropolitan Council to decentralise functions as required' (*ibid.*: 54).

Reflecting on options for accessible, affordable, quality, and sustainable service delivery, it proposes building on existing capacity (including skilling, performance management, decentralisation of operational responsibility);corporatisation; contracting out; partnerships (public-public, and public-private leases and concessions); and privatisation of non-strategic assets. The WPLG further delineates key aspects and principles of municipal finance, arguing for changes in 'local revenue instruments and policies, national to local transfers, gearing in private investments, and budgeting, accounting and financial reporting systems' (SACN, 2007: 14). And 'based on the principles of fiscal discipline, avoiding moral hazard, reducing implicit liabilities and promoting transparency', it enunciated the 'approach to municipal revenues, intergovernmental transfers, expenditure, debt, redistribution, financial management systems and accountability to communities' (Savage, 2008: 287). Reiterating that '*cost recovery* is an essential part of sustainable service delivery', the WPLG sets out a series of principles that should serve as parameters for tariff policy, one of which is to '[e]nsure local economies are competitive' in that '[l]local tariffs must not unduly burden local business through higher tariffs, as these costs affect the sustainability and competitiveness of such businesses and firms' (PACD, 1998: 89, emphasis in the original). It concludes with a call to action, surmising that:

> '[S]uccessful transformation ultimately rests in the hands of each municipality. Transformation is not a choice—it is an obligation placed on each municipality to fulfill its constitutional mandate and play a role in the development of the nation. Unless the capacities built through the years of struggle for democratic rights and a decent quality of life for all are mobilised within each local area, we will loose what we have struggled for' (*ibid.*: 99).

The Municipal Demarcation Act (27 of 1998) and the Municipal Structures Act (117 of 1998) were evolved from the WPLG that same year, providing for the demarcation of municipal boundaries and institutional arrangements respectively. In line with the former, a tedious process of demarcation began with the establishment of a demarcation board, reducing the number of municipalities from 843 to 283 by year 2000 (see SACN, 2004: 137). The number moved from 51 to 15 in the province of Gauteng, with three Metropolitan Municipalities (City of Johannesburg, City of Tshwane and Ekurhuleni), three District Municipalities (Sedibeng, West Rand, and Metsweding), and nine Local Municipalities (Emfuleni, Lesedi, Midvaal, Nokeng tsa Taemane, Kungwini, Randfontein, Mogale City, Merafong, and Westonaria) (See Gauteng Department of Local Government (GDLG), 2006: 6). Of the 283 nationally, six are Metropolitan

Municipalities (half of which are in Gauteng), 46 are District Municipalities, and 231are Local Municipalities. Municipal categories were delineated, and powers and functions distributed in a manner that produced a one-tier metropolitan government conceptualised as a 'unicity'. The categories delineated were category (A): a municipality that has exclusive municipal executive and legislative authority in its area; category (B): a municipality that shares municipal executive and legislative authority in its area with a Category (C) municipality within whose area it falls; and category (C): a municipality that has municipal executive and legislative authority in an area that includes more than one municipality (PACD, 1998: 50).

By 2000, the Municipal Systems Act (32 of 2000) was enacted, detailing systems, processes and instruments for DLG, an attempt at 'a sound strategic management institutional pyramid comprising vision—goals—strategies—programmes—projects and—intelligence instruments, such as monitoring, evaluation and review systems that provide a feedback loop to continuously refine and refocus the previous steps', 'underpinned by a consistent and transparent financial management system and effective citizen participation mechanisms to legitimise it' (Pieterse *et al*, 2008: 14).

The Municipal Finance Management Act (56 of 2003), the Municipal Property Rates Act (6 of 2004), the Division of Revenue Acts, and Intergovernmental Relations Framework Act (13 of 2005), were to evolve in the final phase of the transition, together with a series of support programmes for local government, including inter alia Project Consolidate, and the Planning and Implementation Management Support (PIMS) Centres[24].

Much has occurred in the first term of local government in Johannesburg, including the crystallization of a series of strategies as the City struggled to define its vision and mobilise a set of instruments to assist it build the world class city that *iGoli 2002* sketchily hinted (see CoJ: 2006a). By 2003, the City had commissioned its own internal

[24] Both projects were initiatives of the Department of Provincial and Local Government where various stakeholders/resources were brought together and focused towards capacity building for municipalities

strategic review of *iGoli 2002* (Savage *et al*, 2003) to gauge progress made in implementation against the main objectives it set out to achieve. Following the 2006 local government elections, the governance model for the City was revised to remove the overlaps that existed 'in the executive, legislative, and oversight roles performed in a number of City structures' (CoJ, 2008). As envisaged, the new system

> 'delineates powers more clearly by separating legislative and oversight roles on the one hand, from executive roles and responsibilities on the other; deepens democracy by empowering citizens and enhancing stakeholder involvement; improves efficacy of governance; strengthens decision-making powers and accountability; and consolidates departments and municipal entities into single sectors, based on a politically led strategic perspective' (CoJ, 2008: 26).

Demarcated into 109 wards, the City's Council comprises of 217 elected Councillors (108 of which are drawn through the Proportional Representation system), charged with legislative oversight and participatory governance including 'approval of bylaws, policy, authoring the Integrated Development Plan, setting rates and tariffs and allocating the budget' (op cit). Day-to-day decision-making and operational oversight is delegated to the Executive Mayor and his/her Committee made up of Members of the Mayoral Committee (MMCs) (the Executive) who report quarterly and annually to Council, and whose work is overseen by Section 79 Committees chaired by a councillor other than the MMC. Through a disaggregation of old departments and the introduction of a few new ones (op cit), the core administration, including the centralised distribution functions, comprises 13 departments (and 12 sectors). In addition, reporting lines of municipal entities (formerly UACs) have been reshuffled in line with sector-based portfolios (e.g. the JDA would now report to DPUM instead of Economic Development), and regions have been reduced to seven, tasked largely with the urban management function (each region has a Regional Spatial Development Framework (RSDF) and a Regional Urban Management Plan (RUMP) to guide development). These changes to the governance model were to win the City first prizes in the categories of institutional transformation and good governance at the 2007 National Vuna Awards[25], including winning the Best Performing Metropolitan Municipality Award. Together with this institutional reshuffling, the City has evolved a series of critical strategic instruments for planning, budgeting, and performance management.

3.5. The meanings of the alternative local state

Within the rubrics of the struggle for an alternative equitable post-apartheid city—reflected in the bond and service boycotts and the 'one city, one tax base' slogan—a new local government system evolved. Influenced partly by prevalent international discourses on decentralisation, it was a system negotiated in forums like the CWMC by civic activists, and not produced through 'the incremental transfer of powers to the local tier' (op cit). It was to be an autonomous, but interdependent sphere within a system of cooperative government, existing side by side with national and provincial government. But the impassioned debates over the contours of a desired local state closed slowly following the 1995 local government elections (see Harrison *et al*, 2008: 80).

The 1997 crisis in the City of Johannesburg, which Beall *et al* (2002) consider rather exaggerated[26], legitimated this closure through restricting debates over the local state project to a series of adhoc committees whose work was mapped through loan conditions (DBSA, Treasury), consultants' recommendations (PwC), and 'expert' input, e.g. World Bank (Parnell, 2007: 156). The C10, for example, was not 'obliged to seek out the opinions of the public', and 'ordinary citizens could not lobby the committee' (*ibid.*: 97). This was a challenge the municipal workers raised in Johannesburg during their intense and sustained opposition to the recovery plan that these committees were

[25] The awards (with 'Vuna' being a Nguni word meaning 'harvest together') are initiative an of the then Department of Provincial and Local Government (DPLG, now Department of Cooperative Governance and Traditional Affairs (CoGTA)), in partnership with the Development Bank of Southern Africa (DBSA), the National Productivity Institute (NPI), and the South African Local Government Association (SALGA)

[26] Arguing that instead of overemphasizing the role of the 'redress' agenda (that supposedly explains the overstretched capital budgets), it is instead '[a]ccrual budgeting' that 'lay at the heart of the immediate problems faced by the GJMC in 1997' (*ibid*, 92)

to produce in the form of *iGoli 2002*. Unfortunately, it was at this moment of cocooned boardroom strategizing in committee sessions that critical decisions were taken about the future course of metropolitan local government, not only in Johannesburg, but in the rest of the country (see *ibid.:* 95, Parnell and Robinson, 2006: 342). And from that point on, there was a notable shift towards 'a technocratic rather than a mobilising approach' (Harrison *et al*, 2008: 138) to governing. A democratic deficit, typical of neoliberal technocratisation that infiltrates state institutions, was soon introduced to processes that were to define in a very fundamental way the scope, content and instruments of local government.

Following the deracialisation achieved partly through amalgamation and redemarcation, democratisation and redistribution would soon temporarily be relegated to a primary concern with sustainability (i.e. financial viability). This prompted Beall et al (2002: 105) to muse, '[w]hen the euphoria associated with local democracy gave way to fiscal austerity, there was an obvious shift in the regimes of power'. They argue (*ibid.*: 90), that '[t]he 1997 financial crisis, unlike the earlier Sandton boycott or the EMSS/GJMC crisis, was not about redistribution or about the power to govern', '[i]t was about balancing the books'. This concern, with 'balancing the books', was to be reflected vividly in the municipal finance section of the WPLG, and later regulations and legislation governing municipal finance. As Savage (2008: 296) reflects, 'the regime of fiscal discipline was imposed on municipalities from the mid-1990s, when levels of fiscal distress in municipalities were thought to be higher, and central government faced its own fiscal difficulties'. In the search for efficiency and fiscal prudence, *iGoli 2002* was punted as a 'reorganisation to increase income or reduce expenditure while enhancing performance' (Beall *et al*, 2002: 98). The firm attribution of the crisis to spending on basic services, making it a target for curtailment during stabilisation confirms the principle of the choice of financial solvency over the welfare of the population during crisis moments (Harvey, 2005; 2007b).

Based on notions of economic decentralisation, some of the main pillars of new public management found expression in the recovery plan, from performance management, flexible specialisation and procedural exceptionalities, to PPPs, contracting (outsourcing, subcontracting, etc.), downsizing and rightsizing, and cost recovery. A set of companies was created and handed the responsibility for some of the city's most essential responsibilities, including service delivery, property management, and area-based development. Smith and Morris (2008: 423) argue that in 'South Africa, the increasing trend of municipalities choosing to outsource essential services has been driven by national government. These companies would be 'less bound by the general administrative procedures and constraints of the main municipality', and a contractual relation would be cemented in an arrangement where 'Council was to direct the activities of the utilities through service delivery agreements rather than through direct control' (Hunter *et al*, 2007: 71). Analysing trends in Municipal Entities (MEs) some eight years after their inception, Smith and Morris (2008) point to deficiencies in the architecture for regulatory oversight of MEs by parent municipalities, the real challenge of decentralisation beyond the partnership, and poor governance arrangements. The second point refers to MEs sub-contracting services for certain areas to other companies, leading to differences across the city in service standards and quality, and the third includes the lack of baseline data and verification tools to benchmark and measure performance, confused political oversight, and lack of public engagement. These observations prompt them to conclude following an assessment of the Johannesburg case, that 'the setting up of municipal entities is neither a panacea for meeting service delivery constraints nor does it bring us any closer to engaging in a developmental local government agenda' (Smith and Morris, 2008: 441).

Most importantly however, this movement of responsibilities and policy making out of the 'routinized channels of the state' (Purcell, 2008: 12) to non-state and quasi-state institutions characteristic of *iGoli 2002*, introduces high levels of flexibility that enables fast policy transfer, exceptionalities in rules and regulations, and cushions decision-making from lengthy public debates and uncages it from the confined ambits of the state. Moreover, public participation for defining the scope and pace and quality of service delivery would be limited, confined to broader processes at a strategic level including the IDP and Budget, which are inevitably subjected to public scrutiny as a legislative and constitutional requisite. In short, the

> 'separation of policy making from operations; the disaggregation of public sector departments into corporatised units; the introduction of competition into service delivery; outsourcing and competitive tendering; and emphasis on output-based performance evaluation', results in the 'diffusion, fragmentation and growing complexity of governance' (Harrison, 2006: 188-189).

The emphasis on a business approach to managing the City necessitated the adoption of a cost-recovery approach to service delivery (recasting citizens as customers, and lending weight to generation of surplus through user fees where basic services were redefined as 'commercial services' (CoJ, 2003: 53, see also Bond, 2007a). Privatisation of 'non-strategic assets' including property and housing stock, outsourcing of ICT and fleet contract, public-private partnerships, and fiscal austerity where '[i]ncome-generating activities are […] to be given priority, while revenue-absorbing services are to given reduced emphasis' (CoJ, 1999: 26). And indeed, as the SACN (2007: 3) was to observe later, 'as the new institutions have stabilised, expenditure growth has been contained and revenues have increased'. But the chapter observes, this municipal restructuring, budget reform and privatisation concerned primarily with financial viability also emerged against the backdrop of retrenchment of national state funding (save for a number of grants introduced continuously by national government). There must be reliance on local sources of revenue, as the WPLG prescribes, including user fees, property rates, and private finance instruments. *iGoli 2002* was seen as a step in the right direction to ensuring that the city claims the new millennium for itself as 'the pulse of Africa', safe, with 'excellent services and clear rules', 'wired and mobile, fast and connected' (CoJ, 1999: 11).

In the state-institutional and territorial arrangements emerging in Johannesburg, concerns with redistribution of life chances across the city space following decades of separate development interface with efforts aimed at repositioning the city as a competitive production system globally. Decades of the development of underdevelopment, and the intense struggles that led to the state institutional and territorial restructuring in the country, meant that that restructuring had to ensure that resources are redistributed. The *iGoli 2002*, despite its intensely new public management tone, 'focused on institutional reforms as a pre-cursor to improvements to service delivery', 'intended to expand the scope for pro-poor spending through releasing resources for infrastructure investment and operational cross-subsidisation' (Savage *et al*, 2003: 39). Whereas this is the position of the City, to get books in order as an enabler for redistribution, it is still possible to conclude that 'the constellation of power within the city that coalesced around *iGoli 2002* was generally more concerned with efficiency than equity' (Beall *et al*, 2002: 105).

With the differentiated service levels and tariff arrangements that would follow corporatisation, in essence the subjection of 'service delivery' to the 'calculus of profitability' would without doubt have potential negative implications for equitable distribution of services across the city space (see Bond, 2007a; 2007b). The 'one city one tax base' principle still provides space for a redistributive budget, the dictates of local government legislation that demands that all municipalities be developmental, and the ongoing struggles erupting once in a while to make demands on the local state. All these factors provide some space to ensure that despite the stringencies imposed by *iGoli 2002*, democratisation, deracialisation and redistribution still occur to even the disparities imposed by both apartheid and post-apartheid policy practices. The outcomes of developmental local government remain those of provision of household infrastructure and services, creation of liveable, integrated cities, towns and rural areas, local economic development, and community empowerment and redistribution. If parallels were to be drawn between the local state restructuring in Johannesburg with the developments in European and North American experiments with regards to 'neoliberal localisation', some of the following patterns emerge:

1. *Recalibration of intergovernmental relations*: there was destruction of the race-based central-local government arrangement, and the racialised fragmented local government system; and the creation of a new system of cooperative

governance between three spheres of government, the allocation of important tasks and responsibilities to local government, the reduction of national-local government grants, and the introduction of incentives that reward local entrepreneurialism (e.g. the Neighbourhood Development Partnership Grant, granted to municipalities that can convincingly demonstrate mechanisms to crowd in private investment following or as part of public investment initiatives).

2. *Retrenchment of public finance*: fiscal austerity was one of the main elements of *iGoli 2002,* making the principle a product of local processes, and not something imposed from outside[27].Indeed, the White Paper on Local Government calls for municipalities to rely mainly on their own sources of revenue, including user fees and private finance (loans, bonds), something that the economic decentralisation service delivery model above elucidates.

3. *Reconfiguring the institutional infrastructure of the local state*: there was destruction of the 'bureaucratic, hierarchical and fragmented forms of local government' that were part of the organisation of the apartheid state, including multiple administration in Johannesburg. In their place racially and functionally integrated democratic institutions have been built, but Johannesburg has also seen the simultaneous creation of corporatised entities, agencies, public private partnerships, and of new institutional relays for business to shape policy (take the Central Johannesburg Partnership for example) (see also McDonald, 2008: 88).

4. *Privatisation of the municipal public sector and collective infrastructures*: municipal services delivery has been routed out of the local state in Johannesburg, given to municipal entities who sometimes even subcontract to private operators. Real privatisation, of so-called non-strategic assets, was minimal in the iGoli plan; it was however interesting that not only was the CEO driving the restructuring (Ketso Gordhan) credited for his privatisation record, but

[27] But see Savage, 2008: 296, who argues that like in the European and North American instances, fiscal discipline in the South African case was imposed by national government

also that a special Privatisation expert had to be included in the restructuring team. Privatisation is one of the approaches to delivery that the White Paper on local government advocates.

5. *Interlocal policy transfer*: as the doors began to shut down for the activists and ordinary citizens who debated the future of their city through the CWMC, and technocrats took over the process of defining local government in Johannesburg, the space for homegrown solutions to governance failure were markedly narrowed. Indeed, in the production of the restructuring plan and beyond, 'best practice' models were invoked, and space was expanded for the diffusion of 'generic, proto-typical approaches to 'modernising' reform among policymakers (see Brenner and Theodore: 2002b) (take for example the active role played by PwC in the Joburg process, and the role of consultants in the creation of the Johannesburg Development Agency);

3.6. Conclusion

The chapter described and analysed the evolution of local government in Johannesburg, from its embryonic phases in the CWMC to *iGoli 2002* and beyond. It concludes that the ongoing struggles by communities and the legislative developmental mandate given to municipalities provide space for democratization and redistribution in the city. However, the institutional design evolved through *iGoli 2002* share most of the elements characteristic of neoliberal regulatory regimes in cities such as New York City after 1975.

CHAPTER O4

Towards a world class African city

4.1. Introduction

Trevor Ngwane, a former ANC Councillor who was expelled from the party at the very heat of the *iGoli 2002* contestations and went on to be prominent in the Anti-Privatisation Forum (APF) and the Alternative Information Development Centre (AIDC) laments that 'at the time of the financial crisis, our leaders started telling us that we had to dream new dreams' They said, he claims, 'the old ones of a better life for all were not good enough [instead] [w]e were told to dream of becoming a World Class city' (cited in Bremner, 2004: 92). Yet city visions are not the kind of dreams produced by soaring comforts of slumber, nor mere nightmares of its lingering discomforts; they are figured narratives of knitted elements of a future desired, and penned maps of routes to be travelled, detours to be taken and paces to be adopted. They are 'powerful symbolic devices to organise understanding of development challenges, and give forms to solutions and aspirations' (Seedat and Gotz, 2006: 1). But most pertinently, city visions are political projects, produced through contest. After all, Johannesburg is not the 'embryo city' that Hazel Duffy (1995) writes about in the introductory lines to her book on competitive cities, 'a blank screen' awaiting filling in. The city is a material reality riddled with contradictions, and ingrained in dynamics of motion.

iGoli 2002 was seen as a step in the right direction to ensuring that the city claims the new millennium for itself as 'the pulse of Africa', safe, with 'excellent services and clear rules', 'wired and mobile, fast and connected' (CoJ, 2001: 11). It was, together with the various state and scalar restructuring initiatives nationally, a state project, a set of strategies 'orientated towards the state's own institutional structure' (Brenner, 2003:201), aimed at transforming the city bureaucracy along business lines. Below is an attempt at exploring, at the city level, the strategies defining the 'particular forms of socio-economic intervention' (Jessop, 1990: 260-1, cited in Brenner, 2003: 202) that state institutions designed are to be mobilised around—what Parnell (2006) states as the City Development Strategy (CDS) for Johannesburg. The pages that follow, in essence, attempt an analysis of the *local state policies*, the second entry point to analysing the 'urbanisation of neoliberalism' in Johannesburg after apartheid.

The chapter is broken down into the following sections: (a) notes on national policies that set the national development path and agenda for cities; (b) an analysis of Joburg 2030; (c) reflections on the 2006 Growth and Development Strategy; (d) thoughts on the notion of a 'world class African city for all', and a brief conclusion.

4.2. Contextual notes: on the national development path and agenda for cities

By the 1970s, the apartheid economy was in crisis. Given the capital-intensive nature of productive activity in the preceding decades, the economy struggled to absorb the vast numbers of unemployed Africans that had hitherto sustained it as cheap labour following the discovery of minerals in the 1880s which was the real trigger of industrialisation in the country. The marked declines in gross fixed investment left 'large pools of underutilized stock and capital' in manufacturing, a critical sector that declined dramatically in terms of investment and employment, and led to a drop in average real incomes. 'Speculative investment has replaced productive investment, with a consequent decline in job creation and overall employment levels' (ANC, 1996: 76). This crisis of overaccumulation 'was exacerbated by the peculiarities of the apartheid economy' (McDonald, 2008: 61). Apartheid deliberately suppressed the development of an African middle class (stifling local demand); of a skilled African labour force (crippling productivity, and leading to high-levels of unemployment); and a facilitative infrastructure; undermining development of consumption capacity from the majority of the population. The small white consumer market was saturated, unable to sustain the demand levels required for profitability of the luxury goods produced through a manufacturing sector nurtured by import-substitution strategies in the 1950s and 1960s. The international sanctions imposed on the country further stifled possibilities for exploring markets beyond national borders, and made it almost impossible to access capital internationally, leading to a serious balance of payment crisis. Finally, the anti-apartheid struggles erupting in all sectors of society, including considerable numbers of labour protests, rendered the country 'ungovernable'. The international crisis around the same time, and the reforms that were being introduced to navigate the storms at that scale, had direct implications for the South African economy (e.g. the fall in the price of gold following the abolishment of the gold standard) (Hirsch, 2005). The 1970s, then, revealed more vividly in broad terms, 'the breakdown of the post-war accumulation strategy based on primary product exports and inward industrialisation, including import-substitution based on a violently regimented labour supply'(Marais, 2001: 100)[28].

Despite the tentative reforms rolled out in phases by the apartheid government, with the active participation by capital, e.g. through the Urban Foundation, between 1977 and 1989, the crisis persisted long into the early 1990s. With time though, it became clear that 'rescuing the economic made it essential to restructure the political framework of the accumulation strategy' (Marais, 2001: 68), for the 'accumulation strategy of apartheid was bumping against barriers' (McDonald, 2008: 63). Basically, not only was a new 'economic growth model' required, but also the 'institutional framework' and set of 'state policies' capable of reproducing it. The preceding chapter reflected, with a particular focus on the local scale, on the 'institutional framework' that emerged following the negotiations, so that it becomes critical here to reflect briefly on the particular forms of intervention proposed by the state strategies that emerged.

In a 'state of reciprocal siege', both the apartheid government and the anti-apartheid forces were forced to the negotiation table where capital was central in the initiation of these negotiations. Through a 'brokered eclipse' to white minority rule, the compacts and contracts emerging inevitably had a structuring effect on the kind of development paths that the country would choose. The framework of institutions and state policies emerging were therefore 'strewn with the detritus of the apartheid past, and sharply circumscribed by the negotiated settlement' (Hart, 2002: 1). To these, the restrictive scope produced through the compromises of negotiation and the discourse

[28] For detailed analyses of the 1970s crisis of over accumulation in South Africa's racial capitalism, see Bond, 2000; Marais, 2001; Hirsch, 2005; McDonald, 2008,

necessitated by the exigencies of recovery and shaped in content by the emerging dominant global political economic thought (i.e. neoliberalism) can be added.

Once the institutional/territorial rearrangements of the state at national level had settled, the Reconstruction and Development Programme (RDP) was translated into policy from the elections manifesto of the ruling African National Congress that won the 1994 national/provincial elections. It was an important narrative on the development path that identified meeting basic needs, developing human resources, building the economy, and democratising the state and society as critical focus areas comprising government's policy majors (ANC, 1994). The demands for redistribution central to anti-apartheid struggles structured the liberation movement's conceptualisation of economic policy in the early years of the transition. Emptied of its radical elements, it was translated from discussion paper to elections manifesto to government white paper (Bond, 2000; Marais, 2001), the Reconstruction and Development Programme was largely a neo-Keynesian programme that envisaged a 'growth through redistribution' approach to development. Hirsch (2005, not paginated), has a different view, to him the 'RDP was clearly an attempt to set out an Asian-type heterodox policy that combined investment driven hard by the public sector with institutional reform and orthodox macro-economic stability'. The RDP had far-reaching service delivery targets, progressive labour laws, and invoked participation as a critical component of development. It was not outright in its dismissal of incentives for redistribution of economic activity evenly across that national space (redistribution of social product), and advocated for building links between reconstruction and development (see Bond and Khosa, 1999). But even as the RDP was intended to be 'an integrated, coherent socio-economic policy framework' (ANC, 1994: 1), it was 'an uneven and often internally contradictory document' (Bond, 2000: 17; See also Lodge, 1999; Marais, 2001), 'beset by enough fragmented voices, multiple identities and competing discourses to leave even postmodernist analysts confounded' (Bond, 2000: 90). Ambiguities and gray areas in its text left space for varied and at times disjunctive readings, reflective of its diverse sources and explanatory of the considerable consensus it garnered.

But it was exactly the silences of the RDP on important economic policy questions that were used to justify the introduction of GEAR two years into the new dispensation (see RSA, 1996a; Bond, 2000; Marais, 2001; Manuel, 2007; Turok, 2008). As has been argued in much literature on the South African transition, GEAR represented the ultimate self-imposition of neoliberal orthodoxy (Marais, 2001; Hart, 2002). This swift shift to neoliberalism was not occasioned, like in several other contexts, by loan conditions from the IMF and the World Bank. If these institutions had an influence in that shift, it was confined largely to policy transfer in various areas of policy and at various scales (see Bond, 2003). But as Stephen Gelb (cited in Marais, 2001: 162), a member of the technical committee responsible for the drafting of GEAR, stated '[c]lose affinity with the 'Washington Consensus' characterised not only the substantive policy recommendations of GEAR, but also the process through which it was formulated and presented publicly' (op cit). This comment was prompted by the fact that unlike the RDP, which was generated through lengthy and widespread participation that included various sections of society, GEAR was developed by economic experts from development banks (DBSA, World Bank and the SARB), academia (UCT, Stellenbosch, Durban-Westville) and three national government departments (Finance, Labour, and Trade and Industry) (see RSA, 1996a). Gillian Hart (2002: 18) sums up the substantive part of GEAR: the 'central premise of GEAR was that an orthodox neoliberal package—tight fiscal austerity, monetary discipline, wage restraints, reducing corporate taxes, trade liberalisation, and phasing out exchange controls—would lure private investment (both domestic and foreign), unleash rapid growth, tighten labour markets, and drive up wages' (RSA, 2006a: 2).

In the ruling party circles, particularly at the apex of the state, the shift was explained in terms of the challenges imposed by globalisation, and the need to base the RDP targets on a sustainable economic growth plane (Hart, 2001). The 'extralocal rule system', with its capacity to discipline deviants, and the assumption that growth is the precondition for development, are here cited as key motivations for the shift. First, by arguing that 'globalisation' had forced those at the commanding heights of the state to place open, competitive and unregulated markets as the most optimal mechanism for growing the economy represents a surrender to the neoliberal 'extralocal rule system', and elevating it as a hegemonic project that cannot be ignored. Second, there was the argument that 'the inherited economy was marked by so many distortions, including a large domestic debt, high inflation and interest rates, that its imbalances had to be tackled through macro-economic reforms which in the short term were incompatible with the objectives of the RDP' (Turok, 2008: 247). Manuel (2007: 3) confirms that the 'spending targets of the RDP were set aside in the initial years [of government]', 'a right decision' taken 'in order to resolve [the] fiscal and monetary problems of those years', such that 'spending targets of the RDP were set aside in the initial years [of government]', 'a right decision' taken 'in order to resolve [the] fiscal and monetary problems of those years' (Manuel, 2007: 3). Thus, the proposal was that the economy had to be set on a higher growth plane before the redistributive targets of the RDP could be achieved. GEAR, was therefore an embodiment of the 'redistribution through growth' logic integral to neoliberal conception of an 'economic growth model'. Morris eloquently describes the model as follows:

> 'The basic terms of this model are political settlement and growth rather than that of redistribution. It specifically eschews radical state intervention to redistribute social and economic resources on a non-economic basis, and puts its reliance instead on the operations of the free market. According to the growth model, a political settlement will result in a rapid inflow of foreign investment, and, if coupled with minimal state intervention and radical free-marketeerism, the consequent effect will be high rates of growth. Redistribution will follow from as a trickle-down effect of accelerated growth so that, in the long-run, if we let the rich get richer the poor will get richer also, which is why it can best be summed up as 'redistribution through growth'' (cited in Hart, 2002: 19-20).

At the adoption of GEAR, this 'redistribution through growth model' became the premise of the country's growth path and by extension its development trajectory.

Despite remarkable failures in meeting GEAR's targets (on growth, employment and redistribution) in the years 1996-2000 (see Bond, 2000; Marais, 2001; Lodge, 2002; Hart, 2002, Turok, 2008) its logic was to be carried through into the Accelerated and Shared Growth Initiative of South Africa (ASGISA) introduced in the same technocratic way in 2006. It asserted that for the country to eradicate poverty and unemployment by 2014, the economy would have to grow at an average of 5% per annum to between 2004 and 2014. It takes its main task the creation of conditions for this growth, identifying areas that require active intervention (infrastructure, skills, and currency stability) and those requiring withdrawal (regulation).

It is true, that policy and practice even within national government alone have at times proceeded in directions not complementary or even contradictory to the precepts of GEAR. It would therefore be dangerous to 'generalize neoliberalism across all arenas of social and economic policy in South Africa or to assume a particular, universal character' McDonald (2008: 69). However, GEAR did set the stage for a number of policy and programme interventions that would draw from its language and directives policies and practices that leaned towards market fundamentalism (the Spatial Development Initiatives programme for example, see Rogerson, 2004) . After all, the sometimes competing imperatives of building a competitive economy and redistributing life chances in a manner that reverses underdevelopment (imposed by racial capitalism) have led to the production of at times contradictory policies by different national government departments, and other spheres of government. The emphasis on GEAR not being a replacement but a guarantor of the RDP, also point to the fact that while GEAR has introduced radical shifts (towards orthodoxy) in monetary policy and fiscal policy (and macro-economic policy in general), not all redistributive programmatic initiatives already under way were abandoned. The continuities and discontinuities in policy development and practice between GEAR and the RDP would be a rich subject of another study, one that will enable future studies to treat both policy interventions as living documents whose policy parameters are negotiated daily at various scales, incorporated, amended, and even dismissed. It is important to acknowledge still, that 'the GEAR strategy remains the centre-piece of South Africa's growth path and, consequently, its broader development path—insofar as the latter is premised on core, economic priorities that establish the *terms* on which development and reconstruction can be pursued' (Marais, 2001: 162, emphasis in the original)[29].

Various pieces of legislation equally evolved that enunciated the vision envisaged for the country's cities, and mapped the instruments that would be required to arrive at the points envisaged in that vision. For Pillay *et al* (2006: 2), urban policy post-1994 can be disaggregated and clustered into three components in line with their respective intents and objects. The first component entails those policies intended to actualise the 'one city, one tax base' slogan (centered on the reconfiguration of local government), the second those policies advancing the notion of 'developmental local government' (structured on IDP and local economic development, i.e. LED), and the last focused on mass housing and basic service delivery. Summed differently, these are national, provincial, municipal and sectoral policies intended differentially to '*enable* local government to undertake delivery, *plan* for delivery and *implement* delivery in consolidating democracy' (*op cit*). There is, Pillay *et al* (2006) hasten to add, a fourth component of urban policy which has been glaringly missing—the 'urban spatial form and urbanisation policies'.

Given limits to space here[30] the Urban Development Strategy (and later Framework) (UDS/F) originated around 1995 by the RDP Ministry and the National Spatial Development Perspective (NSDP) initiated by the Presidency in 2003 and revised in 2006, are illustrative for the purpose of these contextual notes. Both policies argued that cities were crucial spaces in the country's space economy, critical platforms from which the country would launch the transformation agenda and the country's competitiveness bid in the global economy (RSA, 1995; Presidency, 2006). The settlement patterns created by decades of separate development and speculative development were *de*

[29] Note discussions starting with some rigour commenced in 2010 around a 'New Growth Path' for the country.

[30] See Mabin, 2000; Bond, 2003; SACN, 2004; 2006; Pillay *et al*, 2006; Pieterse, 2006; Turok and Parnell, 2009 for a detailed review of urban policy in the country

facto accepted as given, even though addressing the distorted forms and fabrics of settlements at a micro-scale would have been an important element of redress.

The UDS/F acknowledged and took as its programmatic priority targets the eradication of basic services backlogs and extension of infrastructure, the redevelopment of townships, and development of local economies. It had the explicit objectives of overcoming apartheid and improving city performance, and sequenced these in a manner that prioritised 'overcoming apartheid' (a part of the *stabilisation* and *consolidation* phases), as a precondition for improving city performance (*consolidation* and *managing urban growth and development* phases). But in the overall, the UDF, treated urban productivity and competitiveness as key ingredients of cityness, subjecting (consciously or unconsciously) South African cities to the rules of interspatial competition which prescribe for cities a set of policy repertoires that can generally be summed under the banner of neoliberalism urbanism (see Pieterse, 2006: 162; Bond, 2003).

While the NSDP does not take as its focus internal dynamics of micro-spaces such as cities, and confine itself to the national space economy, it takes 'economic potential' as the basis for its policy directives around public investment decisions. This focus is important, because it naturalizes the growth first approach to development, and demonstrates the capitalist state's strategy of spatial selectivity, where select spaces across the national space become targets for government's aidez faire interventions and laissez faire (non-)interventions. These interventions include:

> (a) 'institutions that unite (i.e. 'regulations affecting land, labour, and international trade and such social services as education, health and sanitation financed through tax and transfer mechanisms');
>
> (b) infrastructure that connects (i.e. 'policies and investments that are *spatially connective'*, 'roads, railways, airports, harbours, and communication systems that facilitate the movement of goods, services, people and ideas locally, nationally, and internationally'); and

(c) interventions that target (i.e. ‘the *spatially targeted* programmes that often dominate the policy discussion’, ‘slum clearance programmes, fiscal incentives for manufacturing firms, and preferential trade access for poor countries in developed country markets’) (World Bank, 2009: 22-23).

This approach occludes possibilities for state interventions to redistribute the national product (across space), and argues for the poor to migrate to the select competitive spaces, where growth will ultimately lead to a rise in the quality of life for all.

Even then, the notion of economic potential (measured through existing economic activity and Gross Value Add) was under-defined; it failed to distinguish between latent and actual potential, overlooked the real possibility that areas with unusual economic niches might be dismissed, ignored potentialities for shifts in the economic fortunes of regions, and assumed that areas of economic potential would have the capacity to withstand the strains imposed on public resources (Atkinson and Marais,2006, see also Turok and Parnell, 2009).

Although the actual impact of these the UDS/F and the NSDP on the work of sectoral departments and other spheres of government has proved very limited for various reasons, these were important statements that provide hints on the perspective of national government on the policy content and development trajectories of cities after apartheid. And those hints, despite the fact that the demands of eradicating apartheid distortions, spatial and socio-economic, were still vivid in policy discourse; already impulses towards an urban policy that emphasised competitiveness, activating supports for market-led growth in cities, and banking on growth as a precondition for enabling redistribution were discernible. Johannesburg was to craft a vision for the city within the ambits of these frameworks.

4.3. En route to 2030

In the Transformation Lekgotla established following the financial crisis of 1997 in the City of Johannesburg, an understanding was developed that the institutional restructuring plan in the form of *iGoli 2002* was merely foundational to a long-term development strategy for the city. An *iGoli 2010* Partnership was set up; armed with the responsibility of developing a 'ten-year social and economic development plan' (CoJ, 2001: 147) for the city (see Fig. 6.1.). The Partnership comprised representatives from each party in Council, from labour, the civics, business and ratepayers' associations. Its mandate occasioned a series of commissioned expert research outputs in the areas of human development, basic services and economic growth which were consolidated in an integrated analysis conducted by the Monitor Company. The analysis, which was structured around an already agreed upon, albeit underspecified, foundational vision of 'an African world-class city', culminated in the *iGoli 2010* Integrated Agenda for Action.

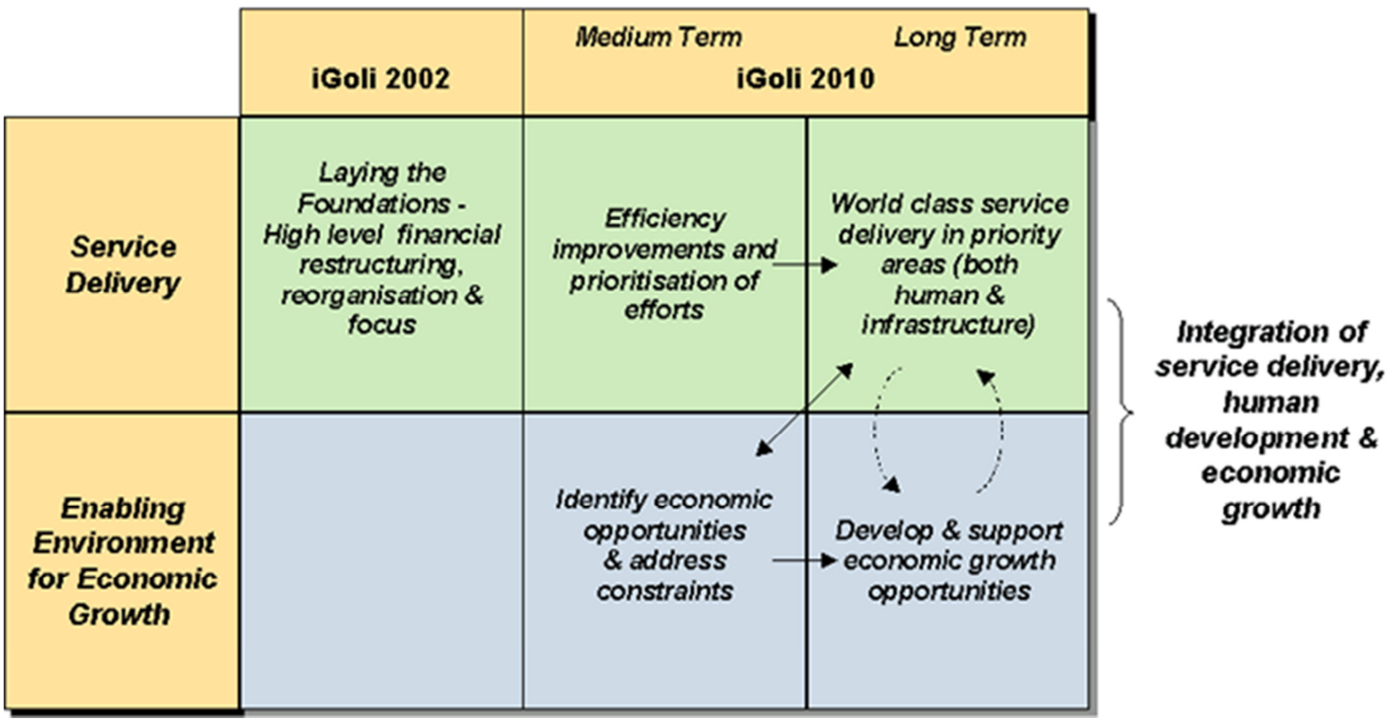

Figure. 4.1. The *iGoli 2010* Framework (source: CoJ, 2001a)

While the process was intensely data-driven, those tasked with research did not conduct their own primary research 'as specified in the tender documentation', but relied entirely on 'data available from the city, the public domain, government agencies and the private sector' (Monitor Company, 2002: 4). Perhaps distinguished in that regard was an 18-month collaboration between the City and the World Bank in a study on 'constraints to and opportunities for growth, employment and investment in

Johannesburg', which included complete surveys of large manufacturing firm, small, medium and micro-entreprise, informal sector, service sector, and training and credit institutions (CoJ, 2001: 151). This study though, while useful for the City, simply confirms the assertion that the 'World Bank sees newly autonomous city governments as an important extension of their traditional client base' (World Bank, 2000, cited Parnell and Robinson, 2006: 339).

'[W]orking off the newly efficient and effective institutional foundations' ushered in by *iGoli 2002*, the *iGoli 2010* process was intended to 'assist the City in making choices about what it should be doing, how it should be doing these things, and with what priority' (Monitor Company, 2001: 9). Enhanced quality of life, strengthened and sustained economic growth, and massive sustainable job creation are the interlinked objectives around which the *what*, *how* and *when* that the process refers to are to be structured.

Pinning a vision that leads to the attainment of these objectives then, the approach of the process was one of analysing the gap between current socio-economic outcomes, outputs and system and those espoused in the desired vision (in terms of outcomes, outputs, and system). Drawing from that analysis, the recommendations made cover what is not working and requires fixing (*what is bad*), what is working and requires reinforcement and upgrade (*what is good*), and what is missing that can cripple pursuits to attain the vision (*what is missing*). This approach structures discussions in the report around each of the three areas (agenda for action), namely *economic development*, *infrastructure and services platform*, and *human development*. These three thematic areas that comprised the analytical strands and intervention platforms for the 2010 Integrated Agenda for Action are suggestive of the varied development imperatives covered by the *iGoli 2010* project.

It was not long before the work on *iGoli 2010* was interrupted by the 2000 local government elections (Parnell and Robinson, 2006: 342). To be sure, Executive Mayor Amos Masondo and his Council understood too well that although 'a vision and a dream takes time' to create, 'there [was] no time to wait', for 'the journey to the future [had] already started' (PricewaterhouseCoopers, 2005: 14). Only a year after installation into office, the Council adopted the now-famous *Joburg 2030* as its official city development strategy. Drawing from the 'million-dollar research' (Parnell, 2007: 157) commissioned for the *iGoli 2010* process and championed by Monitor Group, *2030* was to be the most important element in the body of strategy work produced by the City in the first mayoral term of office (2000-2005). This assertion is confirmed in the first chapter of the City's Growth and Development Strategy (GDS) that *Joburg 2030* 'has generated a number of directly associated plans and policies' (CoJ, 2006b: 4). Such associated plans and policies include a City Safety Strategy, an Inner City Development Strategy, an Informal Trader Development Policy…and a number of other key planning documents, notably the Spatial Development Framework and the Integrated Transport Plan (CoJ, 2006b: 4). The plan envisages, summarily, in 30 years from the year 2000, a Johannesburg:

1. whose *business environment* will entail very low crime rates; high quality, cost-effective and efficient services (water, electricity, sanitation, and waste management); increased bandwidth low cost telecommunications infrastructure; business property (office and industrial space) that is well located and tailored to business needs; a high-quality, efficient and low-cost business transport system (e.g. freight and logistics); upgraded public transport system for the business class; advanced information and data systems; attractive for location of headquarters of international and local companies;

2. whose *economy* will be export-oriented, fast-paced (higher growth rates), dominated by advanced producer services (finance and business services, transport, communication, trade, MICE (Meetings, Incentives, Conferences and Exhibitions) tourism) and a small proportion of high-value add manufacturing, with business cycles linked more to international (as opposed to domestic) cycles;

3. whose *labour force* will be largely white and blue-collar workers who are highly literate, numerate and technologically advanced; young, gender balanced, and

earning internationally competitive salaries; equipped through education and training tailored appropriately to suit the needs of industry, with a more practical element to it; and total labour productivity enhanced to the level of G8 countries;

4. whose *geography* will be structured around a key north-south and east-west axis; a high-density nodal system with a vibrant rejuvenated inner city; an efficient and effective public transport system anchored on the rapid rail link; advanced economic infrastructure critical for increased total factor productivity, proximity, and harnessed economies of scale; an open-space system and recreational, leisure and cultural facilities, managed growth (contained sprawl), and controlled through stricter and technologically advanced by-law enforcement;

5. whose *quality of life* will include a 100 percent literacy and numeracy rate; advanced health care and nutrition; sophisticated waste management systems; quick, safe and efficient public transport; abundant leisure and recreation; reduced income disparities; and increased access to housing and basic services owing to increased government revenue and very low numbers of households in poverty; and

6. whose governing *Council* will be manned with the best brains in the country; its human resources and budgets adjusted consistently in line with shifting strategic priorities; with a bigger budget drawn from a higher rates base; embedded in international networks and partnerships; extensive intergovernmental relations; and local key economic player networks; with reduced turnaround times for development applications and administering by-laws and codes designed to support growth; incorporating in operations necessary flexibilities; a streamlined and technologically based organisation that is well-governed; an agent for economic development and a useful partner in business growth.

(CoJ, 2002a: 108-115)

The models for the desired standard of living included in the plan are San Francisco, London and Tokyo. In line with this vision, the dormitory townships produced by apartheid will have been redeveloped to reach standards long-reached by historically white suburbs; manufacturing will have relocated to lower cost centres together with low-skilled workers, the informal sector dwindling substantially in size and changed fundamentally in character (survivalist activities will have emigrated altogether); and the number of households in poverty will be almost negligible (CoJ, 2002a: 110-113). In short then, Johannesburg will be a thriving city, providing high quality of life to citizens with enhanced consumption capacity and economic freedom.

These aspirations of a prosperous 2030 Johannesburg are pinned on two *indisputable* normative aspects, and a paradigm for economic growth broken down into four tenets. First, based on research of visioning exercises of some twenty countries and written outputs of international institutions, it is surmised that 'the world is agreed on a common 'vision' for a world-class city: all citizens should have an increased standard of living and improved quality of life' (CoJ, 2002a: 7). Secondly, 'economic growth is the *only* sustainable road to increased quality of life' (op cit, emphasis added). All visioning must then be guided by an economic growth paradigm, by which is meant 'sustainably increasing rates of gross geographic product (GGP) year in and year out' (*ibid.*: 8). The four tenets of the paradigm, allude to (a) economic growth as the only guarantee for enabling government to redistribute and develop, for households and businesses to reduce their reliance on government through increased productivity and purchasing power, (b) Joburg must exploit economies of agglomeration through ensuring the necessary skills, providing critical connective infrastructure, etc, (c) the City must focus on urbanisation economies but explore localisation economies for critical sectors, and (d) the City must prioritise programmes that contribute to economic growth over those that do not in resource allocation. As Parnell and Robinson (2006: 350) put it: 'The report (*Joburg 2030*) does suggest that some diversion of resources from service delivery towards strategic initiatives to promote economic growth will be required'. Parnell and Robinson (2006) go on to quote Sandy Lowitt, the primary author of Joburg 2030, arguing that the document marks 'a shift from service delivery provider to economic development as the key function of local government in Johannesburg' (cited in *op cit*, 350).

Departing from a detailed contextual analysis of the city (covers the economy, transportation, health, safety and security, health, skills, housing and services, human development index, and demographics), the document analyses the 'efficiency of the Johannesburg economic environment in terms of doing business and making profit' (economies of urbanisation), and isolate priority sectors in the city (i.e. economies of localisation). Interesting from the contextual analysis are the observations that (a) 'service access is not the greatest challenge facing Johannesburg in its drive to become a better city' and that 'Johannesburg citizens are more concerned with joblessness than socio-economic backlogs' (CoJ, 2002a: 14), (b) the existing transport system 'inherited systemic biases as a result of its former dependence on mining and other primary sector activities' (*ibid.*: 16), and is therefore not well suited for the new economy of the city, and (c) the economy 'will need to rely strongly on external demand from foreign countries' (*ibid.:* 26). Some of the hindrances to Joburg's attractiveness to capital include: (a) stringent labour legislation (allowing for high levels of unionisation, high minimum wage, collective agreements, lack of flexibility regarding relative price of labour, complex disciplinary procedures, and difficulty of hiring and firing), skills shortage and mismatch, and the high cost of labour; (b) delays and embargoed information in clearing and forwarding, imbalances in the road rail ratio for freight; mis-location of certain retail, office and industrial space in isolated nodes; (c) ageing infrastructure and coverage (limited by the dominance of socio-economic considerations in expansion of services); (d)poorly rated telecommunications facilities, and (e) crime.

Informed by the assertion that 'the City's economy has transitioned from that of a primary producer to that of a service provider', *2030* identifies key strategic economic sectors that must be isolated for targeted interventions in a bid to nurture economies of localisation. Analysed in terms of 'their attractiveness to the City's broad economic vision and their individual competitiveness', sectors that make it to the shortlist are financial and business services, transport and communications, trade, utilities, accommodation and catering (tourism), and certain subsectors in manufacturing (chemical products, professional equipment, and food and beverages). Construction is dismissed for its unsustainable rates of employment creation, supposed low levels of competitiveness, and low contribution to GGP; and thus 'will not be an integral part of the City's future economic profile' (*ibid.*: 72). Ironically, construction had an annual growth rate in real value add of 19.1% by 2007, making it the fastest growth sector in the city's economy; and manufacturing stood at approximately 18% of the GGP in the same year (See CoJ, 2009; Gauteng Treasury, 2009). While *attractiveness* is measured in terms of GGP and employment growth, and overall contribution to GGP and employment in the city, *competitiveness* is measured in terms of productivity growth and export propensity (CoJ, 2002a: 71).

The penultimate chapter of *2030* maps a set of actions, programmes and interventions required for the thirty year journey, as the necessary ingredients required to 'create a cycle of growth'. In order of priority, the chapter packages interventions thematically in terms of *conducive environment* focus areas, *engine of growth* focus areas, and *accelerating growth* focus areas. The two major areas of focus in terms of programmes for creating a conducive investment environment are crime and skills. Zero tolerance should be at the centre of the City's safety strategy[31], and networks should be put in place to ensure that education is funded, and properly tailored to the needs of the economy (in addition to citizenry and compliance programmes). Strategies and programmes for spatial planning, transport, telecommunications, and utilities are detailed under the engine of growth focus areas. The first should provide a functional geography[32], the second a balanced, efficient intermodal transport system, the third a telecommunications service with increased bandwidth and low cost (enabling *iGoli 2002*'s 'fast and connected city of the millennium'), and the last a services and infrastructure network that is effective, efficient, high quality and low cost. Focus areas for accelerating growth include 'reliable, accurate and appropriate information and data

[31] A strategy whose paradigm is refocused away from a social to an economic one (CoJ, 2002a: 124)

[32] A built environment ensemble different from the current one that is 'a major impediment to economic efficiency and productivity' (*ibid*, 128)

systems' (*ibid*. 137, for '[i]nformation in the 21st century is a necessary requirement for international competitiveness' (p139)), networking systems and structures (institutional depth), catalytic projects, and the re-dimensioning of SMME development and supporting outsourcing. Catalytic projects would be 'undertaken only if they are commercially viable and sustainable, if they fall into one of the nine preferred sectors and if the success of the project will result in a chain reaction of either similar or associated projects that will support the new economic growth trajectory' (*ibid.*: 140). These projects were to be undertaken by the Johannesburg Development Agency (JDA), and coincided with the inception of BLUE IQ initiatives launched by the Gauteng Provincial Government in line with the smart province programme (see chapter 07 for some detailed discussions).

The strategy concludes with a set of passing reflections on conditions for action. It points to the need for 'particular kind of political toughness, similar to that which was shown in the Egoli 2002 process' (sic, *ibid.*: 144), and calls for mobilisation of all sectors of society and other spheres of government behind the vision. Organisationally, it proposes the establishment of a Corporate Planning Unit (which will serve as the champion for *2030* and a nerve centre for coordination)[33]; the split of the Department of Development Planning, Transportation and Environment into three, to give attention to the growth engine focus areas of transportation and spatial planning; and the setting up of a separate unit to deal with informatics. And to assist and monitor progress, an econometric model and a set of indicators, under clear key performance areas are proposed as areas requiring urgent attention and further investigation.

And thus in terms of *Joburg 2030*, the city future is world-class, a better life for all the promise, and economic growth the only route there. The travel will be tough, entailing trade-offs and sacrifices.

4.4. Growth and development 'for all'

[33] And not surprisingly proposed to be located in the Office of the Chief Financial Officer (CFO), consistent with the emphasis on 'growth with sustainability' in *iGoli 2002*

The 2006-2011 City of Johannesburg Metropolitan Council term of office saw the adoption of yet another important strategy, refining and consolidating existing strategies, building on emerging national and provincial strategies[34], and drawing from critiques on existing city strategies and practical lessons in implementation. In the City's own account, the *2030* vision had to be updated and revised because of (a) the few glaring gaps in the information base available at the time of its development, (b) its omission of the 'two-economies thesis' as coined by former President Thabo Mbeki, and (c) some emerging trends that nullified some of the projections made. Following a growth and development summit, a new narrative structuring the 2006 growth and development strategy (GDS) emerged:

> 'In the future, Johannesburg will continue to lead as South Africa's primary business city, a dynamic centre of production, innovation, trade, finance and services. This will be a city of opportunity, where the benefits of balanced economic growth will be shared in a way that enables all residents to gain access to the ladder of prosperity, and where the poor, vulnerable and excluded will be supported out of poverty to realise upward social mobility. The result will be a more equitable and spatially integrated city, very different from the divided city of the past. In this world-class African city for all, everyone will be able to enjoy decent accommodation, excellent services, the highest standards of health and safety, access to participatory governance, and quality community life in sustainable neighbourhoods and vibrant urban spaces' (CoJ, 2006b: 86).

Unlike the certain allusions ventured in *Joburg 2030*, there are no illusions here that the poor will simply relocate somewhere in the near future. Indeed, '[t]here will still be poorer people and richer people in the Johannesburg of the future' (CoJ, 2006b: 78). They represent a 'permanent underclass', and their existence is precarious and nomadic; forever 'shuffling between the cracks and crevices of social space' in the 'constant struggle to be *less excluded*' (Murray, 2008: 16-20, emphasis in the original).

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[34] ASGISA, NSDP (revised National Spatial Development Perspective), Gauteng Growth and Development Strategy (GGDS), and the Gauteng Global City Region Strategic Perspective

To them too, the city is ‘not just a place of passage’ it is instead ‘a terminus, a home’ (Mabin, 2007: 38). In the shuffling, they hope (and even fight) to be absorbed into ‘the everyday world of regular work’, incorporated into ‘decent and affordable housing’, and to access ‘reliable social infrastructure’; in short, to be anchored ‘into a relatively stable place in the sociocultural fabric of the city’ (Murray, 2008: 19).

The first principle of the development paradigm is not the sustained expansion of the economic base through increased and widened total factor productivity; but rather the ‘*proactive absorption of the poor’* (CoJ, 2006b: 55). They must access basic livelihoods, afford services, infrastructure and amenities, rent and/or own decent housing, live in mixed-income areas, participate meaningfully in governance, enjoy recreation and leisure, and redefine use of space and built environment in line with their needs (*ibid.*: 59). Like New York, Johannesburg must work to develop ‘an impressive capacity to turn poor migrants into citizens with at least a foothold on the ladder to prosperity’ (Urban Age Conference, New York, 2005, cited in *op cit.*). If exclusion is a ‘matter of degree and distance’[35], inclusion must be a matter of both these and the speed at which the absorption occurs[36].

The central tenet of economic growth as the *only* sustainable road to increased quality of life, as alluded to in *2030* is retained in the GDS, and the City recommits to ‘actively intervene to shape conditions for accelerated local economic growth’ (CoJ, 2006b: 62). The few refinements include (a) the inclusion of the maxim in government policy circles of the first and second economy, (b) introduction of the notion of shared (as opposed to merely accelerated) growth in line with the Accelerated and Shared Growth Initiative of South Africa (ASGISA), and (c) emphasis on diversification beyond the sectors identified in *2030*, with a focus on those sectors that are ‘not dependent in one way or another on the whims of an international commodity cycle’ (*ibid.*: 63). Where there is ambiguity in the GDS is in the reciprocity between acceleration and sharing (grow and

[35] ‘degree of exclusion and distance from the rights and privileges of citizenship’ Murray, 2008: 20

[36] Before informal settlements and inner city slums sprawl beyond containment, before those thrown off-balance regain it through extralegal means.

share/share and grow) as opposed to a sequence (grow first, share later). Left open as a challenge, it will be a project still to 'figure out how to drive up the rate of economic growth in order to spread the benefits of growth, *with the rate of growth itself being driven up via a process of spreading the benefits of economic growth'* (CoJ, 2006b: 63, emphasis in the original). Gotz (2009), the principal author of the GDS, concedes that there is much work to be done in exploring concrete policy implications of a trajectory that calls for 'growth through redistribution'. But interestingly, a competitive environment will not amount or equate to 'business costs being artificially subsidised by state efforts to suppress social expectations' (CoJ, 2006b: 78). In fact, the City must 'undo an urban form that subsidised the wage and services bill of business by forcing a majority of the population to live in squalid dormitory townships' (CoJ, 2006b: 62). So a contradiction that will emerge is with the disentangling of the urban form, where some costs of doing business will be eased, while other costs will inevitably go up. The growth envisaged is one that must be shared more broadly, through 'employment, fair remuneration and opportunities for new market entrants' (CoJ, 2006b: 63). Competitiveness, then, will mean 'supporting generative economic interactions between economic actors, and enabling continuously re-energising participation of all residents as investors, producers, consumers, traders or innovators' (CoJ, 2006b: 63). However, the interventions proposed in *2030* still frame the long-term strategic interventions under the goal of increasing competitiveness; lowered regulatory constraints, reduced crime, and increased skills base and levels—including mitigating community conflict. (*ibid*.: 92). Such is the City's concept of *accelerated and shared growth*, the second of six principles of the GDS development paradigm.

Apartheid's deliberate restrictions on the growth of a substantial middle-class through exclusion of the African majority from receiving decent incomes, and meaningful asset accumulation, inter alia, has lead to massive wealth inequalities and has constrained the domestic economic market. The City commits to *facilitation of social mobility and inequality* through a series of measures: to enable households invest in assets with potential for future returns (through for example social transfers);to prevent emerging lower middle-class from degenerating back to poverty (ease costs and cushion against risk); to assist the middle-class to navigate momentary vulnerabilities crippling positive spending patterns, and to assist households to transform dead capital into valued assets (intervene to ensure an efficiently functioning housing ladder).

Another principle in the GDS is *settlement restructuring*. Settlement restructuring means that 'the *city form* must be changed to bring jobs closer to people and people closer to jobs; the *city's fabric* must be maintained and improved so that large numbers of people do not end up in under-invested and deteriorating built environments; and *city functioning* must be dramatically improved, inter alia, to accelerate the pace of delivery of appropriate housing in good locations and to reduce the high cost of having to deliver services on the urban edge' (CoJ, 2006b: 67). Arguing for the City to take control and direct future spatial development, the GDS argues for upwards (densification) as opposed to outwards (sprawl) growth of the city's built environment. To achieve a compact city form, the City has to develop a set of incentives and disincentives, and a series of regulatory mechanisms to discourage sprawl. While recognising that upward development might in the long-term lead to escalations in the costs of land and housing, possibly squeezing the poor out of the city; the costs of infrastructure provision and maintenance in the periphery, and that of increased transport costs for the poor are comparatively more taxing. Mechanisms will have to be devised therefore, to subsidise the poor when the threat of exclusion looms. Settlement restructuring is a response both to the skewed settlement patterns ushered in by decades of apartheid planning, and their sometimes not so deliberate consolidation through the various government interventions in the preceding decade of democracy (1994-2004).

The deliberate underdevelopment of the city's townships, left to metamorphose into 'overcrowded, dirty and smoky ghettoes' (*ibid.*: 68), the various global environmental shocks and risks emerging (e.g. global warming, water scarcity), and the lack of green infrastructure constitute critical sustainability challenges for the city. In its goal towards *sustainability and environmental justice*, the City is to recognise and attempt to 'limit the impact of urban processes of production and consumption on the environment' (*ibid.*:

70), extending green infrastructure to the townships, and promoting sustainable environmental practices.

Beyond the institutional restructuring ushered in by the *iGoli 2002* process and the challenges it sought to respond to, new challenges have evolved that require *innovative governance solutions* on the part of the City. Because of a history of deliberate underdevelopment for most parts of the city; the development challenges confronting the City are too huge and numerous for the existing (weak) fiscal base, and the non-transactional relationship that exist between the City and most of its residents (some consumers of service are not account holders) leads to the city being reluctant to extend quality services to households. The administrative boundaries of the city, the geographic space at which the City's development interventions are targeted are not tantamount to the functional boundaries of the city. As development levels rise in the target geographic space called Johannesburg, the costs of living there might push those who cannot afford living in the city to move to neighbouring municipalities[37]. Innovative solutions therefore, must entail participatory processes that will help government 'to prioritise its scarce resources, to structure and moderate demands, and to establish a transactional relationship with residents as customers' (CoJ, 2006b: 73). The urban region beyond the administrative boundaries of Johannesburg must be accounted for in the City's governance, through working together with adjacent municipalities towards balanced development. Innovative solutions will also be about finding ways of mobilising resources (expertise, finance, etc.) across the public-private sector divide towards achieving the City's vision.

Chapter four of the GDS outlines twelve vision elements, elaborations on economic development, human development, housing, infrastructure and basic services, environment, spatial form and urban management, transportation, health, safety,

[37] An observation reminiscent of the notion in *Joburg 2030* that the poor will migrate to low cost centres

financial sustainability, governance, and corporate and shared services[38]. The vision elements culminate in the vision statement quoted at the beginning of this section.

The GDS proposes that on the economy, a conducive environment for investment will be secured through reduced poverty, inequality and exclusion, as opposed to artificially reduced the cost of doing business in pursuit of some narrow notion of competitiveness. As Gotz would put it, working towards competitiveness that does not concern itself solely with the profitability of business, but rather with the dynamism of the economy (Gotz: 2009). On human development, Johannesburg should be an inclusive city where no one is banished to ‘a life-sentence of poverty, disadvantage and exclusion’ (CoJ, 2006b: 78). The form, fabric and functionality of human settlements should be such that the quality of life for everyone is enhanced through access to quality services, amenities, infrastructure and economic opportunities. Those whose vulnerability (to exclusion) is high (orphans, street children, the aged, refugees, etc.) ‘will receive special attention to ensure that their unique circumstances do not translate into structural exclusion and, in turn, poverty’ (CoJ, 2006b: 79). On housing, all informal settlements and inner city slums will be eradicated by year 2016, as people are housed in safe, secure, green, networked neighbourhoods, in both rental and ownership statuses. Then, ‘no one will find themselves trapped in a racially-based or class-based ghetto, cut off from the rest of the city and mainstream social and economic life’ (*ibid*).

The GDS further proposes that on infrastructure and services, while differences in levels of service will remain based on need and affordability, quality networked infrastructure will have been rolled out to all parts of the city. Backlogs eradicated, payment systems efficient, and disruptions minimised. On the environment, the impact of production and consumption on the environment will be minimised, technology

[38] These elements were to account for the structure of the Council in terms of the administration’s core departments, and the Mayoral Committee portfolios (e.g. the spatial form and urban management vision element is carried through the Department of Development Planning and Urban Management (and its agencies), a council portfolio committee on development planning and urban management, and an MMC for development planning and urban management). The vision elements, in essence, are the sector areas that the City sought to focus in structuring all efforts towards achieving the vision.

developed and mechanisms devised to negotiate vulnerabilities (e.g. alternative sources of energy, water constraints). As far as waste is concerned, the GDS states that: waste will be reduced and green infrastructure extended. On spatial form and urban management, through sustained brownfield and greenfield developments, the spatial patterns inherited will be dislodged. Through densification, growth management, efficient land-use management, and design guidelines; quality urban environments will be evolved. Potential degeneration into squalor of these environments will be prevented through robust urban management. On transportation, an efficient public transport system and world-class transport infrastructure will anchor the compact urban form desired.

The GDS proposes that, the quality, efficiency, and capacity of the health system will be enhanced, to among other things ensure universal access, the capacity to anticipate and mitigate health risks and outbreaks. On safety, robust urban management and by-law enforcement will ensure safety and security for both households and businesses. Disaster management capacities will be enhanced. On financial sustainability, prudent expenditure, sound financial systems, expanding the revenue base, and exploring more funding sources will enable the City to finance delivery and development that is affordable and equitable. On governance, the City will work to improve its techniques and capacity to enhance meaningful community and citizen participation, to cooperate with other spheres of government, and mobilise other development partners (local and global) to harness resources, synergise development priorities for maximised development impact. On corporate and shared services, coherent, efficient, and stable internal systems, procedures, and a talented human resource will amount to the solid administrative foundation upon which to base delivery and development.

Each of these elements is then broken down in the GDS in the next chapter into long-term goals and accompanying long-term strategic interventions. These goals and interventions constitute the strategic choices that the City has made around each of the twelve areas. It is around these long-term goals and interventions that five-year strategic objectives and related programmes are structured in the 5-year (and annually revised) integrated development plan (IDP) of the City (captured there in a dedicated chapter on sector plans). The predictable cycle of integrated long-term and medium-term planning are summed up diagrammatically as in figure 6.2. below.

The development paradigm, the vision, and the long-term goals and strategic interventions are all premised on 'an interpretation of how current and emerging circumstances may evolve to shape the progress of development in the city' (CoJ, 2006b: 17) as contained in the long-term strategic perspective chapter of the GDS. The strategic analysis' scope and focus is itself informed by the development paradigm, and draws from the body of work done by the City in the preceding term of office.

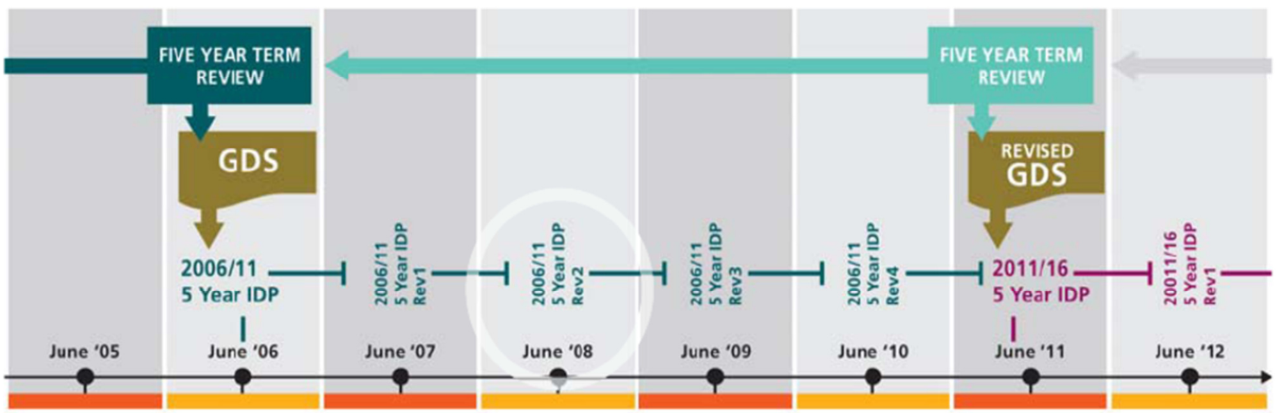


Fig. 4.3. Integrated long-term and medium-term planning cycle for the City as proposed in the GDS (Source: CoJ, 2008c: 12)

This is the consolidated vision of the City, adopted at the beginning of the 2006-2011 term of office. The work it has spawned is accounted for in the five-year Integrated Development Plan (IDP) and the Medium Term Revenue and Expenditure Framework (MTREF) and their annual reviews. Progress was assessed in the mid-term report released in late 2008, titled *Realising the future we choose—a message of progress*. The destination is not 2030, the future does not have a specific start and end point, dates are mere milestones to measure progress, and the aspiration framing the direction towards *a world class African city for all*. Finding a spot in the upper galaxy of world cities remains an imperative in the GDS, but the realities of the lived city experience are harnessed through an inward look that addresses marginality and exclusion.

4.5. A world class African city for all

Graeme Gotz (2009) acknowledges that the notion of an African world class city for all could be interpreted in more ways than one. But he argues that, at least in the GDS, the concept simply means ‘a city for everyone, in our own terms’. It is a world class city because the quality of life for everyone is enhanced; it is an African city because its destination is not modeled after some predetermined cityness manifest in a city elsewhere. Here, redistribution is a condition for growth. If the trajectory is the one advocated in *Joburg 2030* though, this conception alters fundamentally, and the world class city referred to becomes the post-industrial global city theorised by Sassen (2000). While it is true that ‘the poor in the city are not poor because someone has used the wrong term’ (Gotz,2009) (i.e. world class city), ‘ideas can also fix the future, creating convictions that we are trapped by the powers of geography, time and capital flows’ (Pieterse, 2004).

Roland Hunter (2007), a former senior official of the City, argues that ‘Johannesburg’s responsibility to South Africa includes maintaining and developing the global city status’ (Hunter, 2007: 320). Responding to a critique by Benit and Gervais-Lambony (2005) that the City was directing a huge bulk investment in spaces that had capacity to attract global attention and investment (‘the shop window’) and only managing poverty in ‘the back shop’; Hunter (2007) writes that promoting the city’s global status is not ‘a matter of promoting development in the back shop’, ‘but rather, the imperatives of promoting development in the “back shop” are forcing an engagement with the “shop window”’ (*ibid.*: 319). It is Gotz (2009) who explains this latter logic better:

> *Joburg 2030* belongs to ‘a set of strategies that are in a sense built on the assumption that what you have to do is make sure you have economic development first, or growth first, which then leads to the ability of the city to absorb more people. So once you have economic development, then you will

> have jobs for people, once you have jobs for people, then people can come in. With that, I think, you've got the danger that you still regard those people who are not currently part and parcel of the city, or those people in a sense occupying marginal positions in the city (in informal settlements, in backyard shacks, in bad buildings in the inner city, hostels, new households emerging from previously multigenerational houses in Soweto, etc.) as somehow still a cost to the city, which the city is unable to bear, until such time point as it's got the economic development it needs. So, still this preoccupation with making sure that you minimise the costs until such point as you can absorb those costs.'

The *Joburg 2030* development paradigm that argues that economic growth is the only guarantee for enabling government to redistribute and develop, and the explicit assumption that the poor will relocate to low-growth centres outside the city certainly affirms Gotz's (2009) argument above. The strategy concerns itself mainly with economic growth, as evidenced in all the focus areas anchoring the City's investments and programmes in the short- to medium-term. Indeed, 'the longer-term strategy is very clearly leaning towards growth—adopting a blatantly liberal discourse: development should follow growth through a 'trickle-down' effect; the state is considered neither efficient nor even able to manage and deliver urban services properly and the emphasis lies in freedom of choice for businesses and individuals' (Benit and Gervais-Lambony, 2005: 5). *Joburg 2030* preoccupies itself with reducing the cost of doing business for capital and enhancing the city's competitiveness in the global economy. World class then meant within the rubric of *Joburg 2030*, a desire to become a basing point in the organisation of the global economy, a command and control centre housing finance and advanced producer services and transnational corporations (TNCs), and a post-industrial production site and marketplace ranking high in urban hierarchies produced once in a while by research institutions such as Globalisation and World Cities Studies Group (GaWC). Here is a Johannesburg that would pursue a 'growth-first approach to urban development' (postponing redistribution and social investment[39]); have a lean government (that has deregulated and privatized); with policy measures that 'anticipate, complement, and in some instances mimic the operation of competitive markets'. In addition, it would learn from the best in terms of recipes for attracting investment (through fast policy transfer); adhere closely to the 'narrow urban-policy repertoire' (inner city regeneration, place promotion, etc.); and will thus escape being punished harshly by not playing by the rules (deinvestment, non-funding, etc.).

The long-term strategy of the City, soon relabeled an economic development strategy of the City, generated heated debates within and outside the City, leading to the development of a complementary Human Development Strategy (HDS) by 2004 (Harrison, 2010). It was in the HDS that the phrase 'for all' was added to the 'world class African' vision of the City. While it is critical not to read too much into such a textual alteration, it signals the beginning of an important paradigm shift in the vision. Pascal Moloi (2011), City Manager of Johannesburg between 2000 and 2006, explains that one of the most important developments in the development of the next generation of strategy, in the form of the Growth and Development Strategy, was that the 'development paradigm' in the GDS was evolved through extensive deliberations in all branches of the ANC in all parts of the city. So that unlike the *Joburg 2030* project, the GDS is a product of a highly participatory process involving the basic units of the ruling party in its crafting (Moloi: 2011).

The shifts contained in the GDS are marked, moving from a political economy logic that contains the benefits of growth with the externalisation of costs, to one that grapples with how to contain both the costs and benefits of growth (Gotz, 2009). The experiences and development patterns in the years between the adoption of *Joburg 2030* and the end of the first City of Johannesburg Metropolitan Council's term of office necessitated the need to look again closely at the City strategy. This is not a strategy informed largely by the dynamic of interspatial competitiveness that subjects cities to the dictates of the

[39] Recall the assertion in the strategy that service backlogs were according to a survey not a primary concerns for residents, so that it matters less if it becomes a priority for the City administration or not

neoliberal interlocal rule system, refocusing policy and programme/project priorities away from the immediate realities of locals to the imperatives of international capital. The sectors of the economy that are to be supported and nurtured are not only those export-oriented and befitting the categories of advanced producer services and finance as prescribed in international urban discourse in line with the 'new urban policy'. Proactive absorption of the poor and facilitated upward mobility are some of the most primary concerns, as that absorption is understood as a precondition for growth. The paradigm shifts from 'redistribution through growth' to 'growth through redistribution', as many other redistributive imperatives as possible are as important as economic growth is.

By the time the then President Thabo Mbeki visited Johannesburg just a year after announcing the ASGI-SA, his critique 'was precisely that the CoJ was not prioritizing growth and the economy' (Harrison, 2010). As Harrison (2010) puts it, '[m]y own personal experience was that the economy was hardly ever spoken of in Mayoral Committee or Council meetings, compared, for example, with questions of 'urban orderliness' (I do not think it would be correct to say either that the urban orderliness agenda was subordinated to a growth agenda)'. Parnell and Robinson (2006: 348) argue that the 'co-incidence of globally competitive and extreme poverty and inequality in the city of Johannesburg—as in so many cities in poorer countries—places strong demands on city government'. These are demands to 'address the huge backlogs of service provision and infrastructure, or to alleviate and address poverty' and simultaneously 'elaborate and implement policies for economic growth which do not simply reinforce these inequalities and divisions' (Parnell and Robinson, 2006: 348). The GDS attempts to grapple with this development paradox.

4.6. Conclusion

Joburg 2030 flirts with neoliberal urban policy paradigms that place economic growth at the centre of development as a precondition for such development. All strategic levers of the strategy revolve around economic growth, and the creation of conducive environment for investment. It assumes that the benefits of such growth will trickle down. However, the 2006 GDS, which replaced *Joburg 2030* as the cornerstone of the City's development trajectory, moves away from this growth-first logic. The analysis above points to the fact that looked at closely, the GDS might represent something of an alternative development logic that dislodges neoliberal urbanism as theorized in Brenner and Theodore (2002b).

CHAPTER 05

Towards a Spatial Fix: The Contested Dynamic of Spatial Restructuring

5.1. Introduction

> "Our image of a city consists not only of people but also of buildings—the homes, offices, and factories in which residents and workers live and produce. This built environment structures social relations…constrains and stimulates economic activity…etches the division in time and distance between home and work and generates the milieu in which productive enterprises relate to each other. As a source of wealth through the real-estate industry, a cost of doing business, and an asset and expense for households, physical structures are a critical element in the urban economy" (Fainstein, 2001: 1)

The organisation of these 'productive, distributive, reproductive and exchange operations of our social system' (MacLaran, 2003: not paginated) in space, is an ongoing process of negotiation between the shifting locational and infrastructural requirements and preferences of each of these operations. It is this negotiation, ongoing and often conflictual, that constitutes city-building processes that entail considerable investment of materials and labour power in the construction of the urban fabric (*ibid.*). At once a source of wealth and a cost in processes of wealth creation, an asset to households and an expense, a use value and an exchange value; the built environment is to be organised in a manner that enables society to reproduce itself.

But 'city building is a contradictory and uneven process, where competing logics intersect, overlap, and clash to produce an incongruous patchwork of urban artifacts layered—both literally and figuratively—on top of each other' (Murray, 2008: 126-127). So that because the production, management and ownership of the built environment invariably involves diverse interests; functional city forms and fabrics will require the proper alignment of allocation mechanisms (state, markets, monopolies), coordination of investment decisions around quality, quantity, timing and location of each element in an attempt to generate a proper mix of elements in space. It is such a proper mix upon which the ideals of equitable distribution of opportunities and dynamic economic activity are to be premised.

The property development sector is a very critical city builder that accounts for much of the built environment that has come to embed the image and embody social relations of a city. It accounts largely for the modifications in existing infrastructures and the development of new ones beyond existing built environment footprints. The deliberate endeavours to explore the dynamics of the property industry and its workings as an entry point in attempts to understand processes of space-making and city-building and their outcomes are demonstrative of its significance, theoretical and practical (see for example Fainstein, 2001, MacLaran,2003, and Murray, 2008). Consequently, an assessment of spatial restructuring efforts in any city, including Johannesburg, would be incomplete without an engagement with the property development industry and its objects, operations, and impacts.

However, ‘the industry’s activities are not unfettered’, as the ‘state has almost invariably sought to intervene in the process of creating the built environment through urban planning systems which seek to control, shape and influence the outcomes’ (MacLaran, 2003: not paginated). As a series of city builders (re)construct the city daily, the City authorities in Johannesburg are called upon to summon various capacities if they are to guide, account for, and manage the pace and direction of development in line with the City’s long-term vision. These capacities include (a) strategic development planning that has buy-in beyond the Council; (b) land-use management and development control that sways development in the direction of the long-term vision; (c) spatial information generation and management that enables all development partners to read trends and patterns of development; and (d) urban management that sustains quality in the urban fabric.

Synergies in the city’s own planning, budgeting and performance management will ensure that the long-term vision is translated into resourced projects whose development impact can be measured in the medium- and short-term. Alignment of both resources and interventions across spheres of government will enhance development impact, assisting government to measure in concrete terms the difference that their investments make in the distribution of life chances in the city. For it is in the actual transformations that the City has invested its energies and resources on creating the discourse and visions that are actually spatialised, in the deconstruction of the city's form, the reconfiguration of the built environment, re-patterning of densities and reallocation of land uses. It is this state intervention in space that preoccupies this chapter.

Capitalism, if consistently and continuously punctured and punctuated by interruptions and disruptions, is an economic system and social order perpetually under siege. It is perpetually punctuated by a crisis of overaccumulation, calling for crisis management interventions including 'devaluation'. Capital 'can be devalued as money (through inflation or default on debts), as commodities (unsold inventories, sales below cost price, physical wastage), or as productive capacity (idle or underutilized plants…the physical and social infrastructures that serve as crucial supports to the circulation of capital and the reproduction of labour power, may also be neglected' (Harvey, 1985: 132, cited in Bond, 2000b: 10). It is during such moments that capital 'renders obsolete the very geographical landscapes it creates and upon which its own reproduction and expansion hinges' (Brenner and Theodore, 2002b: 7).

When the built environment, or its spatial organisational patterns at a given point in time, has returned to confine accumulation; it is 'junked and reworked in order to establish a new locational grid for the accumulation process' (*ibid.:* 8). This reworking (and total neglect in other instances), amounts to finding a new 'spatial fix' through tempering with the geography of the city, reordering land uses and repackaging the built environment. As puts it, the 'spatial fix to capitalist crisis is, in effect, the frantic search for new locations of production, distribution, consumption, administration, etc.'. Each new accumulation strategy following a capitalist crisis requires its own spatial fix. However, 'the creative destruction of capitalist territorial development is always unpredictable and deeply contested', so that the 'establishment of a new 'spatial fix' is never guaranteed' (Bond, 2000b: 13). Even then, it is those cities that evolve the best spatial fixes for accumulation that win the day in interspatial competition, where cities compete with each other as 'territorial production systems' (Rogerson, 2004: 74).

Amidst the contestations that accompany the production of space, the City administration has sought to actively guide the spatial restructuring of Johannesburg after apartheid. The following pages examine, even if not comprehensively, the City's own efforts at restructuring space after 1994. It begins with a cursory exploration of the City's spatial policy, solely to lay a broader contextual background for the examination of three important spatial restructuring initiatives structured respectively around development strategies one and two (efficient movement system, and strong viable nodes) of the Spatial Development Framework (SDF). Each initiative is unpacked, historically and conceptually, and then analysed applying some of the tools from the theoretical framework chapter of the thesis. The chapter is concluded with an overarching analysis of the extent to which neoliberal urbanism shaped the City's spatial restructuring interventions. Essentially, the chapter is an analysis of the state's search for *spatial fixes* that would account for city form and fabric, the third entry point to analysing the 'urbanisation of neoliberalism' in Johannesburg after apartheid.

5.2. Johannesburg's spatial policy

For the authors of *Joburg 2030*, space is a critical *engine of growth*, with current inherited spatial patterns yielding marked inefficiencies undermining productivity levels and growth rates. The transport system is skewed, non-viable and unsustainable, and service delivery patterns fail to correspond with the development trends and attendant requirements (themselves characterised by inappropriate densities, unfocused clustering and fragmentation) (CoJ, 2002b: 30). Settlement restructuring, a central principle of the GDS development paradigm, means that

> 'the *city form* must be changed to bring jobs closer to people and people closer to jobs; the *city's fabric* must be maintained and improved so that large numbers of people do not end up in under-invested and deteriorating built environments; and *city functioning* must be dramatically improved, inter alia to accelerate the pace

of delivery of appropriate housing in good locations and to reduce the high cost of having to deliver services on the urban edge' (CoJ, 2006b: 67).

While radically different in emphasis, both the *Joburg 2030* and the GDS urge the City to take control and direct future spatial development of the city, arguing for upwards (densification) as opposed to outwards (sprawl) growth of the built environment. There was convergence at both instances on the spatial development strategies and by extension courses of action for achieving such a compact city: (a) supporting an efficient movement system, (b) ensuring strong viable nodes, (c) strategic densification, (d) supporting sustainable environmental management, (e) initiating and implementing corridor development, and (f) managing growth and delineating an urban development boundary. The linkages between these various elements in space aim to create a *city form* that is functional, while the appropriate location, nature and relations between various activities within given nodes and neighbourhoods will produce a rich *city fabric*. To that end, effective instruments would be required for long-term spatial planning, land use management, spatial information and urban management. This convergence of the development strategies of the GDS, which places emphasis on proactive absorption of the poor through city form and fabric that functions for everyone, and a *2030* vision, that conceptualises space primarily as an engine of economic growth, is a curious one. The differences, according to Peter Ahmad (2011), lie in the detail—the areas of emphasis in programmes and projects the City adopt to intervene in space.

While *2030*, and later the GDS embody the long-term overarching development vision and strategy for the city, spatial policy is enunciated most eloquently in the Spatial Development Framework (SDF). The SDF is a spatial policy instrument proposed by the Municipal System's Act as one of the most important elements in each municipality's Integrated Development Plan. In the City of Johannesburg, the SDF, which analyses development trends and patterns in space and prescribes development objectives and guidelines across space, is localised through regional spatial development frameworks (RSDFs) for each area. Area specific Urban Development Frameworks (UDFs) and Precinct Plans are encapsulated in the RSDFs, as annually reviewed and adopted by

Council. A Capital Investment Framework (CIF) aligns the SDF development strategies with the City's budget on an annual basis. A spatially-linked information system (i.e. the Capital Investment Management System (CIMS)) is used to prioritise projects and programmes, and align budgets between departments and municipal entities to priority areas of the City(CoJ, 2005: 81). Allocations prioritised through this instrument are clustered around a set of programmes that relate to Mayoral priorities, SDF development strategies and GDS priorities. For the financial year 2005/6 for example, allocations had been clustered according to the following programmes: Upgrading of Marginalised Areas Programme (Sustainable Housing Environments Strategy); Regeneration Programme (Nodal Strategy); Corridor Development Programme (Corridor Strategy); Nodal Programme (Nodal Strategy); Strategic Transportation Interventions Programme (Movement Strategy); Strategic Infrastructure Investment Programme; Sustainable Environment Programme (Environment Strategy); 2010 Programme; and Housing Programme (Housing Strategy) (CoJ, 2006c: 129).

But exactly how does the City conceptualise space and spatial restructuring in these spatial policy instruments? For the City, geographical structure is crucial, it 'will influence the manner in which movements occur, people settle and economic activities are arranged and have a direct impact on the efficiency of a city' (CoJ, 2005: 10). The ordering of uses, developments and investments in the city space must produce a 'robust structure' 'reflected by good accessibility, legibility, efficient service provision and a range of choices for the City's resident communities and businesses' (*op cit*). Conceptually, such a robust structure will gradually result from a combination of programmes aimed at producing a network of movement routes (an *efficient movement system*); a network of *activity nodes*; appropriate (strategic) *densities* around nodes and movements routes; a well-defined *open space system*; *corridors;* and an *urban development boundary*.

The City, therefore, takes care to understand the 'potential impact of each and every development on the spatial structure, irrespective of its scale and location' (CoJ, 2005: iv) in its consideration of its own investments, interventions by another sphere of government or state-owned entity, and initiatives by both private sector and communities in its municipal space. What happens in every part of the 1 620 square kilometers land that the city occupies is not to be left to chance and speculation, irrespective of the land ownership patterns and development rights. Development trends in each of the municipal spaces bordering Johannesburg (i.e. City of Tshwane in the north, Sedibeng District Municipality (Emfuleni) in the south, Ekurhuleni Metropolitan Municipality in the East, and West Rand District Municipality (Mogale City Local Municipality) in the West) must continuously be tracked closely, and where possible influenced through inter-municipal processes.

But forward planning towards the ideal spatial structure as envisaged in the conceptual spatial development framework (SDF) has to be premised on and responsive to a set of structuring elements defining the current city form. The dynamics to be negotiated can be read in some of the structuring elements that follow. First, while the city boosts a few national and provincial roads providing east-west and north-south linkages at a regional level, and a strong network of northbound arterials; its east-west arterials are haphazard and poorly linked, its southern road network is haphazard, and the effectiveness of the city's overall public transport system is limited due to travel patterns and overall low densities. Second, the central business district (CBD), despite years of neglect, remains the city's primary node, characterised by disinvestment, derelict buildings, land and building invasions, lack of an efficient public transport system and public open spaces (CoJ, 2001b: 15). A large number of established nodes are concentrated in the north of the city, following years of speculative property development. This followed the springing up and consolidation of residential neighbourhoods, the sprouting of shopping centres, and the emergence of luxury office parks and nodes concentrating economic activity disproportionately to the north. While the south has relatively higher population and densities, years of deliberate underinvestment in its infrastructure, and its reputation as mainly a pool for African cheap labour, may in part account for concentration of developed and thriving nodes in the north.

Third, densities in residential areas are generally low across the city. New developments, while having relatively higher densities, occur mainly in previously undeveloped land, are car focused and mostly gated. In marginalised areas (Soweto, Diepsloot, Orange Farm and Ivory Park), the ineffective use of land has engendered sprawl even though densities are comparatively higher. Moreover, most of these developments are mainly informal, and are poorly connected to the rest of the city. Fourth, open space which is well maintained and developed has been undermined in the city by residential and commercial development that underemphasized biodiversity conservation. Finally, the 'undermined land occupied by mine dumps and slimes dams and land affected by resultant pollution' that constitute the mining belt are a 'major physical and environmental barrier' which, it is proposed, if properly negotiated can be 'an important re-structuring element' in building north-south linkages (CoJ, 2005: 12).

Other factors that would to be crucial in determining the courses of action to be taken in restructuring space include: the geographic distribution of prosperity and poverty; the political economy of movement and access; the spread, state and limit of the environmental resource envelope; the state, quality and distribution of infrastructure (vis-à-vis development trends unfolding and desired); and the dynamics of housing need and opportunity (CoJ, 2005). On that account, while the quality of life for citizens of the city might be better off than that of most South Africans located elsewhere, unemployment rates are high, and the number of households without any income are substantial. These households, largely located in the south (Soweto and Orange Farm), can also be found in the CBD and in some pockets in the North (Alexandra, Ivory Park and Diepsloot). Most households further south spend about ten per cent of their income on transport, given the location of most economic opportunity in the inner city and the nodes to the north of the city. While 42.2% of all commuter trips in the city are made by private vehicles, minibus taxis constitute the most used public transport mode (CoJ, 2003: 28). The pace of population growth and of development (both formal and informal), have seen the fast-paced change of land use to the detriment of open space preservation, biodiversity conservation and unsustainable use of resources (both renewable and non-renewable). While massive backlogs in services are concentrated in the south, infrastructure capacity challenges are most pronounced in the north. The housing backlogs riddling the city are evidenced in the 190 informal settlements patched on the shifting map of the official city.

It is these dynamics that the pursuit of the alternative spatial form envisaged in the conceptual spatial development framework must negotiate. The development objectives behind the elements of the alternative spatial form include creating 'a **sustainable** urban environment', ensuring 'urban **efficiency** of the city's various components' and 'optimal **accessibility** to opportunities and the city experience' (CoJ, 2005: 21, emphasis in the original). This is an approach to city building and spatial restructuring known as the compact city, intended to 'increase built area and residential population densities'; 'intensify urban economic, social and cultural activities'; and 'manipulate urban size, form and structure and settlement systems in pursuit of the environmental, social and global sustainability benefits derived from the concentration of urban functions' (Burgess, 2000: 9-10).

The remainder of the chapter explores three public-sector development interventions and investments, which straddle two of the six development strategies postulated in the SDF in terms of their development imperatives, and interface with neoliberal urbanism. While it is impossible within the limits of this chapter to detail comprehensively with every project that has been rolled out under each of the two selected spatial development strategies, it is hoped that the dynamics within the three interventions examined will illuminate the spatial restructuring assessed here.

5.3. Spatial development strategy one: An efficient movement system

5.3.1. Background

The City acknowledges that 'Johannesburg's economy has restructured in sectoral composition and in spatial location' over several decades, witnessing a 'northward shift of wealth and work', and the continued concentration of the poor in the south—amounting to a 'spatial dislocation of poorer people and employment' (CoJ, 2006a: 154, 155). Adding other nuances to the analysis (congestion, commuter costs, and an inadequate public transport system), the City concludes that '[n]either the road network, nor the official public transport system, was originally designed for the situation as it has evolved over the last three decades' (*ibid.*: 155). It would be important to have a movement system that enhances opportunities, linking labour to work, production points to markets, and both households and firms to amenities, and infrastructures. In response, the City was the first municipality in the country to develop an Integrated Transport Plan (ITP) in line with the 1999 National Land Transportation Transition Act (NLTTA). First completed in August 2003, and revised in 2004, it was approved on 26 April 2005 by the Gauteng MEC for Transport.

5.3.2. Rea Vaya—we are moving

5.3.2.1. The Project

An important project contemplated in the ITP is the Strategic Public Transportation Network (SPTN), a 'network of corridors and mobility spines, connecting various nodes' (*ibid.*: 160). The 2005/06 SDF sums up the principles and objectives of the SPTN, as being to:

1. Channel public transport routing into more focused, high frequency corridors, rather than the present dispersed, less frequently serviced and customised routing. It is intended that road-based subsidised contracts as well as operating licenses be awarded for services that support this network.
2. Provide access between residential areas and the major economic nodes and significant decentralised nodes, as well as between the nodes themselves.
3. Provide the City with a legible, permanent, recognisable public transport "grid" made up of east-west and north-south links. Transportation hubs will be established at the primary intersections on this grid providing an accessible and continuous public transport network.
4. Enable public transport infrastructure decisions and expenditure to be clearly focused. (CoJ, 2005: 32)

This could entail the widening and landscaping of roads, improvements in signage, construction of large terminals at major points, the improvement of safety and security along routes and interchanges, and the demarcation of dedicated lanes for high-occupancy vehicles (HOV). By financial year 2004/05, work was already underway in the two main routes designated (see fig. 7.1.), namely the Soweto to Parktown and through to Sunninghill, and Roodepoort to Randburg to Sandton route through to Alexandra. Some R47 million had been allocated for capital expenditure on these routes by 2005/06, in addition to R26, 7 million for road-upgrade in parts of the SPTN by the Johannesburg Roads Agency (JRA). In addition to the SPTN, and given the significance of the Inner City in the City's planning, an Inner City Distribution System (ICDS) was proposed to allow easy movement between the various precincts within the inner city. The ICDS was at conceptualisation and consultation phase by the end of the 2000-2005 term of office.

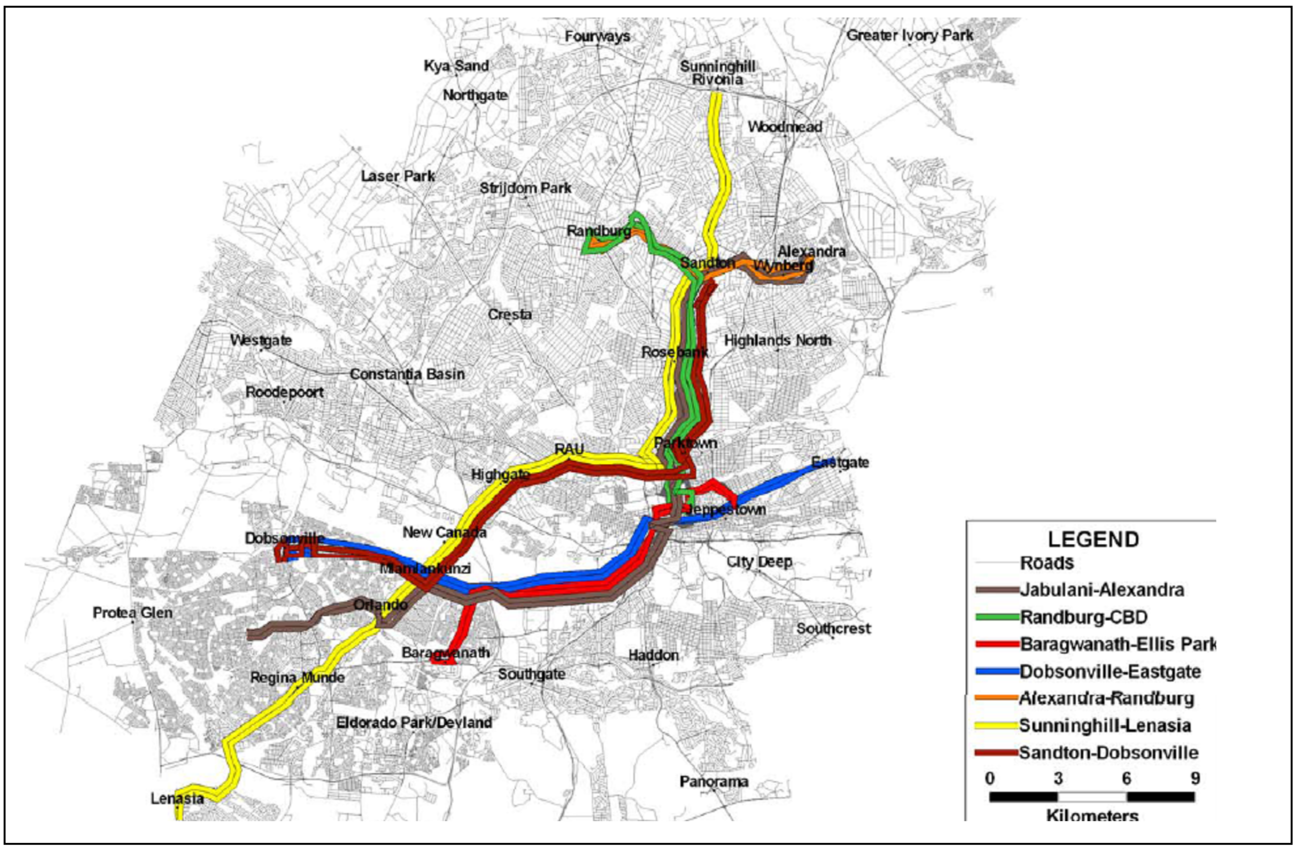


Figure 5.1. BRT Phase 1 Routes, Source: CoJ (2008b: 68)

In 2006, the National Department of Transport began to argue for 'increased overall capacity of municipalities in planning, regulating and managing locally-driven mass rapid public transport networks' (Radebe, 2001: not paginated). A new Member of Mayoral Committee (MMC) for Transport in the City was appointed who immediately advocated for high-level prioritisation of the SPTN, seeing a possibility for its upgrade into the mass rapid public transport system that the national department was calling for. Thus, inspired by the supposed efficiency and economic gains generated through the development of bus rapid transit systems in cities like Curitiba, Bogota, and Chicago, the City of Johannesburg soon upgraded the SPTN into a bus rapid transit system (BRT). Named *Rea Vaya*—we are going—it actualises in its design the objective of linking 'major nodes with high-activity public transport routes' (CoJ, 2008a: 153), and builds on the notion of road-based public transport as the most cost-effective (*ibid.*: 154). It is conceptualised as a 'high quality bus based transit system that delivers fast, comfortable and cost-effective urban mobility through the provision of segregated right-of-way infrastructure, rapid and frequent operations, and excellence in marketing and consumer service' (Wright and Hook, 2006 cited in CoJ, 2008b: 66). Indeed, the national government has been highly supportive of the upgrade to BRT; not only actively participating in quelling the several disputes arising in the project's early implementation phases, but also contributing 85% to the initial project capital budget through the public transport infrastructure grant[40]. While the BRT was supposed to be self-funding at an operational level through fare revenue, the currently elementary ticketing system has not assisted the move in that direction. It has once again fallen on national government to ensure that the operations are kept intact without yielding disproportionate deficits for the City (Stanway, 2010).

To introduce some 640 buses and several hundreds of stations, the target is that 85% of all Johannesburg residents will be within 500m of the network's trunk or feeder lines by the time of the completion of the project. Dedicated median bus lanes have been

[40] Most of this capital funding is sourced from the national Public Transport Infrastructure and Systems Fund

designated and marked on targeted routes, and stations have been constructed as part of phase 1A of the project. The bus has a target time of an initial 18 hours a day, running at 3-5 minutes intervals. Once completed by year 2013, the network will cover 330km of road, costing some R2bn, and will include seven routes:

a) Nasrec—Newtown—Ellis Park
b) Dobsonville—Johannesburg CBD—Troyeville
c) Lenasia—Highgate—Suninghill
d) Randburg—Johannesburg CBD
e) Alexandra—Johannesburg CBD—Regina Mundi
f) Braamfontein—Johannesburg CBD
g) CBD Circle Route

The BRT will operate on three routes (and by extension levels of service), namely trunk routes (buses at 90 passenger capacity travelling in the median lanes and docking at BRT stations), complimentary routes (60 passenger capacity buses picking up passengers from and to trunk routes, also operate on curbside bus stops), and feeder routes (buses at 32 passenger capacity bringing people from outer areas without direct access to the trunk routes) (CoJ, 2008a; reavaya, undated).

While not intended to compete with other transport systems, taxi operators had to give up their vehicles for a stake in the BRT operating company. It was estimated that 537 taxis would be off the road by the time of the completion of phase 1A of the project. Together with the existing Metrobus and PUTCO operators, the taxi industry was according to the City actively involved in the project through a Rea Vaya Steering Committee comprised of representatives from the Regional Taxi Council and the Top Six Management[41]. For a while though, it was the taxi industry that was vehemently opposed to the BRT at its launch, as evidenced in violent protests, vandalism of BRT infrastructure, and random shootings at buses in the early phases of the project. Some

[41] Affiliated to different national taxi associations, i.e. SANTACO and NTA

taxi associations claimed to not have been consulted at all (e.g. the United Taxi Association Forum (UTAF)), echoing a concern among most taxi operators about losing routes once the BRT was operational at one level, and lack of compensation for the possible lost profits which inclusion in BRT operator arrangements could have helped resolve[42]. But the City was adamant that the new system would in fact be operated by existing operators (including the taxi operators), creating more sustainable employment opportunities for those currently in existing operations[43], e.g. some taxi drivers would be retrained to become BRT bus drivers. It took intervention from the then ANC president Jacob Zuma, and the current national Minister of Transport to reassure the taxi industry that the new system was in their interest, and that it would be best to finalise negotiations.

Bob Stanway (2010), former Executive Director for Transport in the City and Project Manager for Rea Vaya, gives a more nuanced picture beyond the taxi industry's suspicion of foul play on the part of the City. First, with the primary objective of transforming road-based public transport, the City made an analysis of transportation needs and requirements in the city through splitting the city into zones using a transport model, mapping car ownership, calculating number of road trips, doing a model split, and determining origin and destination points. It emerged from this exercise, that the current public transportation system was one based on operators determining routes, irrespective of the geo-spread of need. This supply-driven system did not meet commuters' needs in an efficient, fast and cost-effective way. From the modelling exercise, the City determined (during the SPTN phase) the routes that the BRT would cover. Thus the BRT sought to introduce a shift from a supply-driven system to a demand-driven system, improving levels of service for existing public transport users. Second, the BRT was designed to enable physical and operational alignment with existing systems and operators. Beyond the fact that taxi operators are to be absorbed

[42] Despite the fact that the City had by 2006, at the beginning of the project, avoided opening the competitive tender process on the 12-year bus operations contract, but instead chose to directly engage existing operators (mainly the affected taxi industry operators)

[43] Estimated generally at 51 000 jobs in Phase 1 (Rea Vaya, undated: 6)

into the BRT as operators (including drivers' retraining and employment), in areas like New Canada, Orlando and Lenasia in the south, links with the PRASA rail network and stations are part of the plan. The intention here is to introduce a single ticketing system that will include PRASA, taxis and the Gautrain (and its feeder buses).

Interestingly, opposition to the project (phase 1B) also came from residents of wealthier parts of the city (namely the Saxonwold and Parkwood Residents Association (SAPRA)). They cited the following impacts: increased traffic flows in roads designed for residential purposes; air and noise pollution; stifled pedestrian safety and freedom; suburb and resident security (increased crime); and possible devaluation of properties (SAPRA, 2009). It is not the BRT in essence that would cause all of these, they argued, but the routes chosen. Stanway (2010) disagrees, according to him, 'they simply would have no buses in their suburbs'. Efforts to take the City to court around these matters did not prevent implementation.

In his 2010 State of the City Address, the Mayor Cllr Amos Masondo concluded in what sounded like a stern warning:

> 'The City and our partners will continue to extend Rea Vaya and create a broader integrated transport system that will be second to none in the world. Our doors remain open and we welcome input from all stakeholders, ranging from taxi associations, commuter organisations and communities. Those elements who are trying to derail the process through intimidation or threats of violence will meet the full might of the law. We will not allow anarchy to derail a public transport system that is so vital for the future of Johannesburg and its residents' (Masondo, 2010: not paginated).

Implemented by the JDA in conjunction with the JRA, the project together with 2010 FIFA World Cup initiatives and the Gautrain forms what was to be designated by the City as the 'investment footprint'. It represents another milestone in the quest for improved public transport, an integrated and equitable city through linking people to opportunities, and enhanced environmental quality. The service is world class, and 'will help bring in foreign investment into the country' (www.reavaya.org.za).

Against this backdrop, there has been a 37.1% increase in direct operational expenditure budget from 2007/8 to support the Bus Rapid Transit (BRT), and a capital budget of R981 (includes 419m for BRT and R332m for Intelligence Transport Systems). In the marketing package, the principal project objective is summed as being to 'upgrade the quality and performance level of the public transport system', assisting 'create compact cities and limit sprawl in order to utilise urban infrastructure and land more efficiently and effectively' and 'a major contribution towards Johannesburg's transformation into a World Class African City' (Rea Vaya: undated). With a commitment to have the buses manufactured locally in the near future, buses were to be imported from Brazil if the target of having an operational system by the time of the 2009 FIFA Confederations Cup soccer tournament was to be met.

In what could be seen as a case for BRT, Hook (2009: 27) argues that '[b]ecause BRT systems are less expensive and can be built much faster, they are able to expand much faster', and that '[o]nly cities that have built and continued to expand BRT systems have actually managed to stabilize public transit's share of total trips'. The latter is indeed one of the City's strategic objectives. By 2009, the cities of eThekwini, Cape Town, and Tshwane were working on rolling out their own BRT systems. This would make the BRT an important public transport intervention and a spatial structuring element in what are major cities of the country.

5.3.2.2. Reflections

The BRT is an integrated mass rapid public transport system, intended to improve the level of service for public transport users through a demand-driven system that is affordable, accessible and reliable (Stanway, 2010; rea vaya, undated). The routes covered on the map of the city an intricate web covering all its major parts, linking people to economic opportunities and vice versa. This is not a boosterist intervention intended to enhance the city's competitiveness in the sense of easing the cost of doing business for investors. It is to assist ordinary people from Johannesburg reach various parts of the city with ease, without worrying about traffic congestion or long queues, or even steep fare prices. As development around the routes follows and land values rise, the geography of the city is bound to be restructured in ways that begin to bridge the historically engendered and problematic north-south divide. How these rises in land value assist in the proactive absorption of the poor, or even better in facilitating upward social mobility for the residents of areas like Soweto is partly dependent on the 'value capture' mechanisms that the City will put in place (Stanway, 2010). Even as it was conceptualised within the context of the largely neoliberal *2030* strategy (embryonic in the form of SPTN), those driving the BRT managed to escape the enticements of having to launch a project whose only success would be judged on 'return on investment'.

At its core, the BRT is about redress, creating a liveable city even for those on its historic margins, and absorbing into the mainstream the hitherto illegal taxi industry (instead of outsourcing to some foreign transnational operator). The low fare[44], however seemingly minimal, is an indirect subsidy for the poor, allowing households to redirect sometimes meager earnings to other needs. It is about integration, creating a transport system that connects all critical nodes of the city, creating opportunities for transit-oriented development everywhere across its space. Redress and integration may not have been explicit intentions guiding the modelling exercise in the beginning, but the variables used (in particular the notion of a demand driven system) ultimately did assist generate potential for their realisation, distinguishing the BRT from what Stanway (2010) terms 'premium' transport projects.

The project, however, did not escape the temptation of drawing from 'best practice', the mobilisation of 'generic, prototypical approaches to reform'. When asked what informed the choice of case studies against which to model the project, Stanway (2010) cited the Institute for Transportation and Development Policy's (ITDP) *Bus Rapid Transit Planning Guide* (ITDP, 2005) as the toolkit that pointed in the direction of Curitiba and

[44] It cost a commuter only R9 from Protea Glen to the Inner City (as opposed to the R11 for a taxi) in 2010 (personal experience)

Bogota. The hope though is that in the near-future, through innovations that will come at the coalface of implementation tailored to local conditions, Johannesburg's BRT will be included as 'best practice' in ITDP's future volumes. For a project that has more to do with redress and integration than has to do with bolstering global competitiveness, it would be problematic to use the prevalence of 'interlocal policy transfer' as an indicator of neoliberal urbanism in this specific spatial restructuring project. As the MMC for Transport in the City, Cllr Rehana Mosajee, would sum it, the project is a win-win for the City and its residents, giving 'the department an opportunity to respond to all six of the GDS principles' (cited in CoJ, 2008a: 154):

> 'It empowers the poor by linking disadvantaged areas to areas of opportunity. It promotes balanced and shared growth and encourages broad-based black economic empowerment by getting the taxi industry involved. It promotes settlement restructuring by integrating the City: the planning department is aligning their proposals with transport and advocating transit oriented development. It also addresses environmental issues because we are working on environmentally friendly propulsion systems for the buses. We also think our partnership model is an innovative governance solution'.

5.3.3. Gautrain—the golden train

5.3.3.1. The Project

A Gauteng provincial infrastructure fund was initiated 2000, and a Strategic Economic Infrastructure Investment Programme (SEIIP) was adopted under the stewardship of the provincial Department of Finance and Economic Affairs (DFEA). The SEIIP was to stimulate 'further private sector investment in key economic sectors, such as business tourism, logistics infrastructure, manufacturing and ICT, with a particular focus on increasing the knowledge-intensity of the economy' (Shilowa, 2006: 13). The choice of economic sectors, in line with the province's industrial policy, represented a deliberate effort at building Gauteng into 'smart province'. At the core of SEIIP was a set of 10 mega-projects that would be implemented through several public private partnerships.

To consolidate these efforts, embodied in the SEIIP, an investment holdings company was founded through a provincial act, the Blue IQ Investment Holdings (Pty) Ltd Act of 2003. Christened the Blue IQ, it was a private entity designed to serve as 'the premier partner of private and public stakeholders in the development of strategic economic infrastructure' (Blue IQ, 2009: 04).

The corporatisation, the Gauteng provincial government argued, 'laid the foundation for the province to be able to attract more development funding and private sector investments' (op cit). Some 1.2bn was ring-fenced as initial capital for the Blue IQ's project investments focused on business tourism, high value-added manufacturing, logistics, and information and communications technology (ICT). In terms of sectoral focus, the project were: Innovation Hub (ICT) (technology); the Johannesburg International Airport (now O.R. Tambo International Airport (ORTIA)); the Gautrain Rapid Rail Link, and the City Deep Container Terminal (transport and logistics); the Gauteng Automotive Cluster; and Wadeville-Alrode Corridor regeneration (high value-added manufacturing); Constitution Hill; the Newtown Cultural Precinct; the Craddle of Humankind World Heritage Site; the Dinokeng Eco-tourism destination; and the Kliptown Urban Renewal Project (tourism). Rogerson (2004: 86) argues that of the Blue IQ projects, tourism received the most funding from the initial Blue IQ budget. Despite this emphasis on tourism, the Gautrain Rapid Rail Link (the focus of this section) was 'the most ambitious and most expensive of all Blue IQ's 11 projects' (Rogerson, 2004: 82).

The site for the projects were selected on the basis of inherent economic potential, ability to attract investment (both local and international), and strategic importance to the economy. This took into account the conscious move away 'from heavy industries and low value-added products' (Pillay, 2004: 359) towards creating a smart province. Although largely guided explicitly by economic objectives, the infrastructural nature of the projects meant that they had far-reaching spatial restructuring effects on the cities in which they were implemented. They were also later to be seen as key pillars upon which to premise efforts towards making Gauteng a globally competitive city-region. It is to the Gautrain that this section now turns.

The Gautrain rapid-rail link, with a construction period of 54 months, stretches from Park Station in the inner city of Johannesburg to Hatfield in Tshwane to the north, and the OR Tambo International Airport (ORTIA) to the east, covering some 80km of railway line. It cost, at least for now, an amount of R25.4bn, 88% of which is from government and 12% from the private sector. This budget is only some 1.9bn below the total budget of the City of Johannesburg, and some R2.9bn above the total budget of Mpumalanga Province, both for the year 2009 (see CoJ, 2009a: 2 and Mahlangu, 2009: 17 respectively). It 'represents the most significant investment in public infrastructure by the three spheres of government since the rail network was established' (CoJ, 2008a: 155), 'the biggest public-private partnership South Africa has yet seen', and the 'biggest rail project under construction in the world' (SouthAfrica.info, 2006). Beyond the travel comforts it will bring, speed is an essential element in its design, travelling at 180km/h, promising a 14-minutes journey from Sandton to ORTIA, and a 35-minutes journey from Johannesburg to Tshwane. A Canadian-French-South Africa consortium[45], Bombela Concession Company, won the tender to design, build, and operate the link for the next 30 years. If sufficient revenue is not generated at satisfactory amounts and levels, government will provide guarantees (see Van der Westhuizen, 2007).

The Gautrain rail link, might just redirect the overflowing traffic on the clogged freeway between Tshwane and Johannesburg, triggering a much-awaited shift from private to public transport. Among its explicit goals are to change 'the economic base' and 'the urban structure' of Gauteng, and like any previous major transport intervention, it is likely to do so. The desired economic structure it envisages is detectable in the 'smart province' theme coined by the Gauteng Provincial Government after 2004. As then

[45] Including Bombardier Transportation—'the biggest manufacturer of trains in the world' (SouthAfrica.info: 2006) (25%), South African civil contractor Murray and Roberts (25%), French civil contractor Bouygues Travaux Publics (25%), and an agglomeration of local Black Economic Empowerment (BEE) companies called Strategic Partners Group (SPG) (25%)

Gauteng Transport MEC Ignatius Jacobs put it, 'Gautrain is a turnkey project that will not only change the face of Gauteng but also increase the province's competitive edge' (cited in Davie, 2005). It will stimulate development, grow the economy, and create jobs, thereby improving the quality of life of Gauteng citizens. It is worth noting then, that five of the ten stations of the rapid link are located within the jurisdictional boundaries of the City of Johannesburg. It has come to be known as the golden train, the Gauteng train—Gautrain. Progress has been made, and many awards have been scooped since, for design, project management[46] and marketing.

But phase one was not complete by the time of the FIFA 2010 Soccer World Cup Tournament, and both the Premier of Gauteng, Nomvula Mokonyane and the national Deputy Minister of Transport, Jeremy Cronin[47] have dismissed pleas by the Gautrain Management Authority for an extra 1.3bn for the cost of speeding up implementation. In the phase of a recession, it could have reinvoked controversy as or even more than it sparked some five years ago when the cost escalated from an initial R7bn to R20bn. At the time, the escalation was attributed to property values, Environmental Impact Assessment (EIA), and the inclusion of the VAT (value-added tax) into construction elements (Van der Westhuizen, 2007: 338). Cronin, at the time Chairperson of Portfolio Committee, wrote: '[m]y concern is that if this thing fails, then we will have a very costly white elephant. And even if it succeeds, there is a danger that we will have a First World success in a sea of under resourced, Second World transport…My concern is that every time a Metrorail train is late the very costly Gautrain will become a target for resentment' (cited in *ibid.*: 333). And indeed, the Passenger Rail Association of South Africa (PRASA) network was at the time crumbling, and trains were burnt on several occasions. For the City, the rapid rail link provides an opportunity to promote strategic

[46] Ironic against the backdrop of perpetually escalating costs

[47] He had noted as Parliament's Transport Portfolio Committee Chairperson in 2006 that 'In terms of route and its privileged and paltry targeted ridership, [the Gautrain] remains essentially a costly, stand-alone project that will do little to transform the mobility inequities of Johannesburg and the Province'. For detailed analysis, see Donaldson (2006)

densification around the stations, triggering transit-oriented development (TOD) with ‘localised economic opportunities’ and reduced ‘commuting distances’ (CoJ, 2008b: 74).

The City has since developed Urban Development Frameworks (UDFs) around the five Gautrain stations located within its jurisdiction. This is in line with the Blue IQ’s view of the Gautrain as a ‘remarkable catalyst for high-density urban spatial development, escalating property prices along its route’ (Blue IQ, 2009: 20). As the Gauteng Provincial Government puts it, the Gautrain is a ‘golden thread that connects Africa to the rest of the world’, a treasure that ‘will bring with it renewed promise, a fast track on the journey to success’ (GPG, undated: 1). It is seen as ‘a key element in improving economies of urbanisation, increasing productivity and improving conduciveness of the local economy’, anticipating that ‘an additional 2-million job opportunities can be created in Gauteng during the period 2005 to 2025’ (Blue IQ, 2009: 20).. A single trip from Sandton to the O.R. Tambo Airport stands at R100 in cost. With a golden smart card, commuters will be able to use the Gautrain feeder buses that are part of the system.

5.3.3.2. Reflections

The SEIIP and later Blue IQ projects have their historic roots in the post-1994 Spatial Development Initiatives (SDI) programme, ‘devised by national government as a short-term investment strategy aimed at unlocking economic potential in selected areas or zones of South Africa, *inter alia*, by developing necessary infrastructure, implementing marketing and investment strategies, reducing bureaucratic red tape, and encouraging skills training and resource building’ (Rogerson, 2004: 76). The SDIs, selected in all parts of the country including Gauteng, were ‘integral to South Africa’s macro-economic policy of Growth, Employment and Redistribution (GEAR)’ with an objective ‘to attract inward investment to the region as a basis for economic development and growth’ (DTI, undated, cited in op cit). But given Gauteng’s strong economic base and budgetary strength, it was excluded in the funding that followed from national government for the SDI programme (Joubert, 2011).

It was against this backdrop that Gauteng started its own programme, the Blue IQ projects, unique in that it was grounded in a provincial economic vision (from the Trade and Industry Strategy for Gauteng). Gauteng's institutional approach to SDIs was an investment holdings private company, with a substantial financial injection from the provincial budget. The projects selected would 'create a significant shift in the trajectory of Gauteng and quantum leap it into the global economy within 10-25 years?' (Blue IQ, 2009: 4), turning it into the 'smart province' of the country. The selected mega-projects then were viewed by the provincial government as a 'major leverage for generating growth and attracting investment capital and consumers' (Rodriguez *et al*, 2003: 34). The development logic embodied in these projects was one of fast export-oriented growth geared towards earning the province a competitive edge in the global economy. The necessary infrastructural foundation, systems, structures, qualities and capacities which are required to attract investment and ease the cost of doing business were planned for. These include: an advanced international airport which doubles as an industrial development zone, a world-class deep container inland port; and a fast business class train. The Blue IQ projects were to be later marketed as flagship projects when Gauteng repositioned itself from 2004 as Africa's first globally competitive city-region[48]. .

These Blue IQ investments were designed largely as pillars upon which to premise the Gauteng region's pursuit of a special place at the apex of the global hierarchy of cities and urban regions. The smart province theme meant that Gauteng wanted to be 'a command point in organising the world economy', a 'post industrial site for the leading industries of this period—finance and specialised services' (Sassen, 2000: 22). In short, 'the operations of Blue IQ are to enhance the competitive potential of Gauteng province in the global economy' (Rogerson, 2004: 78). An aspirant critical regional motor of the global economy, Gauteng began work to become the preferred destination for tourists, conducive for business, and the most attractive locale for both domestic and foreign

[48] see Metileni (2006) for a detailed review of the evolution of the global city region agenda in Gauteng

investors. All of the Blue IQ projects however, with export oriented market-led economic growth as the primary objective, had important spatial restructuring implications for each municipal space within which they were to be implemented.

As the Technical Advisor for the Gautrain Province Support Team, Dr. Herman Joubert puts it: 'the Gautrain is not a transportation project; it is an economic development project' (Joubert, 2011) or as the Gautrain website captures it, the Gautrain project is 'first and foremost an economic development initiative and then a transport initiative' (cited in Rogerson, 2004: 83). It is designed as a 'key element in improving economies of urbanisation, increasing productivity and improving the conduciveness of the local economy' (Blue IQ, 2009: 20). The Blue IQ was convinced by 2009 that the Gautrain had 'already been a remarkable catalyst for high-density urban spatial development, escalating property prices along its route', and that '[f]or developers, investors and entrepreneurs, these [had] brought about newfound economic opportunities that [could] be equated to a second gold rush to Gauteng' (Blue IQ, 2009: 20).

Changing the development patterns of Gauteng is the second important objective of the project, which is 'a long-term measure to ensure future growth and densification along the north-south and east-west axes' (Blue IQ, 2009: 20). So that in the end, Gautrain is a spatial intervention whose conceptualisation can be linked primarily to the market-oriented export led economic growth trajectory that the province had chosen for itself. The project is therefore a critical 'spatial fix' for launching a new development path for the province, one that will yield higher land rents (improve the tax base through revalued prime urban land) and position it notably in the global economy. Gautrain, together with the other Blue IQ projects, was seen as instrumental for 'creating a significant shift in the trajectory of Gauteng's economy and catalyzing a 'quantum leap into the global economy within the next 10 or 20 years' (Rogerson, 2004: 78, citing Maharaj, 2001). A place, rather than people, became the primary target for development (Swyngedouw *et al*, 2002: 216), and the dictates of the global economy and the ideological currents shaping it were important considerations in the design of the project. As the CEO of Blue IQ, Amanda Nair (2009), reflects on the role of the company is a 'key development agent of [strategic economic] infrastructure for the province, and concludes that: 'In order for the businesses to locate in the area and ensure the economic growth of the region, many locational decisions are made based on the state of infrastructure that could be provided and the impact it has on the cost of doing business'.

Of course there were other strategic objectives, including improving the image of public transport, and a Black Economic Empowerment (BEE) component to the Build-Operate-Transfer contractual structure for the project. Indeed, BEE, if located within the historical context in whose rubrics it evolved, is a progressive redress mechanism aimed at deracialising the economy. But reducing traffic congestion on the Johannesburg-Centurion-Tshwane corridor for example, mainly entails 'taking people out of their BMWs onto the train' (Joubert, 2011), so that low-income groups are not the primary target, making the Gautrain an elite transport mode. Asked how routes were designated, Joubert (2011) says that the directive given to his team was to 'link Johannesburg, Tshwane and ORTIA'. From that ambiguous directive, Joubert and his collective studied destination points from the ORTIA passenger data they could lay their hands on (Sandton emerged as a critical node), and assessed fourteen development nodes in the province in collaboration with affected municipalities. It is from these assessments that the stations were designated, and routes were mapped; with the central consideration being economic potential (op cit).

Despite its initial withdrawal from funding the Gauteng SDI programme, national government later contributed billions of rands to the Gautrain, in addition to the initial budget from the Gauteng provincial government fiscus. The state, initiated the Gautrain project, funded it substantially, and provided guarantees to the Mbombela Consortium in case the project's projected returns do not materialize (Blue IQ, 2009). State intervening through a mega-project to rejuvenate the regional economy and lay basis for private investment, is a contradiction to the neoliberal theoretical hypothesis of 'an absent state'. But even as the project was originated within the ambits of the provincial state bureaucracy, several exceptionalities were quickly introduced. First, to institute the

SEIIP, which included the rapid rail link, an Act had to be passed in the provincial legislature establishing a quasi-public special purpose vehicle in the form of the investments holdings company Blue IQ. The agency 'was seen as making a decisive break from traditional planning approaches' (Rogerson, 2004: 78). Tasked with implementation of large-scale strategic economic infrastructure projects using ring-fenced funding, the approach was squarely in line with the new approach where '[p]lanning through urban 'projects' has indeed emerged as the main strategy to stimulate economic growth and to 'organise innovation', both organizationally and economically' (Swyngedouw *et al*, 2002: 215).

Indeed, although ultimately implemented with municipal spaces including the city of Johannesburg, the 'initial conception, design, and implementation' of Blue IQ projects (including the Gautrain) lie 'at the margins of formal planning structures' (*ibid.*: 225). The inclusion of the projects into planning cycles and instruments (e.g. SDF) of municipalities come as something of an afterthought, even if with possibilities for some influence[49]. In the Gautrain case, a Gautrain Management Authority with a CEO has been created, and handed over the authority of the Gautrain Political Committee created at inception. The creation of these agencies and forums has led to fragmentation of responsibilities and the closure of spaces for public participation, imposing a 'democratic deficit'[50]. Firoz Cachalia, by 2009 MEC for Economic Development in Gauteng, remarked that 'the 'agency' model has also, led to a conflation of roles in some instances, of the public and private sectors, which leads to a misallocation of public resources' (Cachalia, 2009: 08). The Auditor-General's findings in the 2008/9 financial year, leading to a disclaimer audit opinion for Blue IQ, relate

[49] The decision to include the Rosebank Gautrain station for instance (instead of Melrose Arch or Killarney) came from a recommendation by the City of Johannesburg's Department of Development Planning and Urban Management in the later design stages of the project (Joubert, 2011, personal communication)

[50] See Purcell (2008) for theoretical reflections on the notion of a 'democratic deficit' as it manifests itself as a result of neoliberalisation

directly to the issue of conflation of roles and responsibilities in projects that the company is involved in.

Hailed as 'the biggest public-private partnership South Africa has yet seen', the delivery mechanism for the Gautrain has potential to create a situation where the public attends to the costs while the benefits ultimately accrue to the private partner. The state is the principal investor within the public-private partnership arrangement, and the focus is an entrepreneurial one where 'investment and economic development with the speculative construction of place rather than the amelioration of conditions within a particular territory as its immediate (though by no means exclusive) political and economic goal' (Harvey, 1989: 354).

While efforts are underway to ensure physical and functional integration at rail level with the PRASA network and at road level with BRT, and possibilities of expansion are being explored (Joubert, 2011), the Gautrain remains in its current state simply two stand-alone lines traversing east-west and south-east. Joubert (2011) underlines the complexity of integration at a ticketing system level with the simple remark: 'we are not a bank'!

In short, the Gautrain is a prototypical emblematic urban development project (UDP), a 'material expression of a development logic that views [it] as [a] major leverage for generating growth and attracting investment capital and consumers' (Rodriguez *et al*, 2003: 34). Collectively, the Blue IQ projects were designed explicitly to serve as 'a catalyst to promote strategic private sector investment in key growth sectors of the Gauteng economy', in its specificity, the Gautrain is 'primarily aimed at enhancing and supporting economic growth in the Gauteng province' (http://about.gautrain.co.za/about-gautrain/gautrain/). It is expected that the land value around the stations and the route will rise beyond current level, yielding higher rents for investors, and some additional revenue for government. What this rise in urban land rent means for the right to the city by those whose means will automatically preclude them from accessing both the train and the properties sprouting on the sides of the railway is not yet fully explored.

5.4. Spatial development strategy two: strong viable nodes

This section focuses on inner city regeneration, an important programme under the City's SDF spatial development strategy of developing strong viable nodes. The first subsection provides a background on the City's concept of nodes and nodal development, the second describes and analyses inner city regeneration, and the third provides reflections whether there is anything neoliberal about the inner regeneration effort in Johannesburg.

5.4.1. Background

Nodes are described as concentrations of public and private investments and populations in specific locations constitute nodes of varying types, mix of land uses, functions and sizes. As critical, if not primary structuring elements in the city, these nodes are mapped—to understand their significance for the city, and their status (declining or thriving)—so as to carefully package the kind of interventions each would require. A desirable, well-functioning node is distinguished by:

1. Clustering of activities to achieve economic efficiency;
2. Accessibility via public and private transport;
3. Recognisable centre or core, which supports a pedestrian environment and public spaces, but does not necessarily exclude vehicular traffic;
4. Creating a different and unique sense of place vs. monotonous public spaces;
5. Encourage multi-modal public transport facilities to facilitate interchange for commuters;
6. Create outdoor spaces that can be utilised as an extension of the home where homes are small; and
7. Include a high density residential component in and around the node.
   CoJ, 2005: 35)

Incumbent on the City is the continuous assessment of the health of identified nodes, promoting diversity of uses and activities; encouraging compact development at a human scale, providing adequate levels of infrastructure to support development; providing a range of accessibility modes and choices; and building a positive identity for each node (op cit). After all, nodal cycles, are ‘directly related to the cycle of the property market, which goes from recession, to recovery, to boom phase’(CoJ,2005: 37). A nodal study commissioned by the City in 2001/2002 concluded that existing nodes across the city were in roughly three stages, summarised thus:

1. **A public sector-led intervention and investment development stage:** Development in this area occurs predominantly as a result of public investments and public development, forming development catalysts. The major areas occur from the Inner City southwards, including Soweto, Lenasia, Ennerdale and Orange Farm. Isolated pockets of publicly led investment occur in the northern areas, including Alexandra, Cosmo City, Diepsloot and others.

2. **A “mature” development stage:** A mature node is one that has developed to encompass many of the desired characteristics of a node. These mature nodes are typically found in an east-west band from Parktown northwards to Randburg, Sandton and Woodmead.

3. **A “speculation” development stage:** This stage is driven by property speculation and new investment and developments in growing and expanding areas of the City. The supply driven market is typically situated in a band north of the “mature” market to Fourways, Rivonia and Sunninghill as well as specific areas in the south.

   CoJ, 2005: 38

The City has since classified nodes in terms of their size and character, and development stages as depicted in table 7.1. below.

	Speciality	Neighbourhood	District	Region
Public led intervention	• Devland • Ivory Park Industrial Area	• Jabulani • Kliptown • Ennerdale • Stretford • Ikwezi	• Lenasia	• Baralink
Mature	• Woodmead • Wynberg • Strijdom Park • Kayalami • Mainreef Industrial Areas • City Deep area	• Illovo • Hyde Park	• Rosebank • Rivonia • Cresta • Roodepoort • Parktown • Westgate/ Ontdekkers	• Sandton • Midrand • Randburg
Speculation	• Melrose Arch • Laser Park • Kya Sands	• The Glen	• Fourways • Constantia • Sunninghill • Sloan	

Table 5.1. Nodal Classification (Source: CoJ, 2005: 28)

The following section focuses on the inner city, a node of metropolitan significance, once thriving and dislodged by disinvestment, and currently at the public led intervention development stage.

5.4.2. Revalorising the Inner City

5.4.2.1. The Project

In the transition, authorities have pondered deeply about how to reclaim the glitter of the 'golden heartbeat'. And 15 years later, investment has gushed through the city centre in an effort to resuscitate what is in the minds of many 'the single most important economic node in the city' (CoJ, 2006a: 193). Inner city regeneration emerged in 2000 as the only Mayoral priority with a geographic connotation and target—heralded by the appointment of a Member of the Mayoral Committee (MMC) for Inner City, Sol Cowan, and the establishment of several structures (a section 80 Inner City Committee, an expanded section 79 Inner City Advisory Committee, an Inner City Office and later the

Johannesburg development agency (JDA)). The 2003-2007 Inner City Regeneration Strategy and Business Plan produced by the City's Economic Development Unit (EDU) lent coherence to the various initiatives that had hitherto unfolded in an uncoordinated manner from the various quarters, all aimed at *revitalising* the inner city. Once an important node, and now to be restored, these various efforts included: the establishment in 1991 of the Central Johannesburg Partnership (CJP), the *InnerCityIvukile* joint initiative by Gauteng Provincial Government and CoJ, and the 'Johannesburg, a Golden Heartbeat of Africa' vision drafted by government and business in 1996. The thread of the revitalisationprogramme then, is to be found in the 2003 strategy, symbolised by a house standing on five pillars as portrayed in Fig. 7.3. Its essence: 'to raise and sustain private investment leading to rise in property values'.

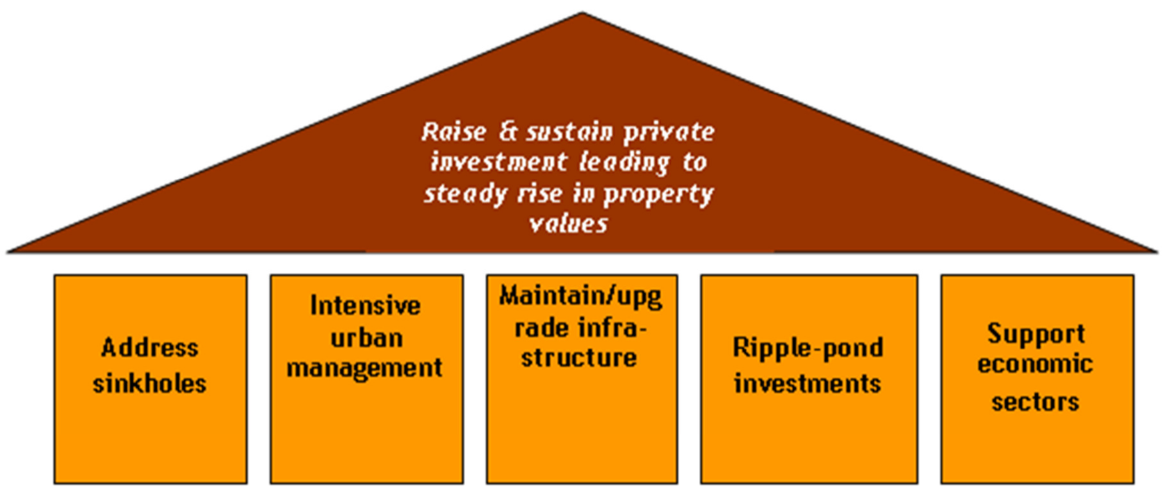


Figure. 5.2. 2003 Inner City Regeneration 5 pillar Strategy (ICRS) (Source: CoJ, 2004: 9)

Buildings abandoned, overcrowded, poorly maintained, slummed are defined as sinkholes, to be identified and attended to by committing them to intensive urban management that would enhance by-law enforcement and reduce crime, and directing the focus towards the upgrading and maintenance of the abundant infrastructure concentrated here. These are health and fire hazards that ''pull down' adjacent properties and city blocks by creating disincentives to private investment and blocking sales, and can spread to include whole neighbourhoods' (CoJ, 2004: 11). Thus erasing blight, and arresting further decline. Moreover, to demonstrate the City's commitment to the inner city, it would direct resources into 'ripple-pond' investments, and provide support for select economic sectors. Combined, the erasure of blight and builiding of revitalising spaces of hope would appeal to capital, and they would find it most profitable to return, heralding a 'second gold rush' (Cox,2004, cited in Murray, 2008). In reality, the first three 'pillars' of the ICRS are just the methods used to attain and sustain the goals articulated in the fourth and fifth pillars. It is in the 'ripple pond' and 'sinkhole' paradigm that the municipality tends to locate the 60 or so individual initiatives designed to bring about urban renewal (COHRE, 2005: 21).It is against this backdrop that the inner city has seen a number of investments, both public and private, in its space for the past decade.

The now infamous Better Buildings Programme (BBP), reviewed and renamed the *Inner City Property Scheme*, commenced with the identification of derelict buildings and the removal of 'unlawful occupants' and write-off of a portion of arrears owed to the City (in most cases higher than the market value of the building). Buildings were in this way cleared and the investors who bought the buildings and undertook to refurbish them were partially subsidised, to ensure they do not deteriorate again. Tracking the evictions that have been carried out by the City since the inception of the programme, the Geneva-based Centre on Housing Rights and Evictions (COHRE) released a damning report in 2005 (COHRE, 2005) which criticised the BBP for neglecting the question of low-cost housing for displaced occupants within its parameters. Indeed, derelict buildings have been turned into lofty apartments that grace the city's streets. Recently, the Constitutional Court ruled in the San Jose and Zinns case (*City of Johannesburg v Rand Properties (Pty) Ltd* 2007 SCA 25 (RSA)) that the City must provide alternative accommodation for those displaced by evictions from the so-called bad buildings. The various social housing initiatives that have dominated the inner city housing programme are out of reach of most of those displaced. The answer, though, has largely been the provision of emergency shelter and transitional housing, relocating the slums elsewhere in the medium-term—rendering narrow and inadequate the ‘single isolated building upgrades’ approach to area regeneration (CoJ, 2008: 97).

The struggle is likely to continue then, ‘among desperate inner-city residents seeking inexpensive accommodation, irresponsible landlords aiming to squeeze profits out of neglected buildings, and harried city officials trying in vain to maintain proper health and safety standards in decaying residential neighbourhoods’ (Murray, 2008: 184). R10m was allocated by the City for the renovation of *Drill Hall*, the 1956 Treason Trial venue, after the building was gutted with fire in April of 2002. To those squatting in the building, the Mayor Cllr Amos Masondo sounded a warning shot, the city ‘will not tolerate ‘transients’ who did not pay their dues’, for it makes no sense to ‘use human rights to promote anarchy’ (quoted in Murray, 2008: 183, citing Hecki, 2002 and SAPA,2002). It stands now as a National Heritage Site. Moloi (2011) has pondered with hindsight if it would not have been more prudent to renovate the building as housing for those who stayed in the building before it was gutted by fire.

Joubert Park was demarcated as a precinct, ‘the largest transport hub in the country’ (CoJ, 2006a: 197) and a residential area, and subjected to renewal based on ‘short-to-medium term ‘clean-up’ of the area, addressing mainly taxi and trader management and general cleanliness’ (CoJ, 2006a: 197). Continuous surveys by the Inner City Task Force, now termed blitzes, are a central strategy to ensure that sinkholes are continuously identified and addressed, in addition to the original number of the original ‘sinkholes’ . Intensive urban management has entailed the installation of closed circuit television (CCTV) cameras, strict by-law enforcement, and hands-on management of taxis and informal traders (CoJ, 2008b). By year 2008, some 240 CCTV cameras had been installed in the inner city with a police reaction time of 60 seconds. Some 48% drop in crime in the targeted areas in the first year of implementation has been attributed to this initiative.

This is augmented by the work of the Johannesburg Metro Police Department (JMPD) and private services in areas demarcated as City Improvement Districts as championed by the CJP. To manage both taxis and informal traders, several formalised ranks with trader facilities were built, notably the R100m *Metro Mall* development at the corner of Bree and Ntemi Piliso Street and the *Faraday Station Precinct*. The Metro Mall has three levels, including a transport facility, a traders' market, and formal retail shops. 'An estimated 150 000 taxi and bus commuters go through the Metro Mall daily, and are served by 600 informal traders and 3000m^2 of retail space', including 'fast-food restaurants, ATM machines, butcheries, a hair salon, clothing stores and hawkers' (CoJ, 2006a: 198).

Thus through the building of these facilities, informal trading and the taxi industry are cocooned, relocated from the flowing free streets into contained and controlled physical structures. As for those left on the margins of these regulated cocoons, loitering still on the pavements of the inner city, occasional raids by JMPD by-law enforcement officials occasioning zero-tolerance are a normal part of their precarious existence.

Beyond infrastructure upgrades and public environment improvement interventions, it is the ripple-pond investments that installed the most vivid of regeneration symbols. *Constitutional Hill*, occupies the site of the Old Fort and the Women's Prison in Braamfontein, and is a legal hub that accommodates the Constitutional Court, Commission on Gender Equality, Commission for the Promotion and Protection of Cultural, Religious, and Linguistic Rights, and the Office of the Public Protector. Built with some R460m of public money (jointly funded by BLUE IQ and JDA), it includes museums and exhibitions, and is envisaged to contribute to increasing the city's 'rates base and promote economic growth through the development of visitor attractions' (JDA, 2005: 17).

To leverage investment into the western part of the city centre, some R600m was directed to various projects in the area that emerged from the ruins of Brickfields and 'Coolie Location' of the early 1900s, and named simply, *Newtown*(see Fig. 7.4.). Dubbed the cultural precinct to mark the thematic spin of the regeneration effort, various interventions were designed here to 'increase the range of cultural attractions that the area offers, to support cultural industries operating in the area, and to leverage investment into the area' (CoJ, 2006a: 195). The various projects include the huge public square (with capacity to hold more than 50 000 people) that has become a popular venue for concerts, carnivals, and exhibitions. Launched by President Thabo Mbeki in 2001, it is named after trade unionist Mary Fitzgerald and located at the centre of Newtown. Some of the key developments that have unfolded in the Newtown area include the Museum Africa, the Market Theatre (with a Laboratory, Photo Workshop, three theatres and a gallery, two restaurants, a flea market and a retail area in front of the main entrance), a renovated Bus Factory (once a 'parking garage for the city's trams and buses', and now home to the JDA, a few private tenants, a craft shop and a gallery), the largest Science Centre in the continent (Sci-Bono Discovery Centre), and a refurbished Workers' Museum and Library (commemorating the migrant labour system). A CID was established, and CCTV was installed to 'turn the district into a safe, secure and attractive environment' (*ibid.*: 196).

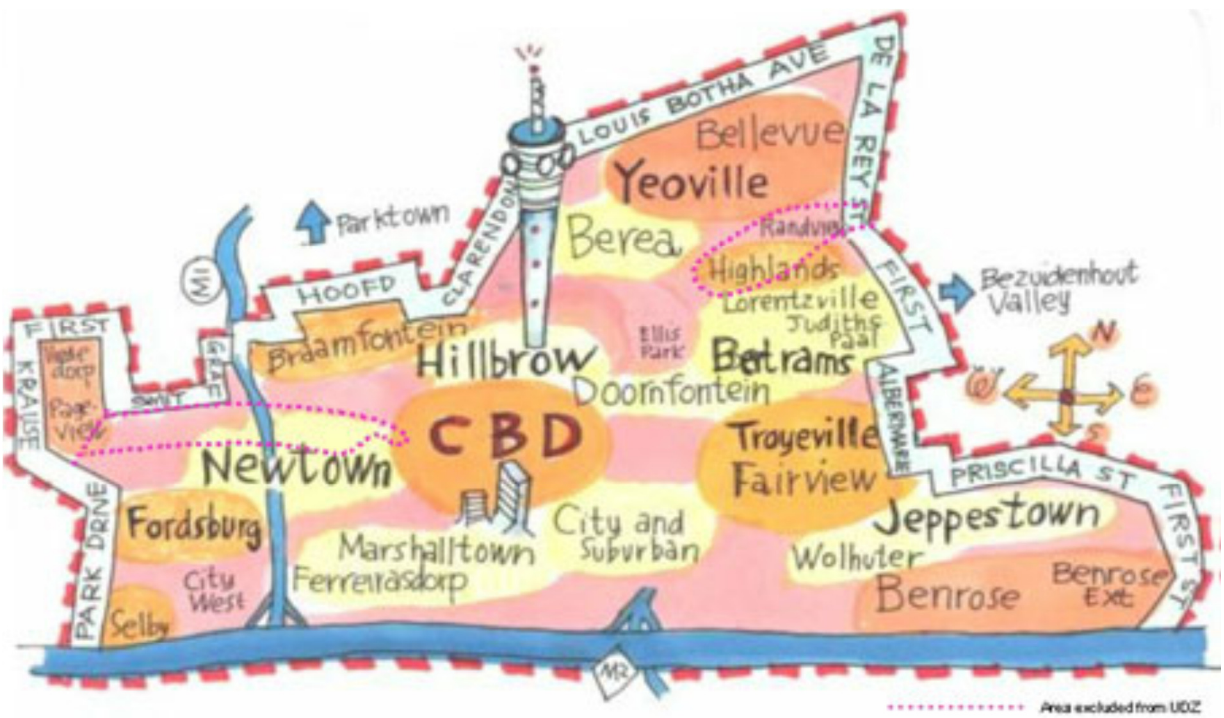
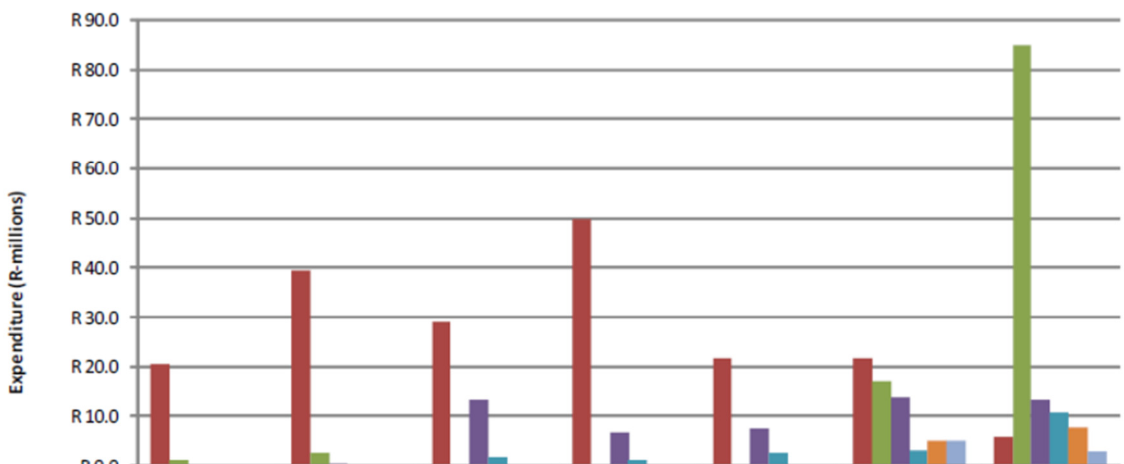


Figure. 5.3. Johannesburg's Urban Development Zone

(Source: http://www.joburg.org.za/content/view/120/9/)

The City contributed some R25m, and the private sector R10m for the regeneration of the area of *Braamfontein*, 'the fourth-largest node for office space in the City of Johannesburg', and 'home to four multinationals as well as South Africa's premier educational institution, the University of the Witwatersrand' (op cit). The investment here was largely in public environment upgrade, including greening, paving, and public spaces, yielding 'new investment in the area from the private sector, both commercial and residential' (op cit). The R38m, 284 meter long, asymmetrical dual-pylon cable-stay bridge named after former President Nelson Mandela connects the areas of Newtown and Braamfontein, completing the 'cultural arc'—the 'band of entertainment, cultural and heritage amenities stretching from Newtown to Constitutional Hill' (CoJ, 2008: 109). The inner city has been designated an Urban Development Zone (UDZ) in line with National Treasury requirements with tax incentives to subsidise private development, and is further demarcated into a series of city improvement districts (CIDs) to guarantee these investments. Figure 7.5.sums up the expenditure values per area in the Inner City.



	2001	2002	2003	2004	2005	2006	2007
Greater Newtown	R 20.7	R 39.3	R 29.2	R 49.7	R 21.8	R 21.8	R 6.0
Greater Ellis Park	R 1.4	R 2.8	R 0.2	R 0.0	R 0.0	R 17.3	R 85.0
Braamfontein Regeneration	R 0.0	R 0.6	R 13.2	R 6.9	R 7.7	R 14.0	R 13.4
Fashion District	R 0.0	R 0.0	R 1.9	R 1.5	R 2.7	R 3.3	R 10.8
Jewel City	R 0.0	R 0.0	R 0.0	R 0.0	R 0.0	R 5.1	R 7.9
High Court Precinct	R 0.0	R 0.0	R 0.0	R 0.0	R 0.0	R 5.3	R 3.0

Fig.5.4. CoJ expenditure values per area, 2001-2007 (JDA, 2007: 3)

In 2007, an Inner City Charter was adopted, and a special fund set up witha R2bn investment over a five year period. Over the years, these public efforts have yielded some '[r]ecorded private sector cumulative investment worth R4.585 billion' (CoJ, 2008a: 97). The JDA ventures that between 2001 and December 2007, it had invested some R393 million as broken down in figure 7.4. above, which in return had yielded some R5.8 billion in private investments. In the nodal development programme of the city, the first stage of 'public-sector led intervention and investment will generate development catalysts, producing a 'mature' nodal stage, and ultimately a 'speculative development stage'. After all, every node 'emerges, matures, and invariably declines or re-emerges in a different guise', in a manner 'closely related to the recession, recovery, boom phases of the property market' (CoJ, 2008b: 80). It is towards the boom phases of the property market that the inner city must be headed.

5.4.2.2. Reflections

The decentering of the city a few years before the demise of racial apartheid is well documented, a trend accountable for the mushrooming of edge cities and the declining economic centrality and significance of the central business district-now inner city (see for example Beavon,2000;Czegledy,2003; Tomlinson and Larsen, 2003; Mabin,2005). The springing up and consolidation of residential neighbourhoods, the sprouting of shopping centres, and the emergence of luxury office parks and nodes concentrated economic activity disproportionately to the north of the city—prompted Beavon (2000) to write of Northern Johannesburg as 'a neo-apartheid city in the making'. Reworking the distribution of life chances in space, and redrawing the 'map of property values', these developments have 'added infrastructure costs for local government, transport costs for citizens, and property market disparities which negatively affect those not associated with them' (Mabin, 2005: 43). These costs and disparities, have entrenched further a geography already characterised, in fact engineered from the onset, by fragments divided by class and segregated by race.

For Goga (2003), these developments are a manifestation of the redirected overaccumulated capital that could not be absorbed in other asset categories, currencies or countries, or other product markets (as options available), and instead found ‘a sponge’ in real estate. Decline in the inner city represented devalorisation, and the valorizing decentralized areas presented an opportunity for exploitation of new accumulation opportunities. In ‘a case of false competition’, informed by ‘competitors’ actions rather than […] user demand’, these investors’ neglect of their own investments in the CBD catalysed its further decline. As Goga (2003: 81) puts it, ‘the concentrated ownership structure of the CBD meant that when one investor disinvested it led to a massive devaluation of CBD property thus reinforcing the concept of a devalorising CBD’. Murray (2008: 127) corroborates the centrality of the real estate boom in the decentralisation process when he notes that:

> ‘[o]ver the past several decades, Johannesburg has experienced a massive horizontal building boom of unprecedented proportions that has not only pushed the geographical boundaries of the metropolis away from its historic downtown core, but also triggered the metamorphosis of what were once out-of-the-way suburban places like Sandton, Midrand, and Fourways into genuine urbanised cities’.

So that the ‘speeding-up’ in the decentralized areas and the ‘slowing down’ in the CBD of ‘real estate investments’ operated as ‘a kind of regulatory mechanism for city-building processes’ (Murray, 2008) in Johannesburg.

Capital, including the Johannesburg Stock Exchange, relocated to the safe, clean and trendy enclaves provided by this urbanised suburbia. Geographically, this urbanised suburbia is comprised in

> ‘a combination of booming edge cities like Sandton, Fourways, and Midrand; cluster nodal developments like Ilovo, Sunninghill, Melrose Arch, and Hyde Park; and a patchwork mosaic of high-rise office parks, overbuilt axial corridors, townhouse clusters, and look-alike strip malls scattered here and there’ (Murray, 2008: 156-7).

While Sandton has occupied centre-stage as the 'metropole's most glamorous edge city', Midrand is the 'uncontested jewel' in the outer ring of northern suburbia. Midrand is economically growing at 20% annually, hosting between 2500 and 4500 businesses largely in the pharmaceutical and information technology sectors, with suburbs like Kyalami Estates[51]. These are the 'laboratories of […] contemporary capitalist urbanisation'—'expedient, badly planned, or even unplanned, developer-driven landscapes' (Bremner, 2004: 30-31). It is here that the hopes of the city to be fast and connected, and to carve a niche for itself as a world class city and a business location of choice are pinned. It is where the spectacle that Swyngedouw (2005) writes so passionately about finds the most vivid of expression. If Bond (2007) reckons that these suburbs are now desegregated, Malan (2007: 155) ventures that '[t]wo decades of convulsive change notwithstanding', 'aspects of the sweet white life persist down there—the thwock of balls on tennis courts, the click of woods on bowling greens, the clink of ice in frosted glasses borne on trays by loyal African servants'.

Starting around the 1970s, the inner city (the Central Business District, Braamfontein, Hillbrow/Berea, Yeoville, Bertrams, Troyeville, Jeppestown, Fordsburg, Pageview, Vrededorp; and now equated by the City to its Region F) devalorised and its built environment dilapidated as capital flew north. Its demography diversified as droves of black people relocated into this hitherto embargoed space and scores of African migrants landed to explore the 'golden heartbeat of Africa'. A suppressed invisible economy crystallised into a vibrant informal economy spilling onto its pavements. Crime and grime became a mantra. In these conditions, the poor too found a home in the core of the metropolis. They reclaimed for themselves the city's public spaces, crumbling buildings, pavements and streets. In the new geography and politics of the city, the inner city would remain an important node, the 'historical core of Johannesurg' (CoJ, 2006a: 192).The inner city regeneration efforts documented above, included in their design and reach a crucial component of redress, largely to accommodate people and

[51] Homes selling between R1.5m and R14m; ringed by a 2m high, electricity topped R7.5m perimeter wall, with digital access control, computer based armed reaction and 11 patrol zones

uses already in the inner city. These developments include for example the construction of formal taxi ranks and trading facilities for informal traders hitherto confined to pavements, and the construction of social housing in areas such as Newtown. For Graeme Gotz (2009), the public environment upgrades that have been implemented by the City in areas like Hillbrow were not intended solely for business, but to lend a dignified existence to even the poorest of the poor living in the inner city. As he puts it, these developments are to say: ‘you can walk out of your door and be happy to live here’. But to live here, he adds, ‘you must be prepared to pick up some of the costs’, for ‘if you want to live here, you must pay rent’ (*ibid.*).

However, the broader regeneration project, predominantly lends itself to the ‘excavation of value from the city’ as the primary goal (Weber, 2002). The overarching strategic objective of ‘raising and sustaining private investment leading to a steady rise in property values’ espoused by the JDA is revealing in this regard. The excavation of value from the city space is informed by an approach to city-building that recasts the ‘earth below, the roof above, and the walls around’ as ‘a special sort of commodity’, ‘a place to be bought and sold, rented and leased, as well as used for making a life’ (Logan and Molotch, 1987: 1). The point of intervention becomes that of increasing ‘aggregate rents and trap[ping] related wealth’ (*ibid*, 50) so as to ‘help fate along a remunerative path’ (*ibid*, 32). The ‘exchange value’ of place becomes rather crucial, necessitating the appropriation and redesign of certain portions of land and buildings in the inner city for best and highest use.

As a point of departure, the Johannesburg Development Agency (JDA) was established as one of the City’s corporatised entities during the *iGoli 2002*. Its roots are to be found in the Inner City Office (ICO), established around 1998 to coordinate development efforts in the inner city (which was torn between three councils). It emulates, in its post-*iGoli 2002* design, urban development corporations (UDCs) in Europe and the United States (see CoJ, 2001: 122). Its conceptualisation followed research on international ‘best practice’ conducted by the International City/County Management Association (ICMA) with funding from the United States Agency for International Development

(USAID). Case studies considered included two development corporations in New York, and two development corporations in Glasgow and the North Milan areas. With the inner city in mind, the appropriate model had to enable the coordination of private, public and civic resources for area-based development, guarantee financial independence, allow for insulation from government finance processes, enable fast-tracked decision-making, and vest asset development and management authority (see Making Cities Work, n.d. : 4).

Of the five primary economic development challenges[52] isolated by the *Joburg 2030* strategy, the new agency was to focus on (a) creating conducive environment for private investment, and (b) arresting decline in decaying areas (i.e. reversing disinvestment). The ICO was converted into the Johannesburg Development Agency (JDA), in line with the recommendations of the ICMA/USAID and following a series of workshops with community and private sector partners and government leaders, as part of the *iGoli 2002* process. According to the first CEO of JDA, Graeme Reid, other considerations necessitating its establishment included 'recognizing the role of cities in creating conditions for economic growth', 'the need to plan for economic development to address market failure', and 'the need to be able to target public spending' (cited in Making Cities Work: n.d. 5). At the core of the JDA's activities is the 'enhancement of long-term revenues to the City from an improved tax base' (JDA, 2005: 12). The kind of area-based development that characterises its initiatives is based on the assumption that 'public sector interventions (investment in infrastructure, urban upgrade, urban management, tax incentives, etc.) in declining areas provide a necessary platform for private sector investment and re-investment into those areas', where private sector investment is 'understood as the purchase of property, refurbishment or the conversion for retail, residential or commercial or industrial use' (JDA, 2007: 2). It was this specialised development corporation that would be at the centre of driving value extraction from the select space in the form of the inner city.

[52] i.e. crime, an inefficient investment environment (e.g. lack of infrastructure, complex procedures and stringent regulations), decay, inadequate skills, and unemployment

The Better Buildings Programme, as alluded to above, is a classical example of revalorization efforts in inner city Johannesburg. Here, the notion of 'blight' is invoked, and dilapidated buildings are isolated as 'sinkholes' requiring immediate attention by City authorities, using the contravention of building codes and other safety irregularities to declare them unfit for human habitation. By so arguing, the local state is in essence concluding that the selected buildings have outgrown their use value, despite the fact that there are many people occupying them (even if under awkward and confusing arrangements). After all, as 'material objects buildings suffer the same fate as all other commodities', which in Marxist terms is comprised in 'the sphere of production, where value is embedded or imprinted in material objects; the sphere of circulation, where value enters into circuits of capital via exchange of equivalents; and the sphere of consumption, where value is depleted through use over time' (Murray, 2008: 40). But the emphasis on an improved tax base, as an objective of renewal, point to the other implicit concern that the local authorities have, namely the declining exchange value of these buildings.

Once identified, the City takes over these tax-delinquent, abandoned and mostly dilapidated buildings, including evicting those illegally occupying them at the moment of takeover. But because cities 'tend to resist the role of landlord over longer periods of time', '[d]evalued properties do not stay in public hands for long before being reintroduced into circulation' (Weber, 2002: 188-189). So the City of Johannesburg reintroduced these devalued properties into circulation through selling them to private developers, who then renovated the buildings accordingly. Identifying the derelict buildings, removing 'unlawful occupants', and writing-off of a portion of arrears owed to the City (in most cases higher than the market value of the building) means the City 'bears the cost of the last stages of capital devalorisation' (Smith, 1996: 70, cited in *ibid*, 189), playing the 'critical role in the circulation of capital as a short-term holding tank for devalued properties' (op cit). When the national Treasury introduced the Urban Development Zone (UDZ), 'where investment is promoted in decaying areas through substantial tax deduction for renovation and new development, and through annual depreciation allowances' (Harrison *et al*, 2008: 69), the state assisted capital to launch new rounds of accumulation in the revalorized inner city properties.

In areas like Braamfontein, the City in collaboration with the CJP has designated a series of spaces into City Improvement Districts (CIDs). This has meant the partial privatisation of management of space (*ibid.*), and the eviction of informal traders found in these areas to protect the property values and provide additional services in specific areas.

5.5. Conclusion

After apartheid, cities in South Africa 'are increasingly looking to use spatial strategies to guide future public and private investment rather than simply recording its location as it happens' (SACN, 2006: 4-12). The spatial patterns cities produced by racial apartheid, although useful for accumulation until the 1970s, soon proved to be constraining to productive activity, distribution, exchange and consumption. The spatial fix had returned to condition the possibility of the sustenance of the accumulation regime. The transition from apartheid also entailed then the process of restructuring the apartheid city, simultaneously to restore conditions for enhanced economic performance and to enable redress. The fragmented city had to be reintegrated, towards one city and one tax base. Integration would be about more than the redrawing of municipal boundaries, and drawing a single budget for the new city space; it would also be about erasing separate development as imprinted on the built environment. Transformation would be measured against the fair distribution of life chances across the cityscape, discernible in people's access to economic opportunities, to shelter, amenities, and services.

The search for a new spatial fix would entail the reconfiguration of the city's form, its built environment, density patterns, and the spread of land uses. Here the UCT compact city ideas won the day, and was seen as providing adequate spatial instruments which could produce an alternative city based on the notions of redistributive justice. In Johannesburg, these instruments, of nodes, corridors, efficient movement systems, urban development boundary, among others, were presented in *Joburg 2030*, as possible framing interventions towards a built environment alternative that would enable economic efficiency and productivity. The Blue IQ and the JDA, the institutional vehicles given the responsibility for catalytic projects at provincial and municipal levels respectively, had as their primary objectives the revival of economic activity in certain areas and sectors of the economy. Both would enhance the city's attractiveness to investors, and enhance global competitiveness. The focus of these institutions was very much reflective of the development trajectories envisaged at the time of their establishment, i.e. the building of a 'smart province' in Gauteng and the rejuvenation of the inner city, the most important node in the city, as part of its drive to become a 'world class' city. The common thread at both scales was the luring of public investment, through the creation of a conducive investment climate.

But the examination of the select projects above[53], reveals a dynamic more complex than the simple respatialisation of the disfigured apartheid city for enhancing efficiencies for the attraction, retention and expansion of productive activity. The Gautrain project, an initiative of a provincial government positioning itself as Africa's first globally competitive city-region, is unapologetically a project aimed at assisting the province gain a competitive edge in the global economy. It is a typical mega-project, an embodiment of the concentration of capacities across scales in a given place, mobilised to assist shift the growth path of a regional economy to a higher plane. The Gautrain does attend to issues of redress through BEE, and to environmental sustainability if it succeeds in luring motorists out of their cars onto the train. But ultimately, in the logics of its design, location, delivery mechanism, and development rationale, it fits squarely into the 'world in a grain of sand' metaphor invoked by Swyngedouw *et al* (2003) to describe large-scale urban development projects—the centre-piece of the spatial development approach of the new urban policy.

[53] and arguably a detailed analysis of a sample of spatial restructuring projects in the City other than these, for example the corridor development programme, the nodal initiative of Baralink, sustainable human settlements programmes in Cosmo City and Alexandra, the Kliptown Regeneration Project

The Bus Rapid Transit project on the other hand, has as a primary objective the upgrade of public transport for those that need it most, and begins in its footprint to genuinely physically and functionally to integrate the various parts of the city. If land values rise within the radius of its routes in the near future, it will be as an outcome of its own ability as a transport system to galvanize development, not because that is the primary target of the City at its conceptualisation. This is a project that begins to attend to concerns around the functional integration of the city, assisting the City grapple with the question of 'how to reuse [the] various spaces of confinement' (Bond, 2000b: 4) produced by apartheid. It is the new public transport system that the City seeks to anchor its efficient movement system, where it intends directing public investment in the medium term as part of the City's 2008 Growth Management Strategy (GMS). This is a project for enhancing 'optimal **accessibility** to opportunities and the city experience' (CoJ, 2005: 21, emphasis in the original) for all.

The inner city, for its part, is where the City has to carefully negotiate the informalities and marginalities (of those inhabiting bad buildings, trading on the city's pavements, undocumented immigrants, etc) while attempting to bring back its economic vibrancy as a preferred investment destination. So that efforts at revalorising the city centre have to make space for the marginalities existent. The three projects combined demonstrate the variations in development imperatives informing project initiation and design towards spatial restructuring. *It is not solely a matter of attracting private investment in all interventions at all times at all costs; it is also about redress, redistribution, integration, and sustainability.* Carefully configured, as Gotz (2009) puts it: 'the discourses of redress and reintegration or integration and the understanding of creating spatial structure which facilitates economic growth are not necessarily disjunctive'. Such is the understanding of spatial restructuring espoused in the 2006 GDS and the 2008 GMS. So that spatial interventions as such, are *everywhere differentiated*, and *do not amount solely to producing spatial fixes for capital* (as the Gautrain arguably does). The contestations between use value and exchange value have in instances seen to that, the San Jose and Zinns case in the inner city is a case in point (see *City of Johannesburg v Rand Properties (Pty) Ltd* 2007 SCA 25 (RSA)).

The differentiation in the development imperatives guiding spatial interventions across the city space could be explained in more ways than one. First, the differences and differentiation demonstrated by the Gautrain and the Rea Vaya BRT projects, despite the fact that both are linked in the SDF to the efficient movement system spatial development strategy, are evidence of the fact that there is 'combination of different spatial and administrative scales in urban policy-making' (Rodriguez *et al*, 2003: 38). The provincial and the local intermingled, in complementary but equally disjunctive ways.

Second, the Constitutional Case (CCT 89/09[2010]ZACC11) involving the City of Johannesburg and the Gauteng Development Tribunal, where the City challenged the province's authority to decide on development applications (rezoning, township establishment, etc) (in terms of the Development Facilitation Act), demonstrates the fragmented nature of spatial planning and land use management within and across the state. The fragmentation manifests itself in various forms, as Atkinson and Marais (2006: 28) summarise: (a) resources allocated irrespective of where people live, (b) rules adopted which affect spatial allocations in ways unforeseen, (c) attempts to streamline expenditures according to specific spatial criteria, (d) demand-driven programmes dependent on local project applications by either municipalities or communities (e.g. Municipal Infrastructure Grant (MIG)), (e) large spatial corridors and zones (e.g. SDIs), (f) location of administrative offices of government institutions, and (g) impact of bureaucratic procedures.

Third, the disjunctures between policy cycles and project life cycles make it very difficult to link specific spatial interventions to broader state policies at a given point in time, with each mutating as they assume a life of their own. Fourth, the authority of spatial development frameworks and land use management systems to direct development is open to question (see Harrison *et al*, 2008). But moreover, the economic drivers of city-building, political imperatives and contestations, the varied needs for and uses of space, and physical constraints to development imposed by environmental considerations, variously come together to complicate the imprinting of a singular development imperative in space (see Todes, 2006: 67).

This however does not mean, as the chapter demonstrates, that neoliberal development tendencies (e.g. deregulation of spaces (UDZ in the inner city), mega-projects as guarantors of a new growth path (Gautrain), privileging of exchange value over use value (inner city), etc), cannot be tracked through studying spatial interventions, only that there must be acknowledgement that some interventions transcend the narrow confines of neoliberal urbanism.

It is crucial to acknowledge that much has been achieved in the past two terms of local government in Johannesburg to unwind the separate development logic of apartheid spatial planning. But AbdouMaliq Simone's conclusion still has a ring of accuracy in it, that 'in significant ways, the apartheid city past is as indicative of general urban futures as the repairs and innovations of the past decade' (Simone, 2004: 1).

CHAPTER 06

Closing the Circle: Summative Reflections on the Johannesburg Experiment

6.1. Introduction

This chapter concludes the study. It sums up the (a) research aim framing the research; (b) the methodology and conceptual frame adopted; (c) the empirical findings and analysis; (d) critical linkages with theory; and (e) implications for future studies.

6.2. Focus: aim, methods, concepts, cases

The study sought to analyse the extent to which 'neoliberal urbanism' has patterned state and spatial restructuring in city Johannesburg in the fourteen years after the demise of apartheid.

Neoliberalism, that ideology of free market fundamentalism, emerged as the dominant response to the 1970s crisis of overaccumulation. If neoliberalism was mobilized to restore the conditions for new round of capital accumulation, itself the motor of capitalism as a mode of production; it can be understood and analysed as an 'accumulation strategy'. Accumulation strategies are termed as such because they consist in a specific economic growth model, and a framework of institutions and a set of state policies designed to reproduce such a model. This understanding was useful for the study, because it enabled the researcher to select the state institutional frameworks and state policies (including those dealing with the reworking of the geography of the city) as entry points to analysing the prevalence (or lack of) neoliberalism in the restructuring unfolding in Johannesburg after apartheid.

Neoliberalism is also understood as a restructuring strategy, lending content and form to processes of breaking down and building up that usually follow crisis moments in the development of society. Although not capable of reproducing economic growth models, state institutions and policies in its own image everywhere; neoliberalism as a restructuring strategy becomes a dominant tendency patterning restructuring efforts following various spatio-temporal moments of crisis. The conception of neoliberalism as a restructuring strategy, or a prevalent pattern of restructuring assisted the researcher isolate the 'restructuring' that followed the collapse of apartheid as a useful focal point for the study.

Consequently, the interest in the study was in analysing how this extra-local, translocally connected but geographically variable restructuring tendency called neoliberalism was produced (or dislodged) in the context of Johannesburg after apartheid. It isolated local state institutions and state policies (including those affecting space) as critical entry points to analysis. If these were designed to reproduce an economic growth model whose main tenets and elements conformed to the neoliberal ideal, then some direct linkages could be drawn. There is in South Africa arguably no better place to analyse the influence of global designs in local agenda setting and practice than Johannesburg, the most important local economy in the country, most connected to global circuits and circulations.

To investigate restructuring of the local state, the reworking of local state policies, and reconfiguration of the geography of the city; the study relied on semi-structured interviews, document study and observation. The interviews were both with experts in the area of urban (specifically spatial) restructuring (i.e. key informant sample), and with people that worked very closely on the specific projects and policies under scrutiny as City of Johannesburg officials at a senior level (i.e. critical sample). The documents studied were largely primary sources such as official national government policies and legislation; City of Johannesburg official documents such as the growth and development strategy, business plans, spatial development frameworks, annual reports and performance plans.

Conceptually, the study borrowed from Brenner and Theodore (2002b) the concept of 'actually existing neoliberalism' to locate neoliberalism within the context of Johannesburg and come 'to terms with' its 'real conjunctural complexity', 'conditions of (re)production, characteristic features, and contradictions' (Leitner et al, 2007b: 316). This concept embodies the argument that neoliberalism does not simply reproduce contexts (countries, cities, regions) in its own image, but that it is produced and revised in the frictions generated in real time spatio-temporal moments of transition. Contexts are simultaneously artefacts and architects of the extra-local project called neoliberalism. Johannesburg, a unique city of contradictions in the South, had to be analysed not only as a passive recipient of some global design, but as an active producer of regulatory regimes and spatial fixes peculiar.

The concept of neoliberal urbanism was used in the study to denote the fact that the concern here was with neoliberalism as it manifests itself in city-building processes, both spatial and institutional.

For each of the three entry points to analysis, the study focused on specific processes, policies and projects. On spatial restructuring, the Gautrain Rapid Rail Link, the Rea Vaya Bus Rapid Transit, and the Inner City Regeneration projects were studied using the methods outlined earlier. These projects were analysed in addition to documents dealing with spatial policy including spatial development frameworks, and the 2008 Growth Management Strategy. On state institutional restructuring, the focus was largely on the 1997 financial crisis that the City of Johannesburg found itself in in the winter of 1997, the iGoli 2002, which the City produced in response, and the policies and legislation evolved at national level in relation to local government transformation. These range from the Local Government Transition Act to the Municipal Finance Management Act. On state policy, national policies, in particular the Reconstruction and Development Programme; Growth, Employment and Redistribution; Urban Development Strategy/Framework; and the National Spatial Development Perspective; and City of Johannesburg's iGoli 2010, Joburg 2030, and the 2006 GDS were studied.

6.3. Findings

The study acknowledges the continuities and discontinuities that followed creative destruction after apartheid; the fluidities of policy and practice; and the impossibility of imposing neoliberalism (or any ideology/governing strategy for that matter) in its pure form. It does still however argue that the general character of restructuring in

Johannesburg, despite differentiations that include the intermingling of redress with competitiveness, is indeed neoliberal. This is not neoliberalism as is defined in theoretical protocols or policy orthodoxy; it is a nuanced version that produces a Johannesburg variant. It is neoliberalism as it actually exists in Johannesburg, forever leaving practitioners in a balancing act between imperatives of redistribution and market-oriented growth. This is the overarching conclusion.

Against the backdrop of this overarching conclusion, there are important highlights that should be reiterated here for purposes of summing up the main arguments of the study.

1. On state policy: for its part, Joburg 2030 placed market-led, export-oriented economic growth akin to the neoliberal growth model at the centre of the City's development agenda as the unquestioned and only sustainable road to improved quality of life. The role of the state would be to design and implement programmes and interventions that would create a 'cycle of growth', and focus areas included (a) creating a conducive environment (reduce crime, improve skills); generating an engine of growth (spatial planning, transportation, telecommunications, utilities); and accelerating growth (catalytic projects, institutional arrangements) . This is the state in its aidez faire and disciplinary modes of intervention in the socio-economic life of society. The main sectors of the envisaged growing economy would be finance and advanced producer services, attracting headquarters of transnational corporations—the kind of staff that world cities (or global cities) are measured on.

   The 2006 GDS however, while retaining aspirations of becoming a world class city (which is expanded to be 'world class African city for all'), ventures a shift in the development paradigm. Redistribution is an important condition for growth, and cannot be postponed to a future date. Efforts at redistribution, embedded in proactive absorption of the poor, facilitated social upward mobility, and settlement restructuring, must enable growth as well distribute its benefits. Competitiveness does not solely entail assisting profitability for business, but it also means nurturing generative interactions (visible and invisible) making the economy dynamic. While there is acknowledgement that the policy trajectory and courses of action stemming from such a paradigm shift, from 'redistribution through growth' to 'growth through redistribution', are yet to be fully explored, the shift at least dilutes the earlier path premised on the precepts of urban neoliberalism.

2. On <u>state institutional restructuring</u>: The institutional restructuring plan, iGoli 2002, came as a response to the 1997 fiscal crisis of the local state in Johannesburg, and was adopted following a series of contestations by labour and civic society. iGoli 2002 (among other things) privatised 'non-strategic assets', created utilities, agencies and corporatised entities, introduced public-private partnerships (insulated from democratic engagement), and made fiscal discipline a virtue in governance. The notion of economic decentralization central to the recovery plan created space for the introduction of some of the main tenets of new public management, including performance management, flexible specialization and procedural exceptionalities, PPPs, downsizing and rightsizing, and cost recovery. The 1997 crisis equally rolled back what was hitherto a deeply participatory process to define the scope, nature and character of local government in Johannesburg by restricting debates over the local state project to a series of adhoc committees (Committee of Ten, Committee of Fifteen, Transformation Lekgotla) whose work was mapped through loan conditions (DBSA, Treasury), consultants' recommendations (PwC), and 'expert' input (World Bank). However, the notion of developmental local government as defined in the WPLG and ongoing demands placed on the local state by citizens still push the City to open platforms for participation and to pass redistributive budgets, despite the stringencies imposed by iGoli 2002.

3. On <u>spatial restructuring</u>: The examination of the spatial policies (embodied in the City's Spatial Development Framework, RSDFs, UDFs, among other instruments) and the selected projects (Bus Rapid Transit, Gautrain, and Inner

City Regeneration), reveals a dynamic more complex than the simple respatialisation of the disfigured apartheid city for enhancing efficiencies for the attraction, retention and expansion of productive activity (as envisaged in Joburg 2030).

The Gautrain Rapid Rail Link is explicitly presented by both Gauteng Provincial Government and the Blue IQ as an economic project as opposed to a transportation project. It is a costly mega-project designed to give the province a competitive edge in the global economy. It fits, in its design, location (covering only economic nodes), delivery mechanism (a public private partnership where the public sector accounts for 88 per cent of the capital cost), and development rationale (global competitiveness) the logic of neoliberal urban development policy premised on premier projects.

The Bus Rapid Transit project is a project designed to upgrade public transport for commuters, and functionally and spatial integrates various parts of the city. Inner city regeneration grapples with both the creation of a conducive investment environment (through the UDZ, CIDs, and zero-tolerance policing), and accommodating the informal and the marginal (through incorporating informal trading in designated malls and stalls, and transitional housing). The inner city thus remains a contested space where the imposition of purist regulatory strategies is almost impossible.

These projects demonstrate that the objectives underpinning spatial restructuring projects are multiple, transcending the narrow confines of producing spectacles and creating spaces for new rounds of capital accumulation. The economic drivers of city-building, political imperatives and contestations, the varied needs for and uses of space, and physical constraints to development imposed by environmental considerations, variously come together to complicate the imprinting of a singular development imperative in space (see Todes: 2006: 67).

In the end, restructuring plans like iGoli 2002, strategic city visions like Joburg 2030, spatial interventions like the Gautrain and a predominant part of the inner city regeneration effort, perfectly exude resemblances to the marketization practices presented as central to neoliberalism. But the exceptions introduced by the developmentalism underpinning conceptualisation of local government in South Africa; spatial restructuring projects like the BRT; and city visions like the 2006 GDS demand a closer reflection on the meanings of contexts.

6.4. Critical implications for theory

The creative tensions between neoliberal practices and policy discourses as encapsulated in theory—or simply 'market fundamentalism' as orthodoxy—and concerns with redistribution and redress as primary pillars of the anti-apartheid project, are what makes neoliberalism in the South African/Johannesburg case distinctive. It is neoliberalism as it is produced in the 'friction of transition', the source of debate and difference that sometimes hides the beast, so much so that others have argued that 'observers of South Africa in the 1990s might be forgiven for seeing the South African case as yet another example of the triumph of 'neoliberalism'' (Seekings, 2002: 3, 14, cited in McDonald, 2008: 69). There are important pointers though, that cannot be ignored.

GEAR transplants as a response to South Africa's economic challenges and crisis of the state the precepts of neoliberal orthodoxy, in its call for fiscal austerity within the state, privatisation, deregulation, the abolishment of exchange controls, inter alia. The NSDP adopts the growth-first approach to development and mobilises certain spaces as scaffoldings for a competitiveness agenda, arguing for the redirection of all fixed investment into areas of economic potential. Joburg 2030 envisages 'a world-class city with service deliverables and efficiencies that meet world best practice', with an 'economy and labour force' that 'will specialise in the service sector and will be strongly outward oriented such that the economy operates on a global scale', a 'competitive economic behavior' that 'will drive up City tax revenues, private sector profit and disposable income levels such that the standard of living and quality of life of all the City's inhabitants will increase in a sustainable manner' (CoJ, 2002a: 115). It sets the platform for 'basing our [the City's] dreams of a better life for all our citizens firmly on economic growth' (ibid., 108).

The City took an entrepreneurial turn institutionally when it presented the business approach to city government as the most efficient and effective through adopting the iGoli 2002 restructuring plan[54]. Even if the tiny privatisation component to the restructuring could be ignored entirely, the plan remains fairly within the ambits of a neoliberal urban governance arrangement, with quasi-state institutions driving development, and basic services being subjected to the calculus of profitability. Take the Johannesburg Development Agency for instance, tasked with the important project of spatial restructuring, but created largely with the objective of driving area-based development in select areas through public interventions intended to attract private investment. Large-scale urban development projects like Gautrain, a Spatial Development Initiative linked to the GEAR inspired SDI programme, have economic growth as their primary objective, and create spectacular spaces inaccessible to poorer citizens of the Johannesburg. Interventions such as the tax incentive scheme packaged by national Treasury in the form of the Urban Development Zone designated in inner city regeneration initiatives amount to the state assisting capital, an integral part of the state's aidez faire interventions under neoliberalism. These might indeed be moments, points in a bigger matrix of policy thought and action in both Johannesburg and the country, but even then, they are important moments indeed. Their implications are far-reaching, even for policy interventions and initiatives that are argued to have escaped constricts of neoliberal discourse, the welfare system and free basic services being examples, which are redefined to suit the market logics of the neoliberal macro-economic framework (see for example Ferguson, 2007).

It is the existence of such decisive moments in policy thought and practice in the country that makes it rather dismissive to argue that anyone arriving at the conclusion that the general character of policy discourse in South Africa is neoliberal must simply be 'forgiven'. Indeed, the fact that neoliberalism 'can be implemented in one arena and

54 Where an 'entrepreneurial regime is essentially concerned with reviving the competitive position of urban economies, especially the 'liberation' of private entreprise and an associated demunicipalization of and recommodification of social and economic life' (MacLeod, 2002: 256)

not another, or by one level of government and not another' does not necessitate deliberately ignoring moments and spaces where neoliberalism has triumphed.

It is important to assess the general character of policy, through analysing decisive moments, precisely because neoliberalism 'rarely, if ever, exists in pure form' but instead 'typically co-exists with elements from other discourses, strategies, and organisational patterns' (Jessop, 2002: 106)[55]. Neoliberalism as a discourse, while limited by its own lack of internal coherence, is further variegated and redefined by each experiment where it has to negotiate different legacies of 'inherited institutional frameworks, policy regimes, regulatory practices, and political struggles' (Brenner and Theodore, 2002b: 4). To this list might be added, inherited geographical spatial patterns and trends; for space is employed in neoliberal restructurings as a 'privileged instrument' (Lefebvre, 1978: 262, cited in Brenner and Theodore, 2002a: vii), or as Leitner et al (2007: 6) put it 'space is simultaneously an object of contestation and part and parcel of political strategy'.

It was not practically possible, to completely delete from the governance agenda in Johannesburg for example, attending to the vast inequalities and deep-seated poverty evident in that city. The co-existence of prosperity and squalor, sometimes negligible kilometers apart from each other spatially, forced those tasked with governing to find policy instruments that enable them to grapple with them. Global competitiveness could not be the sole development objective, to the total exclusion or even partial relegation of redistribution. Writing about public-private partnerships in select development projects in eThekwini, Houghton (2010: 266), confirms that 'the imperatives of economic growth and post apartheid redress are enmeshed and co-constituted in an 'entanglement''. 'Co-constitute' is used in her analysis to argue that the 'economic growth imperative is shifted through its entanglement with elements of redress' (*ibid.*, 268). It is not always

55 Millennium Development Goals, sustainable development, among others, are important discourses that have been incorporated into policy across various spheres and sectors in the country

though that the incorporation of elements of redress change the overall character of the 'growth imperative', as the case of Gautrain (where BEE and the reduction of emissions incorporated) amply demonstrates. When the local state, burdened by a history of exclusion and constantly challenged by the extremes of underdevelopment, resolves to act in a manner that attends to questions of redistribution (through reconfiguring the built environment in a manner that brings people closer to economic activity and vice versa for example), yet harkens to practices that mimic neoliberal urban policy repertoires, it produces a Johannesburg brand of neoliberalism.

The fact that neoliberalism mutates in its internal constitution through historical shifts that transform the project in various way imposes a complication to the analysis of neoliberalism.

Peck and Tickell (2002) delineate two such important shifts in the evolution of neoliberalism at a transnational scale, namely (a) the movement from 'proto'-to 'roll-back' neoliberalism (1970s): initially adhering to pasting the theoretical protocols of neoliberalism, it later entailed the dismantling of the Keynesian regulatory arrangements; and (b) from roll-back to roll-out neoliberalism: the construction of new states, spaces, and subjects in a technocratic and depoliticized manner (1990s). The latter revisions were a response to neoliberalism's own excesses and inadequacies revealed by the experiments of the preceding decade, including 'the perverse economic consequences and pronounced social externalities of narrowly market centric forms of neoliberalism'. The substantive shifts included increased social intervention by the state in areas like 'crime, immigration, policing, welfare reform, urban order and surveillance, and community regeneration' (Peck and Tickell, 2002: 42).

A more detailed analysis of the actual implementation of policy in various arenas and spheres and areas might reveal other adjustments in the South African case, where neoliberalism has never been experimented with in its proto- form (like in Chile for instance, Thatcher's Britain). It is this capacity to mutate, that would lead some to declare its complete non-existence, and many to generate new labels to describe what they see as new discourses and phenomena (see for example talks about a post-

Washington Consensus, 'social neoliberalism', Third Way). Because hegemonic projects ascend in the frictions of transition through contest, these contests will continue to shape the South African brand of neoliberalism—from 'social' to 'orthodox', either reconstituting it or imploding it—in directions for now unpredictable.

To study neoliberalisation as it actually unfolds is therefore a task complicated by a number of factors, prime among which is its own lack of internal coherence as a restructuring project, its capacity to mutate as it negotiates contexts, and the simple fact that even if it was a coherent theory which remained static over time, it can never be applied in pure form. Ultimately, a study of neoliberalism 'as it actually exists' involves choices of points of entry (what 'objects of study' e.g. state/scale/space), of tendencies (which 'elements of neoliberalism'), and of policy arenas (e.g. macroeconomic policy, city visions); and is riddled with complexity in isolating it as a general character in contexts that always refuse imposition of ideologies in pure form.

6.5. Summation: implications for future research

As a way of concluding the study, three points on the implications of this research for future research are worth mentioning here.

1. Neoliberalism must be understood in its historical context as a hegemonic project that came to dominate political economic thought and restructuring efforts following the 1970s crisis. It therefore remains an important research area and analytical tool for understanding state/spatial restructuring projects for the two or so decades that followed;
2. A study of restructuring processes at a urban policy level is only a starting point; for to analyse the production of neoliberal urbanism will require investigations into practices of city-building;
3. Other technologies of governance and ideologies that coexist with predominantly neoliberal regulatory regimes in given contexts must be analysed closely, and a determination must be made whether they in themselves represent a radical break that amounts to 'post-neoliberalisation';

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