

**THE COLOUR  
OF OUR  
FUTURE**

**DOES RACE MATTER IN POST-  
APARTHEID SOUTH AFRICA?**

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Spatial segregation is likely to be a persistent feature of the post-apartheid city, as historical and contemporary processes driven by race and income inequality are reinforced by land availability and financial constraints on house and services delivery.<sup>1</sup>

In this chapter I draw on my own experience of trying to build a socially integrated, ecologically designed neighbourhood in order to take up Jennifer Robinson's challenge to address the 'continuities and discontinuities in the causal processes that shape segregation'.<sup>2</sup> Like others who have written about the persistence of segregation and inequalities in African cities in terms of continuities and discontinuities with the colonial legacy,<sup>3</sup> I address the enduring racial and class divisions across the South African urban landscape.

These divisions contradict the visions of social integration articulated in the Integrated Development Plans (IDPs) that have been approved each year by post-apartheid municipalities. And yet, there is not much that helps explain this contradiction in ways that go beyond mere policy inadequacy or state incapacity. And it is no longer good enough to blame this on the apartheid legacy or 'white interests'. As will be discussed below, the capital subsidy for low-income housing introduced by the first minister of housing, Joe Slovo, effectively sank in concrete the racial structure of the apartheid city.

This chapter examines the capital subsidy, together with banking and municipal rating systems, to help explain the persistence of apartheid socio-spatial urban forms. For possible discontinuities we may be able to look to the new

'green agenda'. Since 2008 the South African government has become increasingly committed to the idea of building a more sustainable or 'green' economy. Does this relatively new discourse provide new opportunities for addressing persistent racially configured class divisions? Or will the dull compulsion of prevailing patterns of landownership, planning, infrastructure and resource allocation continue to reinforce the continuities of segregation?

#### CONTESTING INTEGRATION

There are three interconnected systems that reproduce continuities from the apartheid past in ways that are not readily apparent to anyone working within a conventional development framework. The conventional development approach consists of projects that cater either for the poor who qualify for housing subsidies or for those who can afford home loans to purchase homes costing from R600 000 upwards. We simply accept that it will be inevitable that these two types of project will happen in different parts of town. This is not simply the outcome of some kind of natural market dynamic, nor is it a function of law. Instead, I argue that three interconnected systems combine to reproduce the continuities of the past:

- the prevailing banking system and its approach to home loans;
- the municipal rating system; and
- the capital subsidy system that targets poverty as a geographical space.

Only when you try to actually implement the constitutional principles of non-racialism as expressed in policy documents such as the IDPs does the counterproductive nexus between these three systems become apparent.

I live in – and helped bring about – the Lynedoch EcoVillage, one of the first urban settlements in South Africa

to be purposively planned as a socially integrated, ecologically designed community. Located on the outskirts of Stellenbosch in the heartland of the origins of colonial separation and identity, the first phase of this development commenced in 2000. It comprised 42 houses, some of which were bought by people who qualified for government housing subsidies. The key features of the village are as follows:

- replanted indigenous gardens with over 1 000 new trees and innumerable shrubs;
- its partnership with an organic land reform project on the neighbouring farm;
- vegetable gardens for a 'farm-to-fork' approach to food consumption;
- a baby centre for 12 infants, and a Montessori crèche for 42 farmworker children;
- Lynedoch Primary School – a government primary school for 400 mainly farmworker children (a free school serving one of the poorest rural communities);
- junior and senior aftercare facilities providing nature-based learning for 50 children and adolescents;
- at the time of writing, 24 ecologically designed houses, soon to be increased to 30 houses, half of which are for subsidised homeowners;
- the use of renewable energy through solar water geysers, solar roof tiles, wind chimneys and a rock store;
- nearly 100% water and solid-waste recycling;
- the collection of storm water for reuse;
- the development of vocational skills through the Learning for Sustainability Further Education and Training College, which offers accredited courses in Early Childhood Development, Sustainable Community Development and Youth Sustainability Skills (the first of its kind in South Africa);
- is home to the Sustainability Institute, a non-profit trust;<sup>4</sup> and

- its partnership with Stellenbosch University's School of Public Leadership on a master's degree in Sustainable Development Planning and Management.

As the overall strategic manager of this development and as a member of the Board of Trustees of the Home Owners Association (HOA), I was frequently phoned by representatives of banks that had been approached by potential home buyers for housing loans. If the buyer was a middle- to upper-income earner (irrespective of race), the conversation normally ran as follows:

**Bank:** We have been approached by XX for a home loan of R1.5 million in the Lynedoch EcoVillage. We have done our site inspection, but we need additional information before we can process this application. Could you please confirm that there are 42 sites for development in Phase 1?

**Swilling:** Confirmed.

**Bank:** It would appear to us that there are different types of people living there [read: different race/income groups].

**Swilling:** Yes [feigning innocence]: like all communities there are all types of people who live here – farmers, teachers, musicians, you name it.

**Bank:** What I mean is that it seems some are richer and some are poorer. Is that correct?

**Swilling:** Yes, that is correct. Is that a problem?

**Bank:** No, not really. But it does make it difficult to know what the value of properties is in that area. We need to approve a bond for R1.5 million, but right next door there is a house that cost R200 000 to build and the plot was R25 000. The value of a property is equal to the value of properties in an area. If there are many different values of properties in one area, we don't know how to value a particular property.

**Swilling:** That sounds like apartheid to me.

**Bank:** No, no, not at all – that is just how things work. By the way, what is the average value per square metre of a vacant plot?

**Swilling:** Between R700 and R900 per square metre if you do not qualify for a housing subsidy, and R120 per square metre if you do.

**Bank:** You mean there is not a single price per property?

**Swilling:** No. Each plot has two prices.

**Bank:** I have never heard of such a thing. This will be a very difficult application to process.

If the application for a home loan of about R300 000 is from a lower-income person, then after the preliminary opening statements the conversation would run as follows:

**Bank:** Is it true that in this development there are houses for people who qualify for housing subsidies and houses for middle- and upper-income people?

**Swilling:** That is correct.

**Bank:** Does this mean the actual value of the property is much higher than what the land and building cost?

**Swilling:** Yes, that is correct – there is a housing market that operates here.

**Bank:** A housing market. Oh I see. But can a poor person afford to live there?

**Swilling:** What do you mean?

**Bank:** If there are proper services and so on, the service charges and rates must be very high? This might mean that the applicant will find it difficult to pay the monthly repayments.

**Swilling:** Actually, the municipality agreed that people who received housing subsidies can pay less than the others. Also, the Home Owners Association, which collects levies for maintaining the place, also has two different levies – poorer people pay half.

**Bank:** But will people know how to look after their properties so that they don't lose value? And can you really trust them to pay their levies every month?

**Swilling:** Actually, compared to richer people, the poorer people tend to be more up to date with their levy payments.

**Bank:** Really, one would not have thought so.

This stylised rendition of a typical conversation reveals how deeply entrenched the assumptions about separateness really are. The various layers of meaning need to be unpacked in order to grasp the dull compulsion of the everyday logics of the key urban systems that *reproduce* that which we all claim needs to be dismantled.

#### BANKS AND VALUATION ROLLS

When a bank approves a home loan, it takes into account the income level of the borrower, the borrower's level of debt and the value of the property. In theory, the value of the property is determined according to the principle of 'willing buyer, willing seller' at vacant occupation. In practice, what a willing buyer is prepared to pay is seen by the banks as determined primarily by the desirability and affordability of the area within which the property is located. This is why the valuation of a property needs to take into account the values of the properties within the area as a whole, as reflected in sales prices of properties over the previous year or more.

Once the information about the area has been obtained, a general sense of the upper and lower limits of the market of that area can be determined. It is then a relatively easy task to identify the value of each individual property within that area. The bank can then determine the risk involved—namely, the chances of the value of the property dropping below the purchase value. The higher the risk, the lower the chance

that the loan will be approved. This all works perfectly well because the bank assumes that each area is populated by people with roughly the same level of income and, often, a similar demographic profile.

However, if an area is populated by a racially diverse group of people earning very different incomes, it becomes virtually impossible for the bank to determine both value and future risk. The end result is that the banking system reinforces what apartheid made possible and makes it very difficult to implement the gamut of policies that envisage the building up of non-racial communities.

Municipal rating systems achieve very similar outcomes to the banking sector's home-loan approval system. Every municipality is empowered to collect rates from every property owner. The rate is determined by the value of the property: the higher the value, the higher the rates paid per annum. This means that properties have to be valued fairly regularly (every five years, for example) in order to make sure that rates income keeps up with inflation.

As is the case with banks, municipalities effectively value properties on an area basis. In other words, although a value is given to every property during the course of the valuation process, the way these values are determined is by using the average value of properties within the area as a whole, as a point of departure. A house measuring 200 square metres in a suburb such as Houghton or Bishopscourt is not going to be valued at the same price as an identical house in, say, Westdene or Plumstead. In effect, therefore, what actually gets valued is the area, and the rates set for that area are determined by this value.

The combined impact of the lending criteria of the banks and the rating system of the municipalities makes it virtually impossible to design and build a socially integrated community. Even if the banks approve loans for the middle class, if the rates are set according to the value of the middle-class properties, the poor will be excluded. If the banks

refuse to grant loans into that area, the middle class will not move in, which will, in turn, undermine the local economy and thwart the social intentions.

The solution that was forged in the Lynedoch EcoVillage was as follows:

- Every plot had two prices: one if you qualified for a government housing subsidy, and another if you did not, with a formula to ensure that total revenues covered costs plus the margins needed to service the debt.
- After two years of lobbying, the municipality agreed to significantly reduce the rates of the people who benefitted from government housing subsidies; that is, two rating systems now exist in Lynedoch, which means that the exclusionary effect of area-based valuations has been overcome.
- After extended conversations, it was also possible to convince the banks that the middle- and upper-income properties would not lose value – an outcome that was only possible because of the strict governance rules for the settlement implemented by the HOA.

However, there was a problem with one of the HOA's rules: the rules of the HOA stipulate that every new buyer needs to be approved by the HOA. This is effectively a social intervention in the property market that prevents pure market dynamics from determining the composition of the community. It is a way of preserving a shared set of values and cooperative commitments to maintaining the village and, therefore, by implication the property values. In other words, the cooperative relations created by the institutional arrangements effectively reduced the risk for the banks.

The cooperative approach soon ran against one bank's insistence that in the event of an owner's defaulting, the bank would have totally unfettered access to the property so that the property could be sold on auction or by any other means

to the highest bidder, no matter who the buyer might be. The bank required that the HOA sign an undertaking that it would not apply its own rules. The HOA refused to go along with this requirement, and this put the sale at risk. In written communications to the bank, the HOA stated that by signing the undertaking it would in effect be threatening property values and thus increasing the risk for the bank.

The HOA went a step further and wrote to the bank's depositors, asking if they were aware that the bank was increasing the risk on their deposits. After many interactions a wording was found that made it possible to meet the requirement that the bank should be able to sell the property, without compromising the requirements of the HOA to socially determine the composition of the community.

In short, normal banking and rating practices, when implemented within the highly unequal race- and class-based context of South Africa's urban environments, have tended to reinforce apartheid socio-spatial patterns. These micro-practices of exclusion, however, take place within a larger, macro context of policies that reinforce racial and class segregation in South Africa. To the extent that experiments such as Lynedoch exist, they are swimming against a tide of racial and class segregation set in motion by those policies.

#### UNINTENDED RACIAL AND CLASS IMPLICATIONS OF JOE SLOVO'S HOUSING POLICY

There is widespread consensus in the literature on housing that the post-1994 housing policy unintentionally replicated and expanded the 'apartheid city'.<sup>7</sup> The reason for this rather drastic statement is that post-1994 housing policy defined the problem it sought to address in purely quantitative terms as numbers of homeless (black) people who, in turn, needed access to land and services. The solution was equally quantitative – to provide a capital subsidy to cover mainly the cost of land and services, and ensure access to affordable land

in greenfields<sup>6</sup> developments. This was defined as a lump sum of money payable to any agent that delivered a predetermined housing asset to a South African citizen who earned below a certain amount of money. The capital subsidy was designed to cover the costs of land, service infrastructure and a small portion of the so-called top structure.

The policy took as its point of departure the constitutional right to housing and the existence of a market economy regulated by a developmental state.<sup>7</sup> This was the essence of the message encapsulated in the Reconstruction and Development Programme that was the cornerstone of government policy for the period 1994 to 1996.<sup>8</sup> Its focus was 'the poor' and in particular the 'urban poor', and the creation of a single homogeneous product (the capital subsidy) to trigger housing developments 'for the poor' using state-funded private-sector delivery mechanisms.

Significantly, no matter the context of a particular group of homeless (backyard shack dwellers, occupants of stand-alone shacks in distinct settlements, overcrowded homes, renters of housing and flats, citizens of large or small towns, and so on), the solution was the same: capital subsidy for a private-sector-delivered asset in greenfields developments. As the popular saying goes, 'If the solution is a hammer, then all the problems are nails'. David Dewar, a leading academic authority in the planning field, argues as follows: 'A major problem of housing policy historically in South Africa is that it has always promoted overtly simplistic "either-or" approaches to housing provision... The housing problem, however, is complex. The fact that the demographic and financial circumstances of homeless people vary significantly denies a single approach to housing delivery. Choice and diversity are the keys.'<sup>9</sup>

The policy did not focus on the overall housing system and its complex dimensions and modalities, and contextual specificities were largely ignored. Instead it replicated the apartheid spatial pattern because the cost of land needed to be covered by the subsidy, which also meant the subsidy had

to be spread across as many people as possible. This inevitably meant the poor would get housing opportunities where land is cheapest—that is, on the urban periphery. The result – which was predicted by a few, but ignored by the decision-makers – was unsurprising: the poor ended up far from centres of employment, thus undermining employment-generating growth; racial apartheid spatial forms persisted; and environmentally unsustainable urban sprawl was encouraged. This was made financially viable only by massively escalating the transport subsidies required to transport poor people over long distances from their peripheralised formal housing settlements to the centres of employment.

In other words, the Department of Transport helped the Department of Housing to make financially viable an extremely costly land and housing programme that has, on the whole, made the poor poorer while costing the state more than more compact solutions would have cost. The only real beneficiaries were the construction and the property development industries that made profits from the process and an increasingly multi-racial middle class united by the NIMBY (not in my backyard) syndrome.

The irony in all of this is that the policy was developed under the watch of Joe Slovo, the renowned South African Communist Party leader who was appointed by President Nelson Mandela as the first minister of housing in 1994. He, in turn, appointed Billy Cobbett as his first director general of the national Department of Housing. Before his appointment, Cobbett had been a leading figure in the so-called urban sector network, a coalition of left-wing urban development NGOs.<sup>10</sup> He also co-led the ANC negotiating team that negotiated a deal with big business in the National Housing Forum during the transition years leading up to 1994.

There is no doubt that the policy succeeded on its own terms – 2.9 million houses (including 'housing opportunities') were provided between 1994 and 2010. This was an impressive capital transfer into the poorer households in the country.

There is no other African country that has achieved anything remotely close to this, and very few developing countries can count similar achievements. However, during the same period the number of homeless families increased from 1.5 million to 2.1 million because household formation rates rapidly outpaced population growth rates as the average family size shrank.

The radical disjuncture between the intentions of post-1994 housing policy and actual outcomes raises fundamental questions about why Minister Slovo and the policy-makers around him did not anticipate these outcomes. The evidence points to the fact that despite the rhetoric of stakeholder involvement in policy-making at the time, the key players that influenced the final outcome were narrowed down to a few technocrats and influential representatives of business interests.<sup>11</sup>

Interactions with communities were few and far between, and where they did occur, communities were not empowered through systematic educational processes to fully understand the implications of seemingly attractive proposals such as the capital subsidy for the poorest of the poor. Radical researchers employed by NGOs, who raised critical questions about the capital subsidy formula and who worked closely at the time with organised, politically conscious communities, were excluded from the National Housing Forum and the policy-making process leading up to the adoption of the post-1994 White Paper on housing. In short, the exclusion of perspectives that differed from those that united the group who authored the White Paper resulted in a failure to anticipate system consequences that would undermine the intentions of the White Paper in the long run. Politically inspired attempts to suppress differences created an ideological deficit that ultimately drained policy intentions of any substantive meaning in practice. The end result was an ideological process that led to denials of the negative outcomes, followed eventually by admissions that the policy had failed.

Ten years later, the post-1994 housing policy began to be reviewed within a context of a national policy shift away from the neo-liberal notion of 'state-as-facilitator' of development, to the notion of a 'developmental state' approach. Protest actions against the consequences of the old policy, plus critical research and the opening up of the policy dialogue, created space for this review. The result was a search for a balance between the old policy, rejected for its failures, and the more radical demands for pro-poor, state-delivered mass housing schemes. The reason why the latter was seen as problematic is that it risked the same errors as had been the case with the old policy: a narrow focus on the needs of the poor, no restructuring of the economics of the housing delivery system as a whole, a tendency to ignore contextual specificity, and state-centricity, all of which could reinforce household and community disempowerment. (Even if this was not intended, it is highly likely that this would have been the case when implemented by a bureaucracy that almost certainly would have been ignorant of the dynamics of development practice.)

#### BREAKING NEW GROUND

Since 2004, the national Department of Housing has been following a new policy approach known as Breaking New Ground (or BNG). The key shift is away from a quantitative focus on housing units to a qualitative focus on the building of 'sustainable human settlements'. Seeing BNG as a 'midway' solution between Slovo's policy and the statist left-wing alternative, however, does not imply that it is a compromise or the 'best of both worlds'. As it stands, it is a policy framework that is faithful to a 'developmental state' approach in that it makes provision for state intervention across a wide range of fronts, in particular in land and property markets. At the same time, its so-called demand-driven and supply-negotiated approach is simply another way of saying that contextual specificity is finally recognised.



The most significant consequence of this policy shift is that the recognition of contextual specificity immediately opens up the space for empowerment. The reason for this is that if it is recognised that each context is different, then it follows that specific knowledge of that context is now needed as a basis for planning a particular project (e.g. a greenfields development) or systemic intervention (e.g. reinforcing backyard housing development via loans to landlords and regulations to protect tenants). The need for contextually specific knowledge is what makes participation an authentic necessity, rather than the rhetorical, ideologically determined, formalistic and therefore legitimating ritual that it has become. For the first time, there is therefore a real potential role for CBOs and NGOs, who know how to facilitate authentic participation of the poorest households. Finally, the BNG framework recognises the need to work with the private sector and the market while simultaneously transforming the ground rules.

The key problem with the BNG policy, however, is that its implementation lies with a set of national, provincial and local government bureaucracies and related consultants and contractors who have become used to delivering services and housing for the poor on the urban peripheries in accordance with tried and tested routines. Low-income housing is seen as a welfare function and therefore disconnected from land-use planning and local economic development planning. This is reinforced by the free basic services policy which legalised non-payment for services delivered and which can only work through cross-subsidisation. Lower-middle-class and middle- and upper-income housing developments, by contrast, are seen as key economic drivers of urban development and therefore are the focus of land-use planning, tax-base planning and local economic development planning. If the latter cannot generate the subsidies required to make the former happen, homeless people are left to survive in informal settlements. Thus, the BNG policy started to work with some degree of success during the housing boom that led to the crash in

2007, but since then property values have either declined or collapsed. At the same time, energy costs have been escalating at a faster rate than the increases municipalities are entitled to implement, which has drained financial resources out of the rates account. The end result is the so-called ring of fire around the cities – what the media calls ‘service delivery protests’, usually reported with little reference to any details of causes or specific demands. Protesters are often depicted by politicians and journalists in terms reminiscent of the ‘irrational savage’ who is not prepared to be patient enough, nor appreciative enough of what has been done for them.

Unfortunately, in the absence of a coherent urban development policy, urban development since 1994 has been an amalgam of geographical welfarism for the poor and normal property markets for the rest. Most policies that were aimed at poor households, such as the capital subsidy, targeted not poor households themselves but geographical areas within which poor people were located. By directing policies, regulations and financial flows at areas rather than households, racially defined spaces were unintentionally reinforced – a phenomenon further reinforced by the party-political patronage networks that helped consolidate electoral constituencies. So while geographical welfarism targeted the poor, banks and municipalities applied normal market-valuation principles to the remainder of the city.

The question is whether the sustainability approach in the new BNG policy for building ‘integrated sustainable human settlements’ has addressed this problem adequately. Or is this an unfair question? After all, can we expect from a housing policy what should be delivered by an authentic national urban development policy that goes beyond just the usual amalgam of geographical welfarism and normal market urbanism and defines, once and for all, what a post-apartheid city should be and how to achieve this?

The story of post-1994 housing policy is a story of unintended consequences that have had particularly

negative implications for the urban poor.<sup>12</sup> This was a policy that reflected the interests of the construction and property development industries. Ironically, it was Joe Slovo who became the political head of a negotiated policy that aimed to meet the needs of the homeless by strengthening the role of the construction and property development industries in the delivery of the policy.

The policy was codified by systematically restricting the inputs of diverse policy actors at critical junctures in the policy formulation process. It was, nevertheless, propagated as a pro-poor policy via a forceful marketing campaign that depicted rows of new, neatly stacked, single-family homes sprawled out across a single-storey physical monoculture that was extremely seductive for all those living in appalling conditions of poverty and homelessness.

A remarkable coalition of government, business and community interests colluded in this utopian vision despite clear evidence that the land economics caused spatial outcomes that contradicted the policy intentions, and that the resources, regulatory regimes and institutional capabilities available to the implementers of the policy were inadequate given the magnitude and, more significantly, the complexities of the task of integrating urban spaces in ways that contradicted the logic of the land and property markets. The upshot was an increasing number of land invasions across most cities and major towns. Where policy was powerless to change property and land markets, land invasions succeeded in redefining a swathe of increasingly well-located urban spaces.

The policy response came much later, when, from about 2009 onwards, it came to be accepted that *in situ* incremental upgrading of informal settlements would make it possible to significantly increase the number of households that could benefit from subsidies compared to traditional greenfields developments on the urban peripheries. By this stage, however, the urban poor were no longer up against an illegitimate white middle class with limited political clout

but faced a much more aggressive, multi-racial middle class created by rapidly expanding suburbs established during the pre-2007 housing boom. United by NIMBYism, they had the wherewithal by this stage to defend their property values by contesting the right of land invaders to benefit from the new policy of *in situ* upgrading.

It is difficult to predict the future trajectory of these class-based urban contestations of the post-apartheid city. Nor is it clear that BNG really does help transcend the geographical welfarism-normal market urbanism dualism. What is clear is that unless a national urban policy is developed and applied, a non-racial integrated urbanism will be unlikely. Housing policy cannot be expected to achieve what an urban development policy must aim to achieve. The question is whether sustainability should be the cornerstone of such a policy.

#### PUTTING SUSTAINABILITY BACK INTO 'INTEGRATED SUSTAINABLE HUMAN SETTLEMENTS'

Since 2008 national, provincial and local governments have adopted a wide range of policies that in one way or another respond to the combined impact of degrading ecosystem services (including serious threats to water supplies and soils), global warming, resource depletion, accelerated waste generation and pollution.<sup>13</sup> These include the approval by Cabinet, in 2008, of the Long-Term Mitigation Scenario on climate change and the National Framework for Sustainable Development.

Since then the National Treasury has formulated and implemented carbon-tax policies; the Department of Transport has started to invest heavily in public transport; the Department of Energy has committed government to a fairly ambitious renewable-energy programme; the Department of Water Affairs has given even greater emphasis to water efficiency and sustainable use of water resources;

the departments of Trade and Industry and Economic Development have adopted 'green economy' strategies; the Industrial Development Corporation and the Development Bank of Southern Africa have both established large-scale funds for investing in 'green' projects; major financial institutions and venture capital funds have established 'green investment' portfolios; and a slew of Acts relating to air pollution, solid waste and biodiversity conservation have been adopted.

References to sustainable use of resources, biodiversity conservation and climate change have also been incorporated in numerous IDPs at local government level and in provincial strategies (for example, Gauteng's Developmental Green Economy Strategy and the Western Cape's Green Cape Strategy).

Since about 2010, the national Department of Human Settlements has also started to take seriously the need to include sustainability in the guidelines for designing and funding integrated sustainable human settlements. Most recently, the National Development Plan published by the National Planning Commission included references to the need to chart a lower-carbon future and the need for more sustainable use of natural resources. None of this can be explained by reference to the work of powerful policy elites (in the executive or legislative branches of government), or a strong high-level political message, or an influential private-sector interest group. Instead, this array of policy responses can only be explained as a set of disconnected responses to an emerging set of vaguely understood material conditions (such as resource depletion, climate change, biodiversity degradation, and so on) that have started to be expressed in key economic factors such as prices.<sup>14</sup> What are the implications of all this for the cities and, in particular, the design and development of urban neighbourhoods?

#### TOWARDS INTEGRATED LIVEABLE URBANISM: LESSONS FROM LYNEDOCH ECOVILLAGE

In 2011/2012 the City of Cape Town provided infrastructure services to over 90% of all households in the city. However, as in many other cities, the provision of housing lagged far behind. Hence the common sight of fairly well-serviced shack settlements across many South African cities. More significantly, municipal engineering departments provided these services where people were historically located. The post-apartheid South African city thus aimed to include everyone by connecting them up to networked infrastructures, but within a socio-spatial form inherited from apartheid.<sup>15</sup>

If Cape Town had access to unlimited resources, then it might be possible to argue that this level of inequality could be resolved by gradually increasing the access of the poor to resources. But research also shows that social injustice is not the only limit to the continuities of apartheid spatial forms. There are also natural limits to these continuities with the past that are much more difficult for middle- and upper-income groups to deny. Because of the inefficient urban spatial form, Cape Town faces very severe shortages of key resources in the near future, including water and energy.<sup>16</sup> This is why the large majority of provincial and local government policy documents emphasise the need for more sustainable use of resources.

The unsustainable use of resources is reflected in Figure 5.1 and Table 5.1. These illustrations represent the city of Cape Town in terms of income categories that correspond to suburbs, with each having its own ecological footprint as a measurement of resource consumption. What becomes immediately clear is that it is the upper-income areas that show the most unsustainable use of resources.

The shift in recent years towards more resource-efficient 'green development' may provide a unifying framework for justifying a decisive break from the unsustainable resource-use patterns

Figure 5.1 Class structure of Cape Town<sup>17</sup>

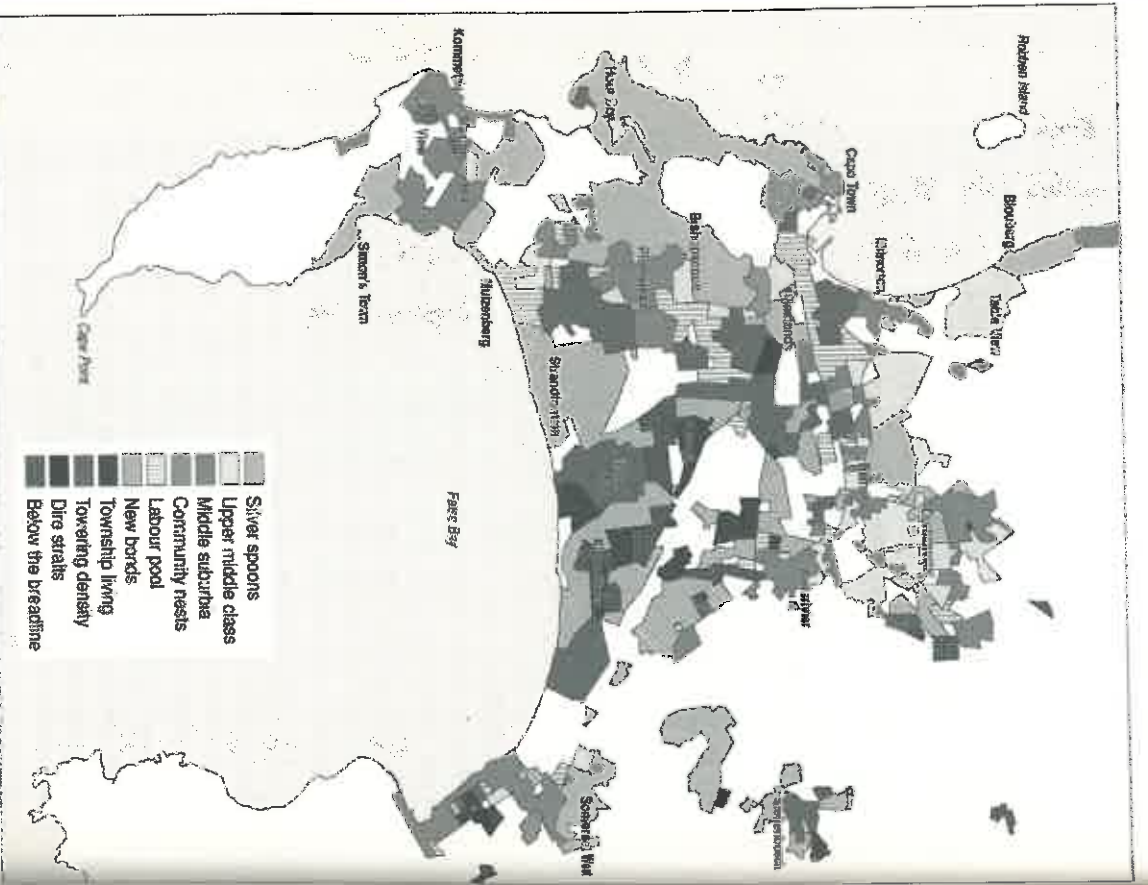


Table 5.1 Household class structure in Cape Town<sup>18</sup>

Cluster group	Percentage		Ecological footprint**
	Percentage of suburbs	No. of households	
Silver spoons	14.0	54 630	6.4
Upper middle class	19.0	68 129	8.0
Subtotal	33.0	122 759	14.4
Middle suburbia	20.0	77 380	9.1
Community nests	1.5	17 564	2.0
Labour pool	9.5	42 404	5.0
New bonds	13.5	101 638	12.0
Subtotal	44.5	238 986	28.1
Township living	4.5	80 980	9.5
Towering density	13.0	170 752	20.0
Dire straits	2.0	26 108	3.0
Below the breadline (mainly formal townships, with some shacks)	3.0	111 770	13.0
Subtotal	22.5	389 610	45.5
Mainly stand-alone shack settlements, with and without tenure; about half 'unserviced'	Not calculated	94 766	11.0
<b>Total</b>	<b>100.0</b>	<b>846 121</b>	<b>100.0</b>

\*Ecological footprint measures the number of planets that would be required to provide the resources that would be needed if everyone in the world consumed the same quantity of resources as the given income category.

\*\*Approximate figures

created by apartheid urban forms that were then reproduced during the post-apartheid era. These progressive outcomes are not guaranteed – ‘green NIMBYism’ is still a distinct possibility. Unless the home-loan, municipal rating and capital subsidy systems are fundamentally reconfigured to directly reinforce integration, it is unlikely that the green agenda will have a progressive social impact. The major lesson from the Lynedoch EcoVillage is that sustainability can provide a unifying theme that *results* in greater social integration.<sup>19</sup> The challenge is to apply it at city and national scale.

In conclusion, the continuities of apartheid socio-spatial forms into the post-apartheid era are probably the most visible, tangible and effective manifestations of persistent race- and class-based social divisions. Once the legal framework of segregation was removed, a complex array of discreet systems has combined to reproduce these continuities. Specifically, the home-loan approval criteria used by the banks, the rating system used by the municipalities and the capital subsidy system administered by national and provincial government combine (often in unintended ways) to retard efforts at social integration at the neighbourhood level.

The practical experience of building the Lynedoch EcoVillage revealed these dynamics, but also shows that there are solutions.

#### POSTSCRIPT

In early 2014, Stellenbosch Municipality imposed a uniform rate for all the properties in the Lynedoch EcoVillage. This negates what had been in place for nearly a decade and reintroduces a threat to the racial and class diversity of the community. Recent court decisions have forced the HOA to contractually agree to the terms of all banks that require HOA rules to be waived in the event of a default, thus subordinating the social logic of the EcoVillage to the market logic of the banking system.

## APPENDIX

EXPLANATION OF CLUSTER GROUPS DEPICTED IN FIGURE 5.1. AND

TABLE 5.1

**Silver spoons:** well educated, well-travelled, well-off people living in leafy suburbs and the most exclusive neighbourhoods. These are older, more established suburbs, and families are typically mature, but younger high earners, often working in financial services, are also common.

**Upper middle class:** not as wealthy as the silver spoons; these people live in older, suburban areas comprised of established properties and some new high-end property developments. The properties of these people are their most significant investment. They are well-educated white-collar workers in trade and commerce or financial services. Strong family values, with above-average incomes.

**Middle suburbia:** reasonably educated with a matric or secondary qualification. They are hard workers trying to make good for their children, who will benefit from the investments made in education and property. These people have usually climbed up from below with little financial support from their parents. Properties are in suburban areas, but homes are relatively small.

**Community nests:** the area is dominated by people living in flats and townhouse complexes, with single houses in between. These areas tend to be more racially mixed, comprising some established wealthier families and people with new-found wealth. These neighbourhoods tend to be close to the city centre and most people rent their accommodation. These areas are regarded as ‘cosmopolitan’ and aspirational.

**Labour pool:** people in these areas are not well educated (more than half do not have matric) and therefore are not well paid. These areas comprise a mix of dwelling types, but mostly stand-alone houses. Older and newer families are mixed together, and there are strong bonds of mutual support for survival.

**New bonds:** areas occupied by people whose families have never owned property before. They are the upwardly mobile, with origins in working-class and poor families, now making good. They have benefited from housing subsidies and new mortgage finance provisions. They are heavily indebted, but are used to struggle and survival.

**Township living:** former apartheid townships that now house a stable group of working and informally employed people. The monotonous layout has become the basis for a vibrant community life with strong community values. Most are not well educated, with only a third having a matric. Unemployment levels are high.

**Towering density:** areas that are the product of apartheid social engineering, with crude tenement blocks, low-cost semi-detached council houses and once-proud inner-city multi-storey blocks that have decayed. These areas are overcrowded and on the brink of social collapse. People are poorly educated and earn little, and when they have jobs they are in blue-collar occupations. Social welfare support keeps many going.

**Dire straits:** densely populated areas comprising the old apartheid matchbox houses and hostels, interspersed with clusters of shacks in open areas and backyards. The resultant overcrowding means services are overloaded and therefore dysfunctional. Education levels are low and unemployment is high. Most working people are unskilled workers.

**Below the breadline:** these are the well-known informal settlements of South Africa where people live in shacks. Most of these areas have a legal right to exist, and many have services, but without formal structures. Social and infrastructure services are slowly starting to be installed. Unemployment levels are very high, and education levels very low. Often there are strong community groups with effective leaders, but not always. These places can also be crime-ridden and conflictual.