CAPE TOWN: A CITY OF CONTRASTS

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ABSTRACT

This paper examines the historical forces that shaped the city of Cape Town, South Africa under the apartheid regime with the intention of evaluating current trends and proactive governmental strategies to reverse nearly one hundred years of racial segregation and discrimination. Social, economic, political and cultural trends are examined in this light, as are the CMA's 'mega-event' initiatives and global competitiveness promotions. In summary, the paper draws some conclusions regarding the impacts of today's trends on this land shaped by a unique history and makes some recommendations as to how Cape Town can reach its full potential at a local, regional and global level.

INTRODUCTION TO CAPE TOWN, SA

Near the southern most point of the African continent is a city of startling natural beauty. Cape Town is one of the world's most picturesque cities and has been recognized as such ever since the first European settlers anchored in Table Bay in 1652. With a stunning array of natural wonders and a rich and diverse cultural heritage, Cape Town has the potential to become one of the world's great cities. However, the city, as well as the entire country of South Africa, may never be able to out run the ghosts of apartheid that to this day have left permanent scars on the landscape after nearly a century of institutionalized racial segregation and discrimination.

This paper will attempt to provide the reader with the necessary historical context of social change in South Africa with which to address and analyze current trends and phenomena in the Cape Metropolitan Area (CMA) and the surrounding region. While the countries' entire history cannot possibly be captured in this brief study, it would be very difficult to understand the current fabric of Cape Town society without an understanding of how apartheid, as an official doctrine, shaped this nation, it's cities and, in the process, much of sub-Saharan Africa. The current urban form displays very clear signs of this policy that unofficially began in the early 1900's and over the course of the 20th century would mold the physical and social landscape into the present form. However, the events of the last ten years have been equally remarkable and as the present government attempts to reverse the fate of those who suffered most under the regime the city is once again undergoing a transformation.

South Africa's first all-race, democratic elections took place in 1994 and at this time South Africa elected its first black prime minister, leader of the African National Congress and inmate of 27 years on Robben Island, Nelson Mandela. The events leading up to the election, including F.W. de Klerk's accession from President Botha, the abolishment of laws such as the Population Registration Act that classified all South Africans by race at birth and the Group Areas Act which forced Coloureds (usually from the Cape area and of mixed European and African decent), Africans (of African origin, non-European), Indians (ie. from India) and other into segregated communities, laid the foundation for South Africa's re-entry into the global sphere from which they had been banned for decades.

The future of the country and of Cape Town, South Africa's 'Mother City', will hinge on how effectively Thabo Mbeki and his 'staff' are able to re-establish South Africa in the global community and repair the physical deformities and socio-economic constraints that hinder its development. In looking at some of the most pressing social issues such as housing, employment and health, this paper will discuss and evaluate some of the strategies that local, provincial and national level governments are adopting to restore the pride and the promise of South Africa.

SHAPING SA: HOW APARTHEID SHAPED THE GEOGRAPHY OF SOUTHERN AFRICA

The most distinctive feature of colonial settlement in South Africa and of much of sub-Saharan Africa is that of segregation. Both within urban spaces and at a regional level, segregation of whites from non-whites can originally be traced back to concerns over the health of white officers in the colonies. In Cape Town, epidemics of the bubonic plague in the late 19th and early 20th century were reason enough for the government to banish non-whites from the most desirable urban spaces to areas well away from the urban core, areas that most often lacked any infrastructure, employment opportunities or inherently productive qualities (Stock, 1995). The year 1923 represents the indoctrination of an official policy of urban segregation in the form of the Natives Act, which can be viewed as serving two purposes. First, it empowered local governments to set aside land to house African 'migrant workers' who were finding their way to the cities in greater numbers and represented a threat to the stability of the white ruling class. Once contained and separated from white enclaves, the influx of Blacks could also be monitored and

somewhat controlled, as was required by employers who exploited the Africans for cheap labour.

Colonial era segregation became further institutionalized in the early sixties when Afrikaner Nationalists took control of the country and severed ties with the Commonwealth in 1961. A series of new laws and amendments, including the Native Laws Amendment Act and the Group Areas Act, placed further restrictions on the movements and rights of Blacks, Coloureds, Indians and non-whites, reinforcing the racially ridged settlement patterns in urban areas as well as marking the beginning of the Bantustans initiative. In Cape Town and most other large cities, non-whites were forcibly removed from their land, which in many cases had been held for generations such as in Cape Town's District 6, and were forced to settle at less desirable sites on the edge of the cities and well separated from white areas (see Figure I & 2). The even less fortunate were sent further a field to the Bantustans where the African working class were forced to settle but provided with little means to build quality shelter nor were they provided with transport options to get into the cities for work.

FIGURE 1 & 2 – The Original and 'Modernized' Apartheid City Models

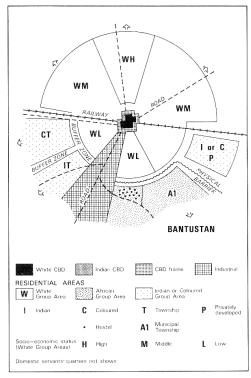
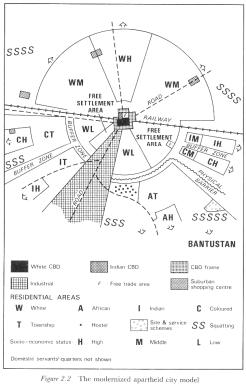


Figure 2.1 The original apartheid city model (after R.J. Davies 1981) 38

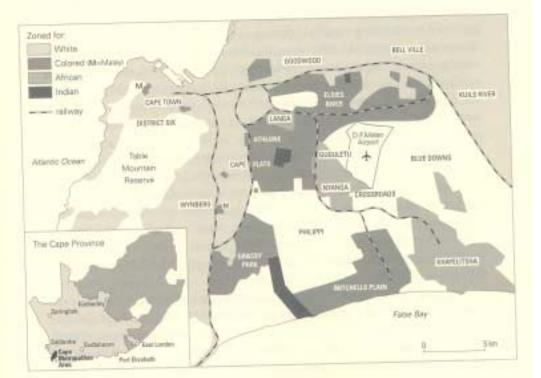


Disenfranchised Blacks started showing resistance and in the decades that lead up to Mandela's release from prison and subsequent victory in the 1994 election, Blacks began to fight back in any way they could. Hundreds of thousands of arrests were made as organized and unorganized lawlessness began to radiate from the African settlements in addition to mounting pressure coming from the international community. Eventually, as conditions continued to deteriorate in urban areas and social unrest destabilized the government, ruling class whites were forced to abandon hard line apartheid and the process of physical and social reconstruction was underway by the late 1980's.

MODERN URBAN FORM IN SA: THE CAPE METROPOLITAN AREA

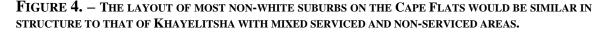
The Cape Metropolitan Area is currently growing at the rate of 2% per year, largely due to the rural-urban influx of African working class individuals and families adding to an already severe housing shortage (www.cmc.gov.za, 2001). While it was estimated that while Cape Town has the largest supply of formal housing of all the major centres in the country as a percentage of its total, still hundreds of thousands of CMA residents live in informal shacks and hostels and the number continues to climb. Statistics from 1995 estimated that Cape Town required nearly 150,000 new dwellings (which would today be significantly higher), the majority of which are needed by the poorest members of society who make far less than even the most affordable government housing might cost.

FIGURE 3 – Apartheid Era Legislation forced non-whites out of central Cape Town enclaves such as District 6 into poorly serviced areas



3. Cape Town and surroundings. Map by Nel van Bethlehem.

The CMA's housing crisis is being driven by a number of factors which, if not addressed, will perpetuate the physical and social dysfunction of the region. As was outlined in the previous section, hard-line apartheid forced Blacks, Indians, Coloureds and other nonwhites from the urban core where workers were typically not far from their place of work and had easy access to the socio-economic, cultural and physical infrastructure that they relied upon in their daily lives. In the last decade this settlement pattern continues to be reinforced as urban immigrants can rarely afford accommodation in the predominantly white areas close to the city, such as the Atlantic Seaboard, Cape Town 'basin' and Southern Suburbs, let alone housing of decent quality in the townships. Therefore, more often than not recent arrivals will contribute to the growing squatter settlements in the informal sections of the Bantustans and other non-white areas where they will work in the informal sector or join the hordes of others for the long daily commute to the city by train, taxi or on foot, to work in manufacturing or other low-paying occupations. Poor planning over the past half century, a lack of recognition and funding for public transit, low-density urban sprawl on the city's periphery, and lack of formal employment opportunities outside of the urban core (especially on the Cape Flats where most disadvantaged non-whites live in 'suburbs' such as Crossroads and Khayelitsha, see Figures 3, 4 & 5) are just some of the factors that are currently detracting from the 'liveability' and efficiency of the CMA.



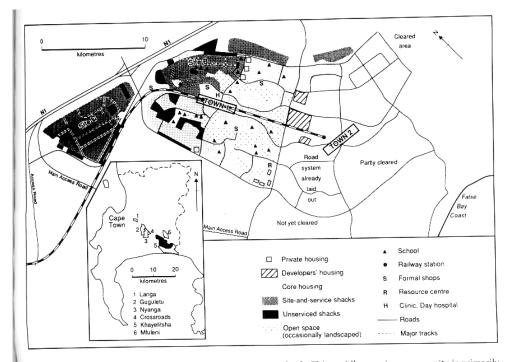


Figure 15.4. The development of Khayelitsha, a Cape Town suburb. This rapidly growing community is primarily a squatter settlement, but has some private and site-and-service scheme development. Source: G. P. Cook. "Cape Town." In A. Lemon, ed., *Homes Apart: South Africa's Segregated Cities*. London: Paul Chapman, 1991, p. 31. ©1991 by Paul Chapman Publishing Ltd. Reprinted by permission.

FIGURE 5. - THE BLACK 'SUBURB' OF CROSSROADS ON THE CAPE FLATS

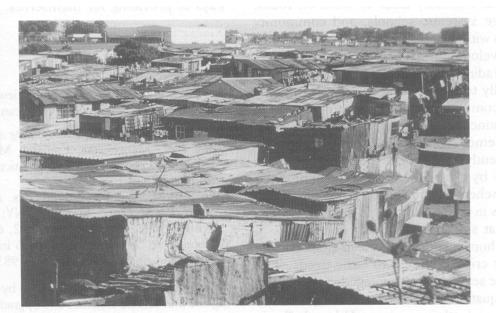


Figure 15.5. Crossroads, Cape Town, South Africa. The housing of Crossroads is typical of that of the mushrooming squatter settlements on the peripheries of large South African cities. Photo: D. Bowen.

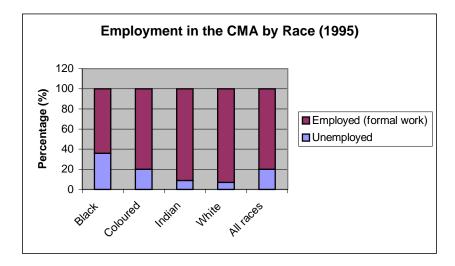
THE SOCIO-ECONOMIC STATUS OF THE CMA

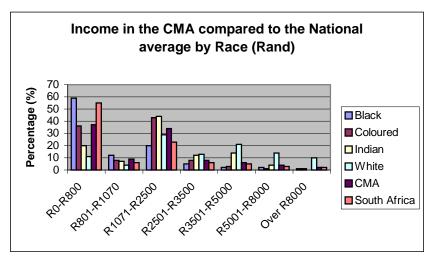
Not surprisingly nearly a full century of enforced discrimination and segregation has taken its toll on generations of disadvantaged non-whites in the CMA. In just about every category of socio- economic research, Africans/Blacks trail even Coloured and Indian populations while all three groups trail significantly behind whites. With unemployment levels in the 35-45% range (depending on what definition one takes of employment), twice that of the city average and five to six times greater than white unemployment, many Blacks cannot escape the cycle of poverty nor provide for themselves and their families basic necessities (see Figure 6 & 7). Some of the highest levels of unemployment are found in the southeast sector of the CMA where there are very few formal sector employers, the commute to the urban centre is almost unmanageably long and the population continues to swell because the areas property values and living costs are heavily depressed, thus attracting the poorest migrants. Unless economic growth catches up with the pace of urbanization and or the skills of the unemployed are seriously upgraded, the CMA's high formal unemployment rate will

likely persist. However, one must not discount the role played by the informal sector. As an employer of 245,000 people (or 18% of the labour force) in 1995, it is clear that a lot people are 'getting by' working as a street vendor or hawker, but are unlikely going to be living beyond a subsistent level and nor gain the skills and training needed to advance in society.

FIGURES 6 & 7 – High Unemployment and Low Income Levels make it Difficult for non-

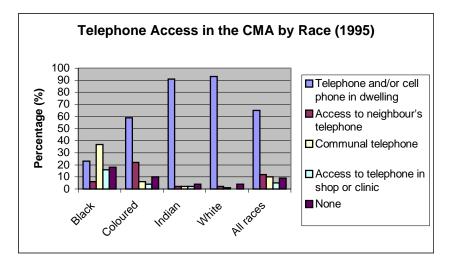
WHITES, ESPECIALLY AFRICANS, TO 'GET AHEAD'.





Source: Cape Metropolitan Area, State of the Environment Report. www.cmc.gov.za, March 30, 2001.

FIGURE 8 - Telephone Access in many non-white areas is limited



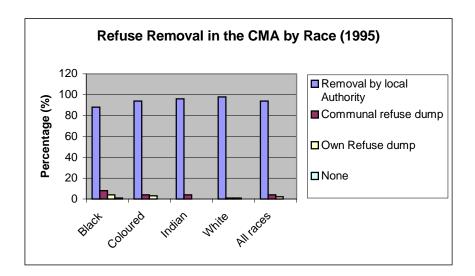
Source: www.cmc.gov.za

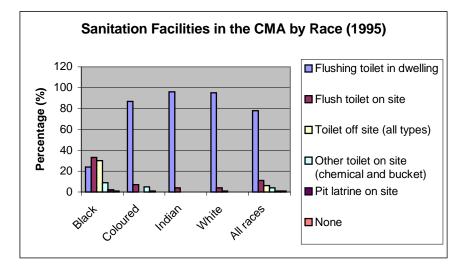
In terms of public services and especially modern communication services, the non- white areas once again trail white areas of the city (See Figure 8). There is little incentive for service providers to install the appropriate technology when they realize that it is unlikely they will see a return on their investment. In many cases the telephone is well beyond the means of African residents who are more concerned with finding adequate food and shelter. In terms of sanitation facilities, many areas are still not serviced, either because they expanded too rapidly and informally or because the local government has yet to address the issue and allocate the appropriate funds to install utilities (See figure 9 & 10).

Low levels of employment, wages and less than adequate financial or in-kind support from the government resulted in 37% of CMA residents falling below the poverty line in 1995, meaning they earned less than R800 per month (www.cmc.gov.za, 2001). Such high poverty levels contribute to a number of other social ills including high crime levels, levels which have been increasing in almost all categories including violent crime, property crime and auto theft. However, while increasing levels of crime will continue to detract from the quality of life for CMA residents and guests (who are often frequent targets) crime levels in the CMA are in-line or lower than in many other urban centres around the country. In fact, compared to Johannesburg, Cape Town is considered very safe, especially downtown where in 'Joburg' it is often unsafe for tourists and whites to be

day or night if unaccompanied. Ironically one of the countries fastest growing private sector industries in the country is private security, which one would think is a natural market reaction to rising crime levels.

FIGURES 9 & 10 - Sanitation and Waste Collection are luxuries in many nonwhite areas, especially in the Townships





Source: www.cmc.gov.za

Projected Economic Impact of Hosting the 2006 Football World Cup

Key Economic Impacts of hosting World Cup 2000:

- The event will lead to additional direct expenditure of R9.7 billion (\$1.6 billion US)
- The event will contribute R16.4 billion (\$2.73 billion US) to the GDP of South Africa (or approx. 2%)
- * The event will create 129,000 new employment opportunities
- An additional R3.3 billion (\$500 million US) will be paid to the government in the form of taxes

Source: <u>www.southafrica2006.org</u>, February 14th, 2001.

SA AIDS EPIDEMIC: A GLOBAL PROBLEM WITH LOCAL CONSEQUENCES

The prevalence of AIDS/HIV south of the Sahara has reached epidemic proportions and demands a global response. Fully 70% of the global AIDS/HIV sufferers live in this region and in Africa statistics indicate that one in five adults will be infected with the virus (www.unaids.org). In addition to human anguish, the AIDS epidemic is over-running the capacity of the countries' hospitals, creating the need to care for thousands of orphan children and seriously depleting the nations workforce. High levels of poverty, low levels of education and access to health care are all contributing factors to the phenomenon that is threatening to wipe out whole villages and families. It also appears as though the spread of the disease is being aided by the post-apartheid re-integration of the sub-Saharan nations as the disease spreads along major transportation links and between neighbouring communities (Simon, 1998). On a more positive note there are indications that the AIDS&HV infection rate is slowing as education and access to the appropriate protection improves and the socioeconomic situation stabilizes. Ensuring that this trend continues will be one of the regions greatest challenges and will be essential to ensure positive economic growth as well as social stability.

GLOBAL COMPETITIVENESS AND INTEGRATION STRATEGY

South Africa's position within the global marketplace remained relatively constant throughout the last half century as an exporter or primary goods, mainly gold, diamonds and non-precious metals, an importer of technology and finished goods and a net recipient of foreign direct investment (Marais, 1998). On a continental scale however, South Africa is a net exporter of manufactured goods and has a generally healthy trade surplus among its African trading partners. Should the country wish to improve its competitiveness it will have to closely monitor global trends and improve the productivity of its operations and distribution systems. Many sectors are looking east to the Asian markets where there are large untapped markets and will be focusing a great deal of their production with this market in mind. South Africa historically has been a major player in ocean transport, Durban being one of the largest ports on the continent, and will likely try to continue to build on this comparative advantage owed largely to their geographic position.

In Cape Town, the newly amalgamated Cape Metropolitan Area appears poised to pursue their own agenda with respect to building their global competitiveness. In fact more and more cities with global aspirations are taking matters into their own hands and are no longer relying solely on higher levels of government to integrate them into the world economy (Rogerson, 1997). Within the last four years, Cape Town has been the cornerstone of two very admirable South African bids to host the 2004 Olympics (in which they finished in the top three but eventually lost to Athens, Greece) and the 2006 Football World Cup (which was lost in a controversial decision to Germany). Together with the successful Rugby World Cup staged throughout the country in 1995, these bids are clearly an attempt by Cape Town 'backers' to bring the city onto the global stage with hope that a 'mega-event' will bring a windfall of much needed investment. While the benefits of winning either the Olympic or World Cup bids would have been tremendous (See Figure 11.), even in losing the city gained a great deal of respect internationally as well as gaining global exposure and mega-event preparation training. However, Cape Town's bid strategy has been very unique in the sense that while they were still concerned with investing in top quality athletic facilities, they were equally as keen to spread the benefits around and ensure that as much as possible investment could be directed to the areas that need it most. In recognition of this approach, Cape Town has been credited with creating the so-called 'e pillar' of the Olympic movement, adding 'human development' to athleticism, culture and the environment (Hiller, 2000).

In addition to a mega-event strategy, the CMA is hoping to build on a number of other strong sectors where it exhibits a comparative advantage. Tourism is now the countries 4th largest industry and Cape Town is its biggest attraction (Turner, 2000). The area now boasts a redeveloped waterfront and all of the hotels, restaurants and other major attractions that make it a world-class destination, this in addition to its natural beauty that is unlike any other place on earth. The City has identified the film industry as having good growth potential and is an area in which they are actively promoting themselves. In the hope of

capitalizing on its high standard of living and skilled labour force, the CMA also sees itself as the up and coming high-tech centre of the region and are currently attempting to lure more business to the area. Clearly if these strategies are successful Cape Town will enjoy solid growth over the coming years and continue to elevate itself in the global hierarchy. However, whether the CMA is capable of becoming a 'world city' is yet to be seen.

CONCLUSIONS AND RECOMMENDATIONS FOR THE CAPE METROPOLITAN AREA

Cape Town is a city with tremendous potential but an equal amount of obstacles to face on the road to development. There is no doubt that had apartheid not set back South Africa's progress, Cape Town would be competing with cities such as Sydney, Australia for supremacy in the southern hemisphere and would likely have that elusive 'mega-event' under its belt. However, until which point as the CMA does emerge victorious in the bidding process and the FDI floodgates open, Cape Town authorities will have to work very hard at both 'ends'. At one end, the CMA will have to address its escalating housing crisis and the cities' other social problems with 'bottom-up' development initiatives. The situation on the Cape Flats clearly deserves more attention than it has been getting and while it is easy to blame the lack of progress on the failed World Cup and Olympic Games bids, it may be even more difficult to bring mega events to Cape Town if the plight of the cities poor is not addressed with decisive action as soon as possible. Local governments may want to focus on basic training and education at the grass roots level and provide Blacks, Colours, Indians and other non-whites with the skills and tools they need to pull themselves out of their current situation. This may even involve some practical construction training, which would be a start in addressing the housing crisis. However, the most important aspect of the 'bottom-up' approach, that which is in part responsible for the 'bottom' being so low, will be the continuation of the government's reconciliation strategy to deal with those who lost their homes and their lands after being evicted and sent to the Cape Flats and other areas. The first step, returning District Six to its original inhabitants last November, has provided hope that eventually all lands and titles will be returned.

At the other 'end' the CMA will want to continue to promote their 'top-down' development strategy, featuring tourism, high-tech and film as core industries with good growth potential, a large value added components and the potential to attract global clientele and foreign investment. While there is some question as to whether this approach will

effectively 'filter down' benefits to the poor, there is little doubt that it is favoured by many of the so called 'power brokers' and many politicians in the region who stand to gain more from growth in these industries. And should Cape Town want to attract a global audience and show its capabilities in the global market, visibility in tourism, hi-tech and film may provide the exposure that it needs to finally win a spectacle of international importance such as the World Cup or Olympic Games.

Regionally, South Africa has and will continue to have an important leadership role to play. The country is undoubtedly the largest economy in southern Africa as well as having a political system that has gained a large amount of international recognition and praise since Mandela's inauguration. As such, South Africa will want to remain a role model for it's African neighbours in economic and political forums and promote greater regional stability and prosperity. However, perhaps the most crucial challenge faced by the sub-Saharan region will be the lethality of the AIDS virus. This deadly disease will become even more evident as millions of people are laid to rest and South Africa must be prepared to guide the region through this dark period and emerge even stronger once a cure is found.

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