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The inequality of space: what to do?

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South Africa is the most unequal country in the world in terms of people's income. But, two decades after apartheid's demise, why has our urban and rural geography changed so little – and how does this reinforce inequality? This was the question at the centre of a recent REDI workshop on spatial inequality that brought together researchers, policymakers, and planners working in both urban and rural spaces.

Introduction

The burden of the legacy of apartheid still lies heavily on South Africa. It is the most unequal country in the world in terms of people's income. It is worrying that we have not yet found a way to decisively break spatial patterns, some of which originate as far back as Cecil John Rhodes's Glen Grey Act of 1894. People continue to live separate and unequal lives.

But why, two decades after apartheid's demise, has our urban and rural geography changed so little – and how does this reinforce inequality? This was the question at the centre of a recent REDI workshop on spatial inequality that brought together researchers, policymakers, and planners working in both urban and rural spaces. This article provides an overview of some of the key issues raised on this perplexing issue.¹

¹ An workshop report is available from the REDI Office. Email: haajirah.esau@uct.ac.za

The 'homelands' are still the poorest areas

The poorest areas in the country are still the old apartheid homelands. They are also – as Michael Noble of the Southern African Social Policy Research Institute (SASPRI) pointed out – the most 'equal', being equally poor.

Thus it was apt that the workshop began with his mapping of income poverty and multiple deprivation. Noble uses the South African Index of Multiple Deprivation 2011, which includes a range of measures such as material deprivation, unemployment, lack of education, and access to services such as adequate water and sanitation. It shows that the poorest provinces – as measured by upper- and lower-bound poverty lines – are those situated in the old homelands (see Noble *et al.* article, *Econ3x3*, May 2014). The ten district municipalities with the highest lower-bound poverty rates in the country are all in the Eastern Cape or KwaZulu-Natal, with the exception of one in Limpopo.

Noble and his colleagues have also measured poverty at ward level, which shows 'the persistence of spatial differentiation in terms of social and economic segregation into the democratic era.'

Land ownership in the homelands: a parallel, dysfunctional system?

The situation in the old homeland areas reflects what Aninka Claasens of the Centre for Applied Legal Studies described as a parallel system of land ownership rights, laws and even citizenship rights. Citizens living in these areas are not afforded the same rights as in other areas of South Africa, neither in terms of land ownership, nor in terms of individual rights. The current policies, she said, echo the authoritarian laws of the apartheid era.

Old tenure laws – some that date back before apartheid – have broken down and an 'opaque set of land rights' has replaced them. 'We are seeing the development of a system that locks people out of development and deprives them of their ability to prove land ownership,' she said. Moreover, the proposed Traditional Leaders Bill would exacerbate this.

For example, recently chiefs have allocated community land for mining rights, particularly in the North West and KwaZulu-Natal. 'People wake up in the morning and find a bulldozer in their yard to prospect, without having given consent. It is not only dispossession, but there are increasing levels of violence in these struggles,

and things are made more difficult for rural people because of the chaos in the land administration system,' she told the workshop.

Dr Moshe Swartz, of the Department of Rural Development and Land Reform (DRLR) said that rural poverty could not be alleviated so long as rural land remained an unproductive asset. The rural economy, he said, had to be transformed to fully include the communal areas in the former homelands in terms of ownership, production, employment, trade, etc.

A critical policy problem – highlighted by a number of speakers – was the fragmented planning and different land tenure policies across rural (and urban) areas. The new Spatial Planning and Land Use Management Act (SPLUMA) aims to correct this, but is some way from implementation. Swartz argued that a tiered but “integrated” system of land tenure comprising state, private and communal land, was essential.

Creating employment in agriculture?

In the formal agricultural sector, the situation is as challenging. The sector has shed about 1,5 million jobs in the past decade.

Haroon Bhorat, of the Development Policy Research Unit, told the workshop that the government's recently introduced agricultural minimum wage amounted to an exogenous policy shock that has resulted in significant job losses in some areas. 'We have to take cognisance of policy effects. The consequences for poverty are critical; how one thinks about policy shocks is important.'

The workshop also heard about a range of policy interventions in agriculture to spread ownership and boost employment. Many of these interventions are the subject of critical debate between policymakers and researchers.

In terms of creating new jobs in agriculture – to fulfil part of the NDP's vision of one million new jobs in that sector – the department was focusing on the development of agri-parks to create new rural industries. Government wants organised rural communities to own 70% of these parks and commercial agriculture, 30%. They would start on state-owned land in 27 priority district municipalities (the first was launched in North-West Province earlier this year).

However, some agricultural researchers were sceptical about this idea, with Ben Cousins of PLAAS maintaining that it was 'unrealistic'.

Land reform and smallholder agriculture

Cousins also flagged the critical point of property rights. He said some 60% of people currently live in forms of housing that are outside the formal property market, i.e. in various forms of informal or communal ownership (in rural but also in urban areas). But, in terms of the law private ownership that has been registered in the deeds office takes precedence over other kinds of property rights. The predominant policy position is that we need to give people individual title to land. Private property is supposed to work for everyone. However, says Cousins, 'it is a fantasy'. We need to recognise 'social and off-register tenure systems' as a legitimate alternative form of property.

Furthermore, Cousins said that currently land redistribution is dysfunctional because it mainly benefits white farmers who are in debt. And land restitution claims are mostly done to receive cash. This puts pressure on the national land-reform budget whilst it neither helps much to spread farm ownership nor does it generate agricultural employment.

Land reform is a political imperative, but it has to be done in a way that neither destroys food security nor undermines job creation. Cousins's research shows that about 5 000 out of 35 000 productive enterprises produce most of what we eat. This could mean that roughly 80% of private agricultural farms 'contribute little to our economy' in terms of food security. The redistribution of this land would not threaten food security.

Cousins also pointed out that new economic opportunities are emerging among small-scale black farmers. In Msinga in KZN, for instance, which is the fourth poorest municipality in South Africa, nearly 20 000 of 37 000 households are engaged in agriculture.

In terms of livestock, goats are very important and they are mainly owned by women who head households. There are major export opportunities in this sector: for instance, the possibility of exporting one million live goats to Saudi Arabia and another 200 000 to China, with an export potential of R2 billion.

Irrigation schemes for smallholders support 800 to 1 000 fairly successful growers who earn an annual income of about R18 000 per household. Most of the crops are marketed to 'bakkie traders' that supply small rural supermarkets. In answering the question of why no black smallholders produce crops for small traders, Cousins explained that agricultural livelihoods would be boosted if government helped to develop 300 000 ha of additional irrigation for smallholder farmers.

Urban spaces and transport costs

Until livelihoods are more sustainable in rural areas (which depend to a large extent on improved land administration and injections of capital into small-scale farming operations) a steady stream of people will migrate to the cities. As the NDP notes, South Africa has a rapidly urbanizing and youthful population: more than 60% of the population now live in the cities and more than half are under 35.

Better urban planning policies could boost inclusive economic growth and reduce inequality. Yet, in spite of a plethora of laws and plans, the country has only been marginally successful in this regard.

Cities in post-apartheid South Africa are sprawling settlements where the poorest people live furthest away from work opportunities. Andrew Kerr from Data First reported findings that in 2013 black commuters spent significantly longer commuting on average than white South Africans (see Kerr article, *Econ3x3*, October 2015).

According to Kerr, long commuting times for black workers are 'a kind of a tax' on them. He estimates (assuming two hours of commuting per day) that commuting costs can take around 30% off an average 'effective hourly wage' (compared to a worker who spends no time commuting).

Minibus taxis carried around 71% of all commuters travelling by bus, train and/or taxi in 2013. However, in terms of government subsidies for public transport, taxis get the least. Apart from the recapitalization scheme of minibus taxis, the industry gets no subsidies. Kerr noted that even taxi ranks – which are in public places – are difficult for commuters to use with 'terrible' lane congestion and consequent long waiting times.

The BRT system – favoured in bigger South African cities – may work well for very densely populated cities such as Bogota in Columbia, but it is often not ideal for the extended city settlements in South Africa.

Phil Harrison, a former member of the NPC, told the workshop that public transport is 'central in the making of place'. It affects social cohesion, the environment and the economy – and its quality can improve or worsen spatial inequality.

Key policy interventions could make an impact on the ways in which the poorest city dwellers are affected by spatial inequality and the consequent high cost of commuting. A constant theme during the workshop was the need for a co-ordinating mechanism in government that could bring some cohesion to what was described as an 'incredibly fragmented' public transport system. A second policy option would be

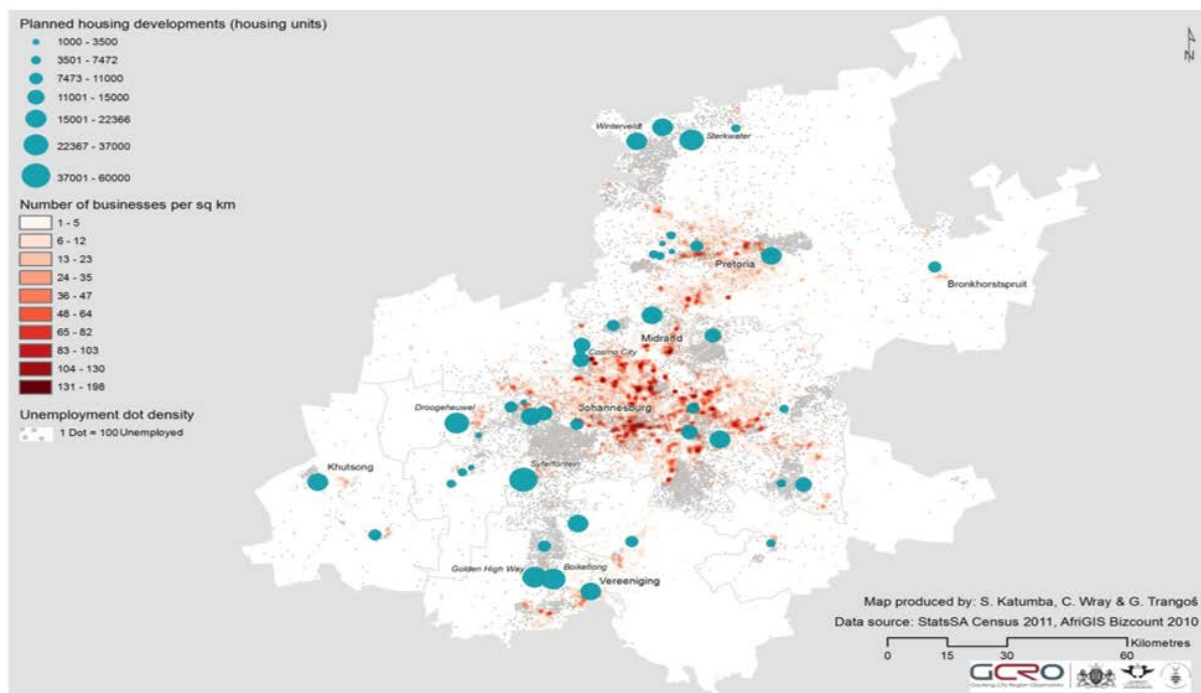
to find new ways of expanding the available public purse for public transport, for instance by means of a carbon tax.

Housing in megacities: implications for spatial fragmentation?

Better transport for the poor has to be planned in conjunction with new and existing housing settlements – and vice versa. Unfortunately, new housing proposals to build megacities are even more peripherally located than the old townships, sounding serious alarm bells (see Turok article, *Econ3x3*, November 2015).

Richard Ballard of the Gauteng City Region Observatory showed a map (figure 1 below) of the proposed new housing megaprojects in Gauteng. The red areas shows the concentration of existing businesses. The blue dots show the planned housing developments (with larger dots indicating a larger number of housing units). All of the developments are far from existing businesses and employment opportunities.

Figure 1: Location of housing megaprojects in Gauteng



Ballard explained that the mega-city idea is being driven by the Department of Human Settlements, which feels that the current housing delivery model has been ineffective and sporadic, with unsuitable forms of tenure and an infrastructure that does not keep up with new settlements.

Rather, the key policy question should be whether it would be possible to establish a type of 'economic self-sufficiency' (i.e. a vibrant local economy with local

employment) in the proposed new housing areas, or whether they would just comprise commuter labour pools for the distant core urban economy, thus compounding existing inequalities.

Meanwhile, densification is increasing at an informal level. Ivan Turok of the HSRC told the workshop that backyard shack dwellings in Gauteng had increased by 65% and in Cape Town by an astonishing 128%. Those living in backyard dwellings are slightly more likely to be employed than those living in RDP houses, but there was much less satisfaction with their living conditions.

In spite of their rapid increase, official government policy was to ignore them. Yet, if policymakers focused on a vision that included denser settlements, better living conditions and access to jobs and public amenities, some of these backyard dwellings could be included in the planning of better urban spaces, argued Turok.

A key question that emerged from the workshop was whether government expenditure on housing yields quality returns. Ronette Engela of the Government Technical Advisory Committee (GTAC) said that housing delivery had been slower than expected. (This conclusion is based on an analysis of six housing programmes comprising 60% of the national housing budget.) Only 153 000 housing units were delivered as compared with 254 000 estimated over the Medium Term Expenditure Framework by the National Department of Housing. To meet the housing backlog within ten years would require spending R60 billion per annum, which is way above the current budgeted R15 billion per annum. (The average RDP house costs about R253 000, while the national government subsidy is only R90 000 – with the difference being carried by municipalities.)

According to Engela, the policy issues that arose from the patterns of expenditure included:

- the need to densify cities;
- the fact that Land Use Planning management and public transport policy needs to be better integrated;
- the fact that there should be consideration about whether to devolve all housing and transport decisions to city level; and
- consideration about how government deals with the taxi industry's status.

A vision for more inclusive cities

Most encouraging about the workshop, though, were the visions spelled out for better, more inclusive cities. Edgar Pieterse of the African Centre for Cities – the

keynote speaker, whose exhibition about Cape Town, *A City Imagined*, ran concurrently with the workshop – called for more radical thinking in terms of planning.

According to Pieterse, densification is the route to better living spaces, especially for the poor who are now housed in either informal settlements or in RDP houses. Although South Africa has had a prolific public housing programme, providing over four million subsidies and three million housing units since 1994, it has had the paradoxical effect of worsening urban segregation and spatial inequality.

The pockets of high density are mostly in the poorest areas. An example of how quickly the township areas densify is Du Noon, north of Cape Town. Planned in 1995 for 2 000 households, it now houses 16 000. In terms of compliance with the plethora of spatial laws and plans, the Cape Town metro is one of the best, yet ‘the legacy of apartheid is still deeply etched into the city’.

To overcome this legacy, Pieterse and other urban planners have worked on a model of new spaces using the central Cape Town suburb of Maitland as an example. Maitland is close to the CBD ‘and has a great and well-integrated diversity of people, programmes, urban heritage and forms of housing’. It already has a much higher population density than the average in the rest of Cape Town (40 per hectare as opposed to 15 people per hectare) and is a central hub for transport.

He has proposed a new cluster housing project, near Maitland Station, where different sorts of housing could be built around several green public spaces. Low-cost student housing could be built around sports fields, adding to the diversity of the area.

In addition, it was not only planning for diversity in the technocratic and spatial sense that needed to be improved, but that there should be a vigorous push to make the city more inclusive on an educational and cultural level. Some of his suggestions for Cape Town include:

- ensuring 20% ‘free’ seats for poor children in private & former model C schools;
- making isiXhosa a compulsory subject in schools; and
- cross-subsidizing free art and cultural education for all children and youth ‘to stitch the spiritual and cultural fabric of the city’.

Such an approach to urban planning can be called planning with ‘gees’ [spirit], he said.

The need for 'gees' is perhaps one of the most important lessons from this policy engagement. The best technocrats cannot work successfully in an environment where there is no social compact, not even between different tiers of government.

Crucially, as Pieterse says, the success of any plan depends on the level of cooperation between civil society and all tiers of government.