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THE LEGACY OF INEQUITY: 
AN ANALYSIS OF JOHANNESBURG AND CAPE TOWN IN POST-APARTHEID SOUTH AFRICA

Jory Hennick

Academics of urban studies have questioned what legacies linger from the South African Apartheid system, what reforms were introduced and whether or not they were effective in overcoming those resulting challenges. This analysis will contend that the goal of adopting a democratic, non-racial state in post-Apartheid South Africa was challenged predominantly by the legacy of inequity, which affected all aspects of society - economic, political and social. By comparing the two most prominent cities in South Africa, Johannesburg and Cape Town, it will become evident that while similar political reforms were introduced in both cities, each implemented distinct economic development reforms and initiatives to address the issue of widespread disparities in the transition towards a democratic, non-discriminatory state. Finally, this examination will offer suggestions on how South African cities can overcome further political and economic inequities to ensure a democratic, non-racial state in the future.

In the mid-20th century, the election of the National Party resulted in the segregation of South African cities and the beginning of Apartheid. Apartheid refers to the structure of legal racial segregation imposed by the national government of South Africa from 1948 to 1994. During this period, the majority non-whites held no rights while the minority whites maintained control within South African cities. Apartheid in South Africa was declared officially over with the 1994 elections and the national government’s aim to establish a democratic, non-racial state. Academics of urban studies have questioned what legacies linger from the Apartheid system, what reforms were introduced and whether or not they were effective in overcoming those resulting challenges. The following analysis will contend that the goal of adopting a democratic, non-racial state in post-Apartheid South Africa was challenged predominantly by the legacy of inequity, which affected all aspects of society- economic, political and social. By comparing the two most prominent cities in South Africa, Johannesburg and Cape Town, it will become
evident that while similar political reforms were introduced in both cities, each implemented distinct economic development reforms and initiatives to address the issue of widespread disparities in the transition towards a democratic, non-discriminatory state. Finally, this examination will offer suggestions on how South African cities can overcome further political and economic inequities to ensure a democratic, non-racial state in the future.

Prior to examining how local governments in South African cities sought to resolve the Apartheid legacy of inequity, one must first review and understand the historical circumstances and conditions during Apartheid in South Africa. From 1980 until the official end of Apartheid in 1994, the circumstances in South Africa were adverse. Low-density, high-income white neighbourhoods were established near and within the urban centres, whereas large and impoverished, high-density suburbs were established in the urban periphery for non-whites. As a result of physical and social segregation in South African cities, African townships were poorly serviced and were primarily informal settlements.1 These informal settlements were located just outside urban centres and consisted primarily of dwellings made of scrap metal, wood, and plastic. Until the 1980s, the non-white majority was only permitted entrance to the city to service the mines and industries owned by the white population.2 Furthermore, many restrictions were placed on non-white businesses in those segregated townships.3 Consequently, the growth rate of South Africa’s gross domestic product (GDP) was very low at a mere 1.6 percent per annum.4

2 Ibid.
3 Ibid.
Employment in South African’s primary industries was declining. In the mining industry, for example, employment decreased from 24 percent to 16 percent. Along with the slow economic growth and increasing unemployment rate, population growth was increasingly rapidly. As a result, unemployment in the South African Gauteng province alone reached roughly 30 percent. Population growth of 1.7 percent surpassed employment growth of 1.5 percent, resulting in widespread unemployment and poverty. In the early 1990s, 50 percent of the South African population held 11 percent of the national income. The equity division between whites and non-whites during Apartheid was rapidly becoming the most prevalent issue in the municipalities.

The beginning of the end of Apartheid started in the 1980s with the introduction of the Black Local Authorities (BLAs), responsible for governing black townships in the urban areas. The BLAs received no funding from provincial or national governments and thus were required to collect rent and service payments to financially manage their respective townships. However, the BLAs’ revenue collection was never adequate to effectively govern the townships. This resulted in the Soweto Rent Boycotts, when 80 percent of the population from the black township of Soweto responded through riots and protests to the deteriorating living and economic conditions. This social movement is a prime example of the ‘Political Opportunity Structure’ theory, which claims that peoples’

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5 Ibid., 4.
6 Ibid.
7 Ibid.
8 Ibid.
11 Ibid.
12 Ibid.
13 Ibid., 8.
social behavior depends primarily on their opportunities for political participation. In the Soweto Township case, possibilities for the poor to participate were limited, which led them to rise up to retain political opportunities.

These boycotts sparked nation-wide opposition to the Apartheid structure and, consequently, “One City, One Tax Base” became an eminent motto across all South African cities. The national government soon discovered that the existing structure in South Africa was unstable and that remedies to Apartheid were necessary. This marked a turning point in South African history as the national government in South Africa promised to transform the Apartheid system. It committed itself to a “non-racial and democratic structure of local government and improved quality of life by establishing a common tax base and upgrading services.” The Apartheid system was officially renounced in 1994 with the election of new local governments.

Nevertheless, declaring the end of the Apartheid system in 1994 was not in itself the major challenge for South Africa. Rather, while the national government had promised to put an end to the Apartheid structure, South African cities faced major challenges that needed to be addressed in order to completely eliminate it. The Apartheid structure left the key legacy of inequity, defined as a lack of fairness or impartiality. This legacy of Apartheid left the citizens of South Africa disproportionately represented

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15 Ibid.
in all facets of society, primarily politically and economically. Addressing the issue of civic inequity in South African cities represented the major impediment to achieving a non-racial, democratic system throughout the country. Resolving this issue became the driving force behind the transformation of local government in the post-Apartheid system.

For local government transformation to take place, certain political and economic reforms were introduced and adopted in South African municipalities to resolve the issue of inequity. It is important to note that local governments were by no means functioning alone in this process of re-structuring after Apartheid. The national government was also involved in these processes and the two levels of government worked in consort with one another. While political and economic reforms were set forth at the national level to resolve inequity, local governments were the primary force responsible for implementing and enforcing these reforms. This analysis will first examine these local political reforms, focusing primarily on the cases of Johannesburg and Cape Town.

During Apartheid, the majority non-whites’ political rights were heavily restricted and thus not effectively represented in local government. As a result, re-conceptualizing the municipal government politically by reallocating resources and political powers towards the poor was crucial to resolving issues of inequity in South African cities. Since white local authorities lacked the motivation to establish integration and a non-racial government in an attempt to maintain the status quo, the national government was responsible for outlining the mandatory changes in political structures of local

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21 Ibid.
government to help overcome political inequity. Political reforms were introduced to ensure a democratic system whereby all citizens were equally represented in government. Many political reforms were introduced by the national government in the early 1990s to pave the way for the official end of Apartheid in the 1994 elections. All municipal-level governments throughout South Africa, including Johannesburg and Cape Town, implemented the same political reforms across the board.22

In 1993, the national government mapped out the Local Government Transition Act (LGTA).23 The LGTA aimed to create a guided transition towards a democratic structure of local government and provide measures for overcoming racially based local government structures and inequalities.24 The LGTA outlined several phases of local government structural transformations that were implemented from the early 1990s (prior to the official declaration of the end of Apartheid) until a fully democratic system was installed in local governments. Beginning with the ‘negotiations and forums’ phase, local governments were required to put in place forums that would negotiate and drive the transition from the Apartheid system in South Africa.25 Second, during the ‘pre-interim’ stage, legislation and local councils were appointed through the use of a 50/50 formula.26 During the third, ‘interim’ phase, which occurred after the first democratic elections in 1994, the local constitution would be written.27 The ‘final phase’ proclaimed the

23 Ibid., 2.
26 Ibid.
beginning of a fully democratic council with a newly negotiated constitution.\textsuperscript{28} This process sought to gradually transition local governments towards democratic structures of government and the resolution of inequities.

The cities of Johannesburg and Cape Town were prime examples of how every local government in South Africa adopted the same political reforms introduced by the national governments. Both Cape Town and Johannesburg introduced Local Government Negotiating Forums\textsuperscript{29} in 1993, as part of the ‘negotiations and forums’ phase. These forums could be found in every urban centre in South Africa in the early 1990s. The Cape Town Metropolitan Negotiation Forum (CMNF)\textsuperscript{30} and the Greater Johannesburg Metropolitan Negotiating Forum (GJMNF) were responsible for governing their respective cities until local government elections in 1994.\textsuperscript{31} The forums managed the ‘interim’ transition towards a democratic system in South Africa. They negotiated the dissolution of racially based authorities in cities; discussed boundaries and appointed non-racial councils with political control over administrative and financial resources; and further sought to address the backlog of the provision of services to citizens.\textsuperscript{32}

Essentially, these forums, through the adoption of the 50/50 formula explained below, were necessary to ensure that issues of inequity would be overcome and that the interests of all South African citizens would be taken into account.

In order to resolve inequity and create a non-racial democratic state, the third ‘interim’ phase involved reorganizing the political structures in Johannesburg and Cape

\begin{thebibliography}{99}
\bibitem{28} Ibid., 9.
\bibitem{29} Ibid., 7.
\end{thebibliography}
Town. The national government enforced what has become known as the 50/50 formula. Half of the interim council was comprised of existing statutory groups, while the other half contained non-statutory bodies such as the African National Congress (primarily a non-white political party), the BLAs, and other organizations. Forums were organized using the 50/50 formula for two reasons: as an attempt to unite the majority non-whites and minority whites, and also to divide power so as to equally represent all citizens. Through this formula and the negotiating forums, all South African citizens were guaranteed equal rights and representation. These structural reforms were not only introduced in Cape Town and Johannesburg, but throughout all South African cities.

After the national elections of December 1, 1994, the forums evolved into metropolitan councils as part of both the ‘interim’ and ‘final’ stages of the LGTA. These councils, such as the Greater Johannesburg Metropolitan Council (GJMC) and the Cape Town Metropolitan Council (CMC) were vested with the responsibility of governing South African cities. This government restructuring and the reforms that were introduced created city councils that no longer discriminated based on race and ensured that all South African citizens maintained equal rights. The mandatory negotiations, forums and the 50/50 formula initiated by the national government in the LGTA helped South Africa overcome political inequity. Applying identical political reforms in Cape Town and Johannesburg, as well as in all other South African cities, was crucial to ensuring equal representation of all South African citizens and providing legitimacy to the democratic

33 Ibid., 274.
34 Ibid.
35 Ibid.
36 Ibid.
system through political consistency. Essentially, this marked the transition to a fully democratic, non-racial system in post-Apartheid South Africa.

Resolving the legacy of political inequity was clearly a fundamental challenge for South African cities in the post-Apartheid transition. As with the political reforms, the national government was also responsible for introducing economic development reforms to help resolve economic inequity in the post-Apartheid system. Once again, local governments were responsible for driving the process of economic development through the implementation of these reforms. Yet, while Johannesburg and Cape Town undertook identical political reforms to reform their municipal governments, these two cities adopted different economic development strategies and reforms.

Improving economic conditions in the post-Apartheid period faced several challenges as a result of extensive disparities. Widespread poverty remained a predominant issue in the mid-1990s. For further perspective, Randburg, the wealthiest white township of Johannesburg, boasted an average yearly income of R 52,927 in 1994.38 Soweto, on the other hand, the wealthiest black township, had an average income of only R 8,358.39 During this time, approximately 40 percent of households in South Africa earned less than R 1,500 per month.40 Unemployment, which reached approximately 34 percent, continued to remain an issue. African townships were threatened by service backlogs: 20 percent of all urban households were without electricity and 25 percent had no access to water.41 Clearly, poverty alleviation and

39 Ibid.
40 Ibid., 160.
41 Ibid., 161.
economic development needed to be addressed in order to resolve the legacy of inequity in the post-Apartheid system.\(^{42}\)

In 1998, the South African national government, through the Ministry of Provisional Affairs and Constitutional Development, introduced the White Paper on Local Government.\(^{43}\) The White Paper focused on economic and social development through participation and partnership.\(^{44}\) Its main emphasis was on the concept of developmental local government.\(^{45}\) This concept, also known as the ‘networked governance’ approach\(^{46}\), emerged in the 1990s to address the limitations of the state and challenges facing society during the transition in South Africa. It sought to integrate the divided cities by aligning relationships and creating networks of planning, viewing development as an essential process that takes place through engaging citizens and groups.\(^{47}\) Under this approach, partnership with civil society, co-innovation and civic leadership became vehicles for change.\(^{48}\) This analysis will show that while Johannesburg and Cape Town agreed with the national government’s White Paper on economic development, they adopted their own distinct approaches to meet the distinct economic development needs of their cities.

\(^{42}\) Ibid., 160.


\(^{45}\) Ibid.


\(^{47}\) Ibid.

\(^{48}\) Ibid.
Cape Town adopted what has become known as the ‘tiers’ approach, a top-down hierarchical strategy of economic development. For the most part, Cape Town’s municipal government remained suspicious of partnerships with local stakeholders. As a result, their ‘tiers’ approach focused on centralized organization of economic development. The Cape Town local government maintained a strong infrastructural emphasis on delivery and provision of services to the poor to achieve equity. Essentially, the Cape Town municipal government adopted the strategy of redistributing equity and services by directly targeting South African citizens. For instance, the most significant local government project in Cape Town was known as the N2 Gateway Housing Pilot Project. This project was the primary focus of the Cape Town municipal government and sought to deliver affordable and sustainable housing to eliminate informal settlements by 2014. Hence, “This City Works for You” became Cape Town’s maxim as the government directly targeted the citizens, rather than working alongside stakeholders to co-deliver equity.

On the other hand, Johannesburg attempted to move beyond the ‘tiers’ strategy towards what became known as the ‘spheres’ approach to resolving economic inequity. This was a more decentralized approach to developmental local government. The Johannesburg local government emphasized the use of partnerships and entities, such as

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49 Ibid., 124.
50 Ibid.
51 Ibid.
53 Ibid.
55 Ibid.
56 Ibid.
the Johannesburg Development Agency (JDA), to drive the development agenda.\(^{57}\) By doing so, the Johannesburg Metropolitan Council believed that regenerating the city through interventions and social participation, rather than directly targeting citizens, would resolve the issue of inequity and lead to economic growth.\(^{58}\) Inner City Regeneration Strategies became the focal point of the Johannesburg local government’s development initiatives.

One of the entities introduced by the Johannesburg municipal government was the Johannesburg Inner City Business Coalition (JICBC).\(^{59}\) This was a large group of businesses, corporations and property owners, working in consort with local government, which were committed to urban renewal.\(^{60}\) City Improvement Districts (CIDS) were created, whereby businesses within decaying districts could contribute to the rehabilitation of these troubled areas.\(^{61}\) Since 2006, the JICBC has contributed approximately 4 billion Rand in development and rehabilitation funds for the inner city.\(^{62}\) These contributions were applied to developing reasonably priced residential and commercial projects, funding local schools and improving entertainment and retail areas. In fact, the GJMC created the Urban Renewal Tax Credit to motivate businesses to become involved in urban regeneration.\(^{63}\) This tax credit offers opportunities for corporations to invest in refurbishing residential and commercial buildings in designated

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\(^{57}\) Ibid.

\(^{58}\) Ibid.


\(^{60}\) Ibid.


\(^{62}\) Ibid.

decaying inner city areas. The government has even offered to write-off bad debts incurred by property owners to encourage reconstruction of these decaying buildings.

Academics of urban studies have questioned why Johannesburg and Cape Town adopted divergent economic development strategies to address economic inequity. Municipal governments felt they had to implement an economic strategy that would best succeed and complement their city’s desires. In Cape Town, the city council utilized the ‘tiers’ paradigm because it was suspicious of local participation and stakeholders’ lack of political stability. They were concerned that teaming up with social groups and organizations to contribute to development could result in corruption. 64 Thus, the CMC believed that directly targeting citizens was the most effective approach to development. The Johannesburg Metropolitan Council, in contrast, believed that the decentralized ‘spheres’ approach satisfied their main agenda for economic growth. 65 This approach fulfilled the Council’s desire to establish itself as the economic hub of Africa and become a “World Class City”.

Statistics have illustrated that both the Johannesburg and Cape Town strategies succeeded, but in different ways. Cape Town was more successful in delivering services to the poor than Johannesburg due to its direct targeting of residents. Sanitation in Cape Town had improved by 92 percent by 2004, while Johannesburg’s improved by only 40 percent in the same period. 66 By this time, only 2 percent of Cape Town households lacked electricity, whereas 6 percent of Johannesburg households had no electricity. 67 Finally, statistics showed that households’ access to water was 85 percent in Cape Town

65 Ibid.
66 Ibid., 125.
67 Ibid.
and only 62 percent in Johannesburg.\(^{68}\) However, while Cape Town surpassed Johannesburg in delivering basic services to its citizens, Johannesburg outperformed Cape Town in economic growth. For instance, in Johannesburg, employment growth reached 2.5 percent per annum whereas Cape Town’s reached only 1.6 percent.\(^{69}\) Moreover, Johannesburg’s GDP per capita was 5.3 percent higher than any other South African city, while Cape Town’s GDP per capita was the lowest of any South African city.\(^{70}\)

Evidently, the national government White Paper of 1998 forced municipal governments to adopt economic development initiatives to resolve economic inequity in South African cities. But this analysis has demonstrated that, while local municipalities handled political reforms similarly, economic reforms diverged. Both Johannesburg and Cape Town succeeded in fostering degrees of economic equality, but did so in ways that complemented their cities desired goals; this resulted in somewhat different development outcomes. One may suggest that despite Johannesburg’s success in becoming the economic hub of South Africa, it has failed to resolve the economic disparities in ways that Cape Town has. The GJMC may wish to consider the Cape Town experience and adopt strategies that directly deliver services to its most impoverished residents.

The study of the legacy of inequity in post-Apartheid South Africa is warranted as it permits academics of urban studies to offer suggestions to further reduce inequities. Formally, all citizens in South Africa have been granted equal representation in politics. The political reforms introduced in the early 1990s guaranteed a democratic, non-racial state in South Africa. Nevertheless, the ‘Political Opportunity Structure’ theory suggests

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\(^{68}\) Ibid.
\(^{69}\) Ibid., 126.
\(^{70}\) Ibid.
that certain groups may still lack access to political opportunities in cities that claim to have a democratic system of government. For instance, for over two decades the GJMC promised to provide the Diepsloot township, the largest informal settlement in Johannesburg, with adequate housing, electricity, waste management systems, and schools. However, the local government failed to fulfill their promises. Furthermore, the local leadership has not been effectively relaying the residents’ grievances to the local government. Consequently, the residents began to mobilize and violent protests broke out throughout the region.

In order to ensure that all groups have an equal chance to access the government, municipal governments should introduce organizations whose primary focus is to relay the grievances of economically and socially marginalized groups to local government. These organizations would certainly help to reinforce equal political rights and representation for all citizens at the local level.

In order to improve economic disparities, South African cities focus on the decentralization of economic activity. In essence, South African cities should shift economic gravity away from the urban centers towards the urban periphery. City councils should motivate businesses and corporations to migrate activity to the urban peripheries through subsidies and grants. As a consequence, more income, wealth and job opportunities would travel to these areas, thereby redistributing wealth and prosperity. Furthermore, city councils could offer subsidized housing to reintegrate the poor and wealthy groups and merge whites and non-whites. Doing so would further balance citizens’ access to employment opportunities and thus improve inequities throughout South Africa. Finally, the South African national government could attempt to resolve
economic inequities in its cities by calling upon the help of global organizations such as the International Monetary Fund (IMF) or World Bank. The purpose of these organizations has been to foster and promote economic cooperation, growth and financial stability around the world as well as combating poverty.\textsuperscript{71} Thus, the national government could ask for aid from these international organizations to fund economic and developmental initiatives in urban centres.

The Apartheid legacy of inequity and the lack of fairness in political and economic aspects of life represented a major challenge for South African cities in the post-Apartheid period. This examination has discussed how Johannesburg and Cape Town undertook comparable political modifications yet contrasting economic development reforms. The political reforms implemented in South African cities clearly resolved political inequities and created a non-racial democratic state. However, cities such as Johannesburg and Cape Town, which adopted two distinct economic development reforms, experienced very different economic outcomes.

These conclusions generate new questions and implications for future post-Apartheid studies. For example, have South African citizens become fully represented in politics in relation to the theory of the ‘Political Opportunity Structure’, and has the private sector benefitted from economic development initiatives in these cities? Post-Apartheid South Africa has clearly demonstrated its ability to resolve the key legacy of political and economic inequities. As long as South African municipal governments continue to redistribute equity through current strategies and by adopting new ones, such

\textsuperscript{71} International Monetary Fund, "About the IMF," http://www.imf.org/external/about.htm (accessed November 9, 2010).
as those outlined above, South Africa will continue to be a democratic, non-racial country that promotes similar opportunities for all of its citizens in every area of life.

**Bibliography**


