Cape Town: A Tale of Transitions

Greg Mills, Nchimunya Hamukoma and Nicola Doyle
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What the Polls Tell us …

In May and June 2018, the Brenthurst Foundation commissioned a survey of 1,000 Cape Town residents to explore their perceptions of the advantages, disadvantages, challenges and opportunities of living in Cape Town. Focus groups were consulted for more in-depth responses. These were recorded and are included in our analysis.

Reasons for moving to Cape Town (migrants)
- Job/employment opportunities 59%
- Education and training opportunities 44%
- Moving with family 34%
- Starting a business 21%

Reasons to leave Cape Town (migrants)
- Job/employment opportunities 71%
- Business 18%
- Environmental issues 15%
- Fear of political violence and instability 12%
- Returning to family 11%
- Insecurity 8%

Living conditions in Cape Town (migrants)
- Living conditions are better than place of birth 43%

Advantages of living in Cape Town (migrants and local residents)
- Job/employment opportunities 46%
- Access to education or skills training 46%
- Availability of consumer goods 31%
- Access to healthcare and medications 26%
- Infrastructure and transport 26%

Disadvantages of living in Cape Town (migrants and local residents)
- No disadvantage 59%
- Crime and violence 53%
- Lack of water and sanitation 43%
- Limited housing 39%

Economic growth
- Economic growth has led to improvements in Cape Town over the last four years 75%
- Cape Town has a better economy than elsewhere in South Africa 71%

Government’s greatest achievement
- Improved infrastructure 29%
- Improved healthcare and medication 26%
- Improved public transport 24%

Government’s biggest failings
- Unemployment 40%
- Public transport 24%
- Repairing infrastructure 23%

Security
- Respondent or family members have been violently assaulted or attacked 55%
- Better trained and more professional Police officers are needed 37%

Water and sanitation related problems
- Irregular supply 25%
- Uneven coverage 22%
- Corrupt management of water 17%

Electricity
- Pricing is unfair 59%
- Distribution is unfair 53%
- Can afford electricity 30%

Transport
- Would use public transport if it was improved 58%
- Unreliable 20%
- Slowness and traffic 17%
- Overcrowded public transport 17%

Housing
- Unaffordable 61%
- Cost is the biggest challenge to owning a house 31%
- Inadequate public housing supply 27%
- Low quality housing 13%

Government should prioritise …
- Reducing unemployment 44%
- Improving water and sanitation 27%
- Repairing or improving infrastructure 27%
- Improving public transport 25%

Voting behaviour in recent elections
- Democratic Alliance 71%
- African National Congress 23%
- Economic Freedom Fighters 5%

Voting behaviour in recent elections
- Democratic Alliance 71%
- African National Congress 23%
- Economic Freedom Fighters 5%
Executive Summary

When tourists land in Cape Town, they are confronted with a stark contrast of worlds. The modern city with charming historical buildings and Instagram-worthy views beside poorly constructed shacks and obvious poverty. The inherited legacy of apartheid spatial planning kept its residents purposefully separate.

In 2006, South Africa’s official opposition party, the Democratic Alliance, came to power in Cape Town and helped to develop its reputation for bureaucratic excellence. Transforming it from a quietly charming seaside city to South Africa’s second-largest economy.

However, the challenges the city faces test the limits of good governance to change structural constraints. Especially when those trials confront not only history, but modern funding structures, growing urbanisation and climate change. In this Discussion Paper, we look at why tackling legacy is so difficult, why governance and politics matter and why Cape Town remains relevant for study by other African cities.
Introduction

When tourists visit Cape Town, they land at its award-winning international airport, disembark one of the 4,500 international flights that arrive each year\(^1\) and hop into a shuttle that will transport them to the CBD. But first, on the N2 highway, they pass by Crossroads. Home to an estimated 40,000 people, over half of whom are unemployed,\(^2\) Crossroads township sits on the airport’s periphery and presents the stark reality of life for many Capetonians. Most of its residents are under 35 and living in self-built, corrugated iron shacks with poor amenities.\(^3\)

As the tourists draw closer to Table Mountain, houses start to formalise, luxury office blocks arise and Cape Town becomes a vibrant first world city. The kind that wins international accolades, like World Design Capital for 2014 or World’s Best City for 2015/16 in the Telegraph Travel Awards.\(^4\)

Cape Town Design CEO Alayne Reesberg described the city as ‘the gritty and the pretty’,\(^5\) facing the great challenge of bringing the first world and the township world closer together. ‘Design is all about turning a city that the apartheid regime designed for separation’, said Reesberg, ‘into one designed for integration’.\(^6\) However, achieving this will take more than urban design – it requires strong governance and stable politics. Since the end of apartheid, Cape Town has made significant headway to integrate its multiple worlds, but the questions remain. What more can be done? What could be done better? And, ultimately, why is it so difficult to overcome this legacy?

Cape Town is a low-density, sprawling city. It has a population of 4.2 million across a 2,500 km\(^2\) area, growing more than 2 per cent each year.\(^7\) Over the last decade, Cape Town has experienced a minor economic boom, posting an average growth rate of close to 3 per cent, double the national average, and comprising one-tenth of South Africa’s economy.\(^8\) Still, Cape Town’s visible inequality is high, and rising.\(^9\)

The governing Democratic Alliance (DA) faces significant challenges in delivering decent housing and crucial transport links, managing the spiralling gang violence and addressing the city’s water insecurity. Many of these challenges predate democracy, though, most are made worse by urbanisation, South Africa’s substandard education system and high unemployment figures.

In 2018, the Brenthurst Foundation conducted research in Cape Town that encompassed over 40 interviews with city councillors, actors from the private sector and civil society. This was supported by a city-wide poll of 1,000 respondents and select focus groups as part of the Foundation’s *Future of African Cities* project. This Paper examines how the City of Cape Town\(^10\) has tackled its apartheid legacy and planned for the next quarter century of urban development, looking at governance, security, economic growth, housing, transport and service delivery.

The paper will touch on the city’s historical transitions, from the pre-colonial era to a post-apartheid democracy, as well as its current iteration as Cape Town seeks to become a global city. Through the lens of transitions, the paper will answer why tackling legacy is so difficult, why governance and politics matter, what new, post-apartheid challenges exist and why Cape Town remains relevant for study by other African cities.
Housing in the City, a Note from the Premier

Helen Zille, the Premier of the Western Cape since 2009 and, immediately before that, the Mayor of the City of Cape Town for three years, says that the provision of housing and the imperative of densification is complicated by a number of factors:

First, when you go up to achieve greater density, you 'very quickly reach the limits of any state subsidy, which means people have to pay something to make up the balance. The whole of Joe Slovo', she says, 'the strip alongside the N2 next to Langa, is made up of those type of houses. Many other places too. They become unviable very quickly because of (often) a refusal to pay. People reckon, "why should I pay to live in a flat (which I don’t want to do) when other people are getting a free house"'. Wealthier areas, where purchasers are able to pay, are more likely to undergo densification because there is a high demand and large return in the property market for commercial developers.

A second challenge is that ‘if someone living in an informal settlement is not going to benefit personally, they are unlikely to move’. Squatters that already benefitted from a State-provided house, are not going to move if they are not eligible to benefit a second time.

Third, zoning regulations are quite inflexible, initiating a change from one type of dwelling to another. There is, fourth, a long lead time in housing projects. And finally, at a macro level, the previous philosophy of ‘housing people where they are’, turned settlements into townships, reinforcing the apartheid model. ‘There is’, she notes, ‘massive demand, and almost any supply in the affordable market meets a demand. We cannot match the supply to the demand, hence the ceaseless land invasions’.

The Context of Governance

The foundations of Cape Town’s inequality were laid in the 1600s when Jan van Riebeeck and the Dutch East India Company (VOC) arrived at the Cape of Good Hope. They created a trade and slave-based economy under the name ‘Dutch Cape Colony’. The landing of the settlers in the Cape initiated the inequality that would come to define South Africa’s governmental apparatus.

In the early 20th century, the Western Cape was characterised by violent forced removals. In 1901, black residents began to be pushed out of the city centre, commencing a long trajectory of evictions that peaked in apartheid during the 1950s and 1960s when thousands of black, Coloured and Indian residents were forcibly removed to the Cape Flats. The moves destabilised the social fabric of the residents’ communities, and resulted in the challenges of social cohesion and security that low-income settlements across the Cape Flats face today.

The legislated inequality of apartheid affected all spheres of life for Cape Town’s residents of colour. The Western Cape was the only region in South Africa to fully implement the Coloured Labour Preference Area Policy (CLPAP), which further entrenched the linkage of economic opportunity to race. The CLPAP created areas where coloured labourers were given preference for jobs so as to prevent black Africans from living and working within the Western Cape. Enacted in 1955, the CPLAP was a formalisation of historical sentiments that viewed black Africans as foreigners within the Cape, further deepening inequalities between the races.

The abolishment of apartheid in 1994 failed to provide a rapid panacea for the economic and spatial inequalities that had developed in Cape Town. Historical labour patterns entrenched inequality, with black African, Indian and Coloured residents overrepresented in low- and middle-income manufacturing jobs and White residents in the high-paying services sector.

Cape Town remains a city where one’s place of birth has inordinate impact on one’s life. As Edgar Pieterse, Head of the African Centre for Cities, said, ‘90 per cent of Black kids born in the township in Cape Town have no future economic prospects’.
The city’s history and subsequent spatial inequality sets the tone for what city administrations have prioritised post-apartheid. But, each year, the mark is moved as changes to the demography, economy and politics occur. Tackling history and growing inequality will remain the City of Cape Town’s greatest challenge.

The Legal Framework
Established in 1996, the South African Constitution sought to undo the harms of apartheid era laws and create a legislative framework that supports the development of a free and fair society. The country adopted a multi-tier governance system with a national, provincial and local level. The system rests on the principle of cooperation across the three tiers and supporting legislation formally organises functions, responsibilities and revenue division. However, much is vague and open to interpretation, which can create friction, especially in cases where many parties govern across levels.

The national government sets the long-term vision and agenda of the state in a National Development Plan, the current one running until 2030. The National Assembly and the National Council of Provinces (NCOP) make up Parliament where laws and policies are approved. Government departments are then responsible for implementing these laws and policies. The majority of departments are replicated at the provincial level, however, some such as: Defence, Foreign Affairs; Water and Forestry; Science and Technology; Trade and Industry; Mineral and Energy; Public Enterprises; Home Affairs; and Public Service and Administration remain the exclusive purview of national government.

Provinces are responsible for developing the Provincial Growth and Development Strategy (PGDS), frameworks to grow the provincial economy and improve service delivery. The NCOP represents the interests of both the provincial and municipal levels in Parliament. Each province is headed by a Premier who appoints Members of the Executive Council (MECs) to lead each provincial department. The MEC and the Department of Local Government in each province are responsible for oversight of the various municipalities.

The municipal level is the final tier of government. Cape Town is categorised as a metropolitan municipality with over 500 000 voters. The City’s core function is to coordinate and deliver basic services to the metropolitan area, according to a municipal budgets and development plan. Their work is driven through a Municipal Council, led by an Executive Mayor. According to the Constitution, the city maintains ‘the right to govern, on its own initiative, the local government affairs of its community’ through municipal legislation whilst also being ‘subject to national and provincial legislation’.

The Politics of Power
Cape Town was, historically, one of the only metros not governed by the ruling ANC. This changed in the 2016 elections and now the DA governs three of South Africa’s six metropolitan municipalities.

Under the DA, the City has developed a reputation for bureaucratic excellence and over the last decade. Between 2011 and 2016, the DA improved, piped water access by 18.9 per cent, electricity access by 23.1 per cent and access to a formal dwelling (housing) by 23.2 per cent.

One of the DA’s key platforms has been its ability to govern well, and in 2015 this was visible when the South African Local Government Association (SALGA) ranked Cape Town as the country’s best performing metro.
Table 1: Metro Cross-Comparison for 2015

<table>
<thead>
<tr>
<th>Rank</th>
<th>Metro</th>
<th>Service Delivery</th>
<th>Finances</th>
<th>Human Resources</th>
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<tbody>
<tr>
<td>1</td>
<td>City of Cape Town</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>2</td>
<td>City of Johannesburg</td>
<td>1</td>
<td>7</td>
<td>1</td>
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<td>3</td>
<td>Ekurhuleni</td>
<td>4</td>
<td>1</td>
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<td>4</td>
<td>Ethekwini</td>
<td>6</td>
<td>4</td>
<td>2</td>
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<tr>
<td>5</td>
<td>Nelson Mandela Bay</td>
<td>3</td>
<td>6</td>
<td>7</td>
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<td>6</td>
<td>Mangaung</td>
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<tr>
<td>6</td>
<td>City of Tshwane</td>
<td>4</td>
<td>8</td>
<td>4</td>
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<tr>
<td>8</td>
<td>Buffalo City</td>
<td>8</td>
<td>5</td>
<td>7</td>
</tr>
</tbody>
</table>

Source: SALGA Municipal Barometer

However, this rank was not easily won, as Helen Zille, Cape Town mayor from 2006 to 2009 and current Western Cape Premier recounted, ‘I found myself with a fragile coalition, a hollowed-out middle management and a spider’s web of corruption’, she shared, ‘I didn’t know where to begin. So, I had to look at Cape Town as a blank slate’. Zille began the process of building the bureaucratic competence to run the City. However, as she noted, ‘my biggest job was political’. During her tenure, she fought against her removal from office by parties in opposition 13 times. Today, Cape Town is the DA’s stronghold. In 2011, the party won the governance of the city outright and cemented its position in the 2016 municipal elections.

The DA’s ability to effectively govern the City of Cape Town is tied to its dominance in the Western Cape. At present, the Western Cape is the only province not headed by a representative of the ruling ANC. Throughout the interview process, participants raised this disjuncture between national and provincial government as a key area of conflict. The section on Water reveals the impacts of such friction.

The DA’s emphasis on a strong culture of accountability has allowed both the Western Cape and Cape Town to stand out at the local and provincial government levels. There are, however, limitations to the efficacy of bureaucratic compliance and accountability. Cape Town under the DA has been criticised for being unable to think out the box and provide creative ways to solve problems such as spatial inequality or managing the tenuous relationship to higher levels of government.

One story shared with us was of the City’s Departments that had been instructed to monitor water quality in Cape Town. Their research revealed an informal settlement with poor sanitation facilities that was polluting the water source upstream. In an act of pragmatism, the Head of Department transferred a portion of their investigation funds to the City’s Sanitation Department in order to address the root cause of the pollution. The problem was fixed but, resultantly, the first department was charged with a misuse of funds. This presents a clear example of where bureaucratic excellence has clashed with the common sense needed to fix complex problems.

Since its ascension to power in the Western Cape, the DA has been able to fundamentally transform the culture of governance, allowing for an increase in basic service provision to Cape Town’s residents. However, the challenges Cape Town faces show good governance’s limited ability to change the structural constraints of a city. Especially when those challenges confront not only history, but modern funding structures and growing urbanisation.

Urban Finance

At the end of apartheid, the Western Cape did not have a homeland and was spared the task of integrating separate bureaucratic processes into a single municipality. However, resources across the region were not equally shared. This pushed the ANC government of 2002–2006 to create ‘One City, One Tax Base’. The policy sought to bring together sprawling townships, white suburbs and city centres as a single tax base so that the proceeds from economic activity across the metro could be equitably shared amongst residents.

Municipalities in South Africa receive limited financial transfers from national government and raise most income from utility sales. In 2016/2017, R764 billion of the R1.33 trillion total National Treasury budget was spent on financial grants to
government departments. Sixty-five per cent of this was allocated to the provincial government, 14 per cent to the local government and 11 per cent for extra-budgetary spending in crises.

Today, Cape Town derives just over 80 per cent of its own revenue from property rates, levies and service charges, with 15 per cent coming from national transfers, down significantly from the previous year. Local government expert Nico van Steytler argues that this financial setup and the pressure to deliver services places cities under huge strain, as Cape Town grows. ‘Cities have more flexibility than provinces to determine their own agenda but have to be more accountable to their ratepayers.’

Figure 1: Municipal revenue for the City of Cape Town (revenue in ZAR 000)

While the City has financial freedom, national transfers remain important for public infrastructure builds and long-term projects. This underscores once again, the need for the City to retain a working relationship with the national government and to keep the economy growing.

**Economic Growth**

Fixing the challenges of legacy and inequality requires a springboard of sound economic management and growth. Cape Town has managed to achieve this, moving beyond ‘Slaapstad’ and surpassing Durban to become South Africa’s second largest economy. As one survey respondent said, ‘Even if there is no employment; somewhere, somehow there are more opportunities in terms of business’. Seventy-five per cent of poll respondents agreed that economic growth has led to tangible improvements in Cape Town over the last four years.

<table>
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<th>Table 2: Cape Town Stats (in 2017)</th>
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<tbody>
<tr>
<td><strong>Cape Town</strong></td>
</tr>
<tr>
<td>Unemployment</td>
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<tr>
<td>GDP per capita</td>
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<td>(US$7 050)</td>
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Seventy-five per cent of the city’s GDP is generated from service-based activities and Cape Town has managed to position itself as a top tourist, events and conference destination, and attract niche companies in film production, fashion and advertising.

Cape Town’s growth has been the result of a deliberate focus from both provincial and local governments since 2006, through an infrastructure-led economic development program from the DA. ‘The first few years were annoying, the city was gridlocked’, noted Wesgro CEO Tim Harris, ‘but we used the goodwill of a new government to do the hard stuff, the unsexy stuff’. Investments were funnelled to improve roads, electricity and water, allowing the city to establish itself as open for business. Now, Cape Town’s Doing Business indicators are some of the best in South Africa: 1st for Dealing with Construction Permits; 2nd for Getting Electricity; 4th for Starting a Business.

The City has managed to leverage development opportunities through a three-pronged approach that included public sector investments, public private partnerships and government support of private investors. Three initiatives stand out as having influenced the economic growth of the city: Wesgro, the Official Tourism, Trade & Investment Promotion Agency for Cape Town and the Western Cape; the CCID, a community-based programme to provide cleaning and security services to businesses based in the Central Business District (CBD); and the Victoria and Albert (V&A) Waterfront, a private enterprise that occupies a central role in the public life of the city.
Wesgro was started in 1983 as a joint initiative between the province, city and the private sector. However, the venture was really invigorated when the DA came into power in 2006. ‘Wesgro exemplifies what a good investment body can achieve. The organisation seats multiple actors at one table and clearly “put[s] tourism promotion with economic promotion” revealed Harris. It has set itself apart through defined targets and metrics of success, such as “growth, jobs, investment and the resultant contribution to brand.’ And in 2017, Wesgro attracted nearly R12 billion in investment and 1 800 jobs to the Western Cape.

Wesgro provides an excellent example of what a dedicated investment promotion agency can achieve.

Cape Town’s safe, clean and thriving CBD stands out in South Africa and the continent. In 2015, it became South Africa’s most visited tourist destination. But this was not always the case, in the late 1990s ‘crime and grime’ was rife and inner cities across South Africa faced dilapidation and capital flight. Cape Town City Manager Andrew Boraine, under the ANC government at the time, identified that practical solutions were necessary to revive the CBD.

The Central City Improvement District (CCID) was started with the support of the Cape Town Partnership aiming to partner with the private sector to help restore the CBD. Extra levies were charged to inner city businesses for the provision of dedicated services by the CCID. Their focus was on the practical elements of keeping the streets clean and providing security guards to police petty crime. As Tasso Evangelinos, long time CEO of the CCID, said, ‘Perception was the biggest battle! We needed to tell people we were doing the work and not just carry on doing the work’.

Their work paid off and property values in the CBD rose from R6.5 billion in 2006 to R43 billion in 2018. The model has proved instrumental and many other CIDs have opened in smaller economic nodes to replicate its success.

The Victoria and Albert (V&A) Waterfront is a private project that has had considerable public benefit. The vision was simple: to convert the activities of the historic 1852 port to a tourist attraction. Today, the V&A Waterfront provides 56 000 jobs, allows for the operation of 850 small businesses and welcomes over 24 million visitors each year. The Waterfront’s management works closely with agencies such as Wesgro to promote private space so that it is perceived as public space. The V&A offers a model for how the private sector can be instrumental in addressing public issues like unemployment and economic growth.

The impressive expansion of Cape Town’s economy has given investors and citizens alike hope of an economic future within the city, and laid the foundations for infrastructure redress. As Harris confirmed, ‘the economic and the social are two sides of the same coin’.

Safety and Security

Gangs, violence and insecurity that plague Cape Town’s township areas are well-known phenomena. The racialised and spatial nature of inequality in Cape Town carries into its experience of safety and security, creating a dynamic where crime in one part of the city bears no relation to an area 10 km away. The following section assesses the public attempts to address issues of safety and security in Cape Town.

Cape Town has one of the world’s highest murder rates at 62.51 homicides per 100 000 people. This figure has risen by close to 65 per cent since 2009. However, these averages hide the spatial concentration of crime – in 2018, there was only one reported murder in Camps Bay vs the 281 reported in Khayelitsha.

Most of Cape Town’s crime occurs in the Cape Flats, an area with many violent gangs. With deep networks, large memberships and access to weapons, the gangs are largely responsible for Cape Town’s record murder rates. Drugs and substance abuse problems feature prominently, too. In 2017, nearly one-third of Cape Town’s crimes were drug-related.

Residents in the Cape Flats have said that the government is not doing enough. As recently as the 3rd of October 2018, there was a march by mothers in the Cape Flats protesting the effects of gun violence on their children. As one respondent
from the survey noted, ‘For us living out that side, there is no protection at all from the government’.

In stark contrast, Cape Town’s CBD, Southern Suburbs and tourist areas feel like safe havens that allow residents to walk the streets freely and enjoy public spaces, attributed to a combination of heavy private investment and public-private interventions such as the CCID.

Cape Town’s safety and security problems can be traced to the creation of perverse social dynamics in the Cape Flats as a result of apartheid forced removals. According to Don Pinnock, renowned security expert, ‘the Ghetto Act, the Bantustans and the Group Areas Act moved the city from class divisions to racial ones. It destroyed Lower Claremont, Wynburg and District Six. It suddenly “ghettoised” poor people according to their skin colour’.

**Figure 2:** Crime rates in the Cape Town Metropolitan area

![Crime rates graph](image)


Previous familial dynamics, with extended families living together in well-established community structures that provided a distinct sense of safety, were destroyed by the forced removals. Families were scattered across various locations in the Cape Flats. As Pinnock noted, ‘They built the townships for nuclear families with no regard for how people lived. Townships fostered isolation and increased violence with one-third of all children growing up in single parent families’.

Today, the number of young, unemployed people living in the Cape Flats is extremely high. In Khayelitsha alone, Cape Town’s biggest township with a population of 391 749 people, half of the population are under 19 years of age and the unemployment rate is 70 per cent. With little economic or education prospects, gangsterism seems like the next best bet.

Poor and unprofessional policing with grave disparities in the allocation of police resources does little to mitigate criminality. Across Cape Town, the police per 100 000 residents ratio ranges from 139 in Harare township, in Khayelitsha, to 1 708 in Cape Town Central precinct. Policing, however, is a national function and outside of the jurisdiction of the municipal or provincial government.

Nevertheless, attempts have been made to address these problems. In 2012, after a spate of vigilante justice and increased advocacy from local NGOs, the Western Cape Premier appointed a commission to investigate the inefficiencies of the police system in Khayelitsha. The Commission made a range of discoveries from poor crime scene management and incomplete police investigations to police bias against vulnerable members of the community, such as victims of sexual or domestic violence and foreign nationals, who attempt to report crimes. The Commission made several recommendations that are gradually being implemented. One of those is the creation of a Police Ombudsman with a role to ensure that community complaints against the police are collected and answered. As current Police Ombudsman, Advocate Vusi Pikoli, confirmed, ‘The allocation of resources is a national issue but that does not absolve the regional government of its responsibilities’.

At the provincial level, the Western Cape Ministry of Community Safety has shifted its focus to improving community safety rather than simply decreasing crime. One such initiative is the Nyanga Yethu programme, run by Yongama Plaatjie. Based at the Nyanga Community Centre, the project provides teenagers with a safe space within the community to spend their weekends. Plaatjie shared one of the main challenges, ‘You have gangs who focus on areas outside, in the suburbs. And some gangs are viewed as heroes
because they steal and feed the children’. Teens in these communities need alternative options. Whilst Nyanga Yethu is fairly new, it provides a safe space for 800 young people each weekend.

Cape Town government has learnt that public security solutions must be tailored to areas. A number of security experts and practitioners felt that while the CCID (discussed in the Economic Growth section) had worked in the CBD, it would not be appropriate across the entire Cape Town metro as it requires heavy private sector support, which is absent in the Cape Flats. Ironically, and sadly, the areas in most need of solutions like the CCID do not have the traditional economic base to fund them.

Insecurity is Cape Town’s bad inheritance and one that shows no signs of abating. As one survey respondent noted, ‘I think gangsterism is getting worse especially in the townships’. Many solutions are out of the City of Cape Town’s control, such as providing a more robust national police force. However, in order to strengthen responses at the local level it is important to recognise that safety and security cannot be treated uniquely – they must be assessed within the larger socioeconomic environment including such factors as education levels and unemployment. Here, the City needs smarter, area-based solutions that combine local knowledge with security expertise and an active creation of strong communities.

Housing

‘Capetonians inherited a little box far from the city’, said Deputy Mayor Ian Neilson, ‘to change this land use pattern of low density and long commuter distances takes years’. With a population density of 1 500 people per square kilometre, paling when compared to Lagos’ 18 800, Cape Town is a sprawling city that faces dual challenges of combatting a legacy of spatial apartheid while providing decent, dense housing to cater for a growing population.

The charming houses of Kildare Road in Newlands Village are known for their white shutters and wrap verandahs. What is less commonly known is that these homes used to belong to coloured families. The infamous 1950 Group Areas Act demarcated areas for certain racial groups in South Africa to live and own property. In 1961, most of Cape Town’s Southern Suburbs were rezoned as ‘White Only’ and black, Indian and Coloured people, such as the families in Kildare Road, were forcibly removed into newly constructed ‘housing’ in the Cape Flats. This created Cape Town’s pronounced spatial imagery where affluent neighbourhoods like Newlands Village are now overwhelmingly White and poorer neighbourhoods are Black.

In the new democracy, the ANC government inherited a housing sector that was in crisis – a land use pattern emblematic of apartheid spatial planning, and limited, poor quality housing stock. Across South Africa, the number of families without adequate housing was estimated at 2.2 million, and growing by 200 000 each year.

The ANC’s response was to provide as many houses as quickly and as cheaply as possible, releasing the Housing White Paper as the national housing policy framework. Five broad housing projects were implemented: government subsidy housing (commonly known as RDP houses); community residential units (CRU); upgrading of informal settlements; emergency housing; finance-linked individual subsidy (or ‘gap’ housing) and social housing. The most prominent policy has been the construction of fully-subsidised RDP housing for low-income families earning less than R3 500 per month. Since 1994, between three and four million RDP homes have been built across South Africa, one of the largest deliveries of low-income housing stock internationally.

However, RDP’s emphasis on quantity lead to significant deficits in housing quality. As the previous Human Settlements Minister revealed in 2013, ‘We should admit we started on a wrong foot. These RDP houses that people stay in are falling down, not a good job was done there.’

Built cheaply, many of the homes are now cracked or leaking. The RDP policy has also entrenched the government as the national housing provider – an unsustainable position given South Africa’s flailing economic growth. Demand for quality housing far outstrips supply, and families are left precariously on housing waiting lists.
Most notably, RDP houses have been accused of reinforcing apartheid spatial policy. In order to encourage the delivery of mass housing, cheap land on the periphery of cities, like Cape Town, was allocated to RDP builds. This land was far from amenities and economic opportunities, and often prone to annual flooding or fires. On 20 October 2018, fires across Khayelitsha destroyed 342 structures and displaced nearly 1,400 people.53

The dot map below illustrates how housing policy has reinforced racial divides.54 Cape Town’s White population live in low-density housing close to the city centre (the pink dots) while the black African and Coloured populations endure dense housing on the city’s outskirts (blue and orange dots respectively).

Over the last five years, Cape Town’s central areas have undergone a housing boom, with a 111 per cent growth in property prices,55 pushing low-income families even further away from economic opportunity and leading to increased housing activism. The organisation Ndifuna Ukwazi’s social movement Reclaim the City seeks to mobilise popular support for the better assignment of prime land within Cape Town towards affordable housing. As Julian Sendin, a researcher at Ndifuna Ukwazi, revealed, ‘We need to change people’s mindsets towards poor people living in the CBD. There are public assets that are not being used, perfect for more inclusionary housing’.

Housing spans the national, municipal and local government levels. People often see vacant lots of land across in Cape Town and wonder why
they are not being developed. But it is not that simple, the land ownership can present a problem – a perfect example of this is the land that was District Six, currently owned by the national government. While both provincial and city level governments have made inroads for its redevelopment for low-income housing, they have been unable to secure tenure from the national government. The land remains unoccupied.

Cape Town currently faces a 350 000-housing backlog, with 347 informal settlements containing 146 000 households that increases annually. Only 38 per cent of poll respondents felt that there was sufficient housing in the city.

But Cape Town is a victim of its own success: between 1996 and 2011, the population grew by over 1.2 million and is expected to hit 4.5 million by 2023. Most migrants come from neighbouring rural areas searching for better job and education prospects, while some move for a lifestyle improvement, placing inordinate strain on Cape Town’s housing. Seventy-four per cent of respondents not born in Cape Town felt that their living conditions in the city were either moderately better or much better than their place of origin.

Cape Town’s housing story highlights the complexity of trying to tackle a poor inheritance. The initial policies chosen by the ANC in 1994 reveal the limits of government-funded mass housing projects. While RDP houses were able to deliver quantity, they further embedded apartheid spatial inequalities. This leaves Cape Town’s current municipal administration with the challenge of providing sustainable, equitable, and dense housing. A problem that will take years to solve.

Transport

Travelling away from the Cape Town city centre on De Waal Drive at 3pm is not a place you want to be, the traffic is immense and there’s a good chance you’ll be on the road for two or three hours. Despite 1 014 km of rail network and 32 km of dedicated bus rapid transit (BRT) lanes, known locally as MyCiTi, Cape Town has a major congestion problem. Traffic is funnelled out from residential areas across the city into the CBD each morning and returns each afternoon, causing a bottleneck effect. On average, Capetonians endure an extra travel time of 45 minutes per day and 163 hours per year, making Cape Town South Africa’s most congested city.

Transport has been a City development priority for over decade, with significant investment in MyCiTi and a push to integrate trains, buses and minibus taxis modes into one efficient system. This tension is felt by the residents, with 40 per cent of respondents stating that improvements to either infrastructure or public transport are seen as the greatest achievements of the municipal government. However, in the same study, 66 per cent felt that public transport requires urgent improvement.

Currently more than 50 per cent of Capetonians use private vehicles to get to work, largely due to unreliable and expensive public transport. Low-income households make up the majority of the 47 per cent of residents who use public transport. The concentration of economic activity means that, on average, low-income workers travel more than an hour to work one way and spend 43 per cent of their monthly income on transport.
Rail

Cape Town hosts over half of South Africa’s Metrorail system which makes 454 000 passenger trips per day. The service is crucial to the city’s functioning, but is managed nationally by PRASA, South Africa’s rail company. Cape Town’s rail is in a state of crisis. As one survey respondent shared, ‘It is always either delayed or they have stolen the cables or burned stuff’.

‘Rail is of great significance for Cape Town’, said Roger Behrens of the Centre for Transport Studies, ‘if it ceases to exist it will be a huge blow to our economy’. The launch of the Rail Enforcement is a step in the right direction, but for rail to succeed there will need to be greater coordination across all three government tiers.

Buses and Taxis

Cape Town sought to solve its transportation challenges through the flagship MyCiTi BRT system. Adopted from the Latin American model, MyCiTi was launched in 2010 using targeted funds from National Treasury’s Public Transport Infrastructure Systems Grant (PTISG). The grants covered the building of stations and dedicated bus lanes, and the buses themselves. In turn, the City was responsible for the system’s operating costs.

‘It is an example of how international best practice doesn’t always work when applied locally’, revealed Philip van Ryneveld, a long-time civil servant and member of Open Streets. The MyCiTi system was based on Curitiba’s BRT, in Brazil. However, the cities differ considerably in population density, the x-factor that makes BRTs possible. Cape Town’s sits at 1 530/km², whereas Curitiba’s is at 4 405/km².

Cape Town’s density issues are further compounded by the sheer size of the city. Behrens remarked, ‘The viability of public transport in Cape Town is driven by distance, because average travel distance is twice that of international standards’. The number of kilometres travelled by the MyCiTi is a key component of the operating costs, which are now higher than what can be recouped from ticket sales.

In addition, the PTISG grant has been declining in real terms over the last few years, putting MyCiTi’s grand expansion plan on hold. ‘It doesn’t make financial sense to grow the MyCiTi system now, but BRTs move the most people the most efficiently’, insisted Claire Holderness, a transport...
planner in the TDA. However, again, this raises concern on the ability of the BRT system to cater for all Capetonians. Some of the first routes actioned by MyCiTi went from the city centre to Seapoint and Camps Bay, highly affluent parts of Cape Town.

Like other African cities, privately owned minibus taxis have stepped in to fill the gaps. They are more flexible and responsive to passenger demands, playing a substantial role by moving more than 300 000 passengers each day. The taxi drivers are members of 119 associations under the Western Cape branch of the South African National Taxi Council (SANTACO), an organisation with fair lobbying power that gives the City constant headaches.

Cape Town’s transportation inheritance was one of abundance. However, complex governance structures and poorly implemented global models have prevented an integrated, efficient and affordable public transport system. In order to address this, the City has adopted a transport-oriented development strategy that aims to coordinate policy through the Transport and Urban Development Authority (TDA). There is hope that this initiative will improve coordination and remove the stickiness that governs large-scale investments.

Water Services

Over the last two years, Cape Town made global headlines as it nearly became the first city to run out of water. Brought on by a relentless drought, in mid-2017 Cape Town’s six major dams were at a combined capacity of 23.3 per cent – enough water to last 88 days. It was predicted that ‘Day Zero’ would hit the city in March 2018, with household, school and business taps shut off and residents sent to communal water collection points. Cape Town was in disaster-mode and had to act fast.

The City responded by creating a water resilience task team of academics, members of civil society and government officials. The team actioned an aggressive campaign of demand-side management that restricted residents’ water use to 50 litres per day. This was largely directed at middle- to high-income residents, who consume 65 per cent of Cape Town’s water, and achieved through methods of public advocacy and penalties for overconsumption.

In six months, Cape Town’s water usage dropped to 50 million litres per day, with residents across the city working together to reduce water consumption in both public and private life. The resilience task team drew on the global experiences of urban drought in cities like Melbourne and Los Angeles to create a long-term strategy for water supply that included desalination plants, wastewater treatment works and groundwater extraction projects. However, these changes were not without cost and 54 per cent of survey respondents claimed that the quality of water and sanitation had negatively impacted on the health of their families.

The rains returned to Cape Town in the winter of 2018 and the dams reached 75 per cent capacity, allaying immediate concerns of a Day Zero. ‘The story I often get asked when I am overseas is how did Cape Town reduce its water consumption so drastically?’ said Lance Greyling, the City’s Trade and Investment Director, ‘and the answer is that policymakers, businesses and Capetonians all worked together’. Still, the city errs on the side of
caution, now urging residents to limit their water use to 70 litres a day. As Greyling noted, ‘we are not out of the woods yet.’

Many have questioned how a disaster of this magnitude came to be in the first place. While climate change must be considered, South Africa’s water governance structures played a prominent role, too. The supply of potable water is a municipal responsibility. However, like many other urban services, the planning and implementation of large scale water infrastructure falls to national government, with provincial government providing oversight and support. Disaster relief is a mandate of all three levels, but it is up to the City to raise concern and the national Department of Water and Sanitation to react accordingly.

Public discussion on Cape Town’s possibility of losing water had been swirling since the 1990s, but unusually low levels of rain in the 2015 winter raised this to a level of municipal and provincial concern. In January 2016, these concerns were taken by the Western Cape government to the National Disaster Management Centre (NDMC) in the form of a disaster declaration and application for relief funds. The NDMC turned the application down, refusing to acknowledge the potential for crisis.

As rain was low for 2016, the Western Cape government continued its appeals to the NDMC for dam funding. Studies at the time predicted a one in 1 000-year chance of the 2017 rainfall being low. The predictions were incorrect, and a third year of drought ensued. Then Mayor of Cape Town Patricia de Lille appealed to the national government to declare Cape Town a local disaster area. Rashid Khan, regional director of the national Department of Water Affairs, rejected the request and responded by saying ‘although the water situation is concerning, it is not yet at crisis level as has been widely reported. We still have time for intervention.’ No such intervention was forthcoming and in February 2018, Premiere Zille criticised the national government for not making the necessary funding available. Another year of poor rain would have tested the limits of cooperation between the levels of government.

Cape Town’s drought story is complex, rooted in an unprecedented drought combined with the opaque structures of South Africa’s governance system. As such, it is difficult to pinpoint exactly who is responsible for what and who should be held to account. However, it also revealed the City’s ability to respond to crises, highlighting the resilience and the efficacy of its highly bureaucratic governance structures.

Electricity

Cape Town’s electricity challenges aren’t what you’d expect from a growing urban metropolis. Post-1994, the city has been able to achieve full electrification for formal dwellings and 94 per cent for the total number of households in the city. However, its conundrum lies in the fact that electricity demand from wealthier residents and industry is falling, thus challenging the viability of the system to provide electricity for all.

In South Africa, electricity generation and transmission are controlled by the national electricity utility, Eskom. Independent power producers (IPPs) are permitted to generate 30 per cent, however, Eskom still maintains the monopoly on electricity generation and transmission. Distribution rights, however, are shared between Eskom and municipalities.

The City of Cape Town accounts for 45 per cent of all provincial electricity distribution in the Western Cape and 6 per cent of all national distribution. In 2013, the estimated demand for maximum electricity consumption was just over 1 900MW, three quarters of which is distributed by the City with the remainder supplied directly by Eskom.

Though Cape Town has a near total electrification and doesn’t struggle with supply issues beyond those caused by the national system, the cost of energy as a percentage of income for lower income families is a major issue. Thirty-eight per cent of the city’s residents would be described as energy poor, falling into the group of low-income households that spend up to 25 per cent of their income to meet energy demands. Only 34 per cent
of survey respondents felt that electricity supply is reliable, while 42 per cent felt that electricity supply is sufficient. In order to address this, the City has taken considerable steps to ensure that all households have access to at least some basic forms of energy. These include the provision of individual metering to backyard dwellers so that residents can access the national free basic electricity (FBE) subsidy. FBE uses funds from the national ‘lifeline tariff’ to provide poor households, those already connected to the electricity system and using less than 450 kWh per month. It is an electricity voucher that covers the first 50 kWh, valid for one month only to cover basic lighting and water heating. Once the 50kWh has been exhausted, however, qualifying households must begin paying for their electricity consumption.

Municipalities in South Africa have the constitutional right to generate their own revenue through the provision of services, such as electricity and water. This has become one of the bedrocks of their financing structure, so much so that electricity sales account for 29 per cent of municipal income nationwide. In recent years, electricity usage in Cape Town has been declining due to a decoupling of the relationship between electricity demand and economic growth. Historically, economic growth was spurred by industries such as manufacturing, with 60 per cent of all city consumption from the commercial and industrial sectors. This has changed over the past two decades, with the manufacturing sector shrinking and Cape Town’s economic growth being led by the tertiary sector. The shift from heavy-duty industrial activities to lighting, heating and ventilation of office buildings has led to a decrease in electricity usage. So, despite economic growth of 2.5 per cent between 2012 and 2016, the energy consumption of large power users did not grow.

In addition to a changing economic climate, Cape Town households have shown significant price elasticity with consumption decreases after electricity tariff hikes, and the introduction of prepaid meters. Residents are also moving towards renewable energy solutions as the costs of these rapidly decrease. Studies predict that a 4.5 per cent loss of the City’s total revenue will occur over 10 years as a direct result of residents choosing solar PV interventions, such as solar water heaters.

The move to renewable energy is already changing the structure of Cape Town’s energy sector. Various interventions have been made in recent years to plan for and manage this change. One such option is a move away from residents paying for what they use, but rather paying for their connection to the system itself. As Reshmi Muringathuparambil from Green Cape explained, ‘Municipalities will start to move their business models to more of a wires business instead of a kilowatt-hour sales business. You’ll start to see the business model being better for maintaining the system and the grid, and starting to reduce that sort of reliance in the space.’ In 2018, the City made the first successful sale of its ‘green bond’ worth R1 billion to facilitate investment in cleaner energy solutions.

As a pioneer in the energy sector, Cape Town’s challenge becomes maintaining the balance of service to residents whose energy needs are technologically advanced while still supplying those who require State help for the basics. The City will need to think carefully about a long-term revenue model that can continue to support the rate of urban growth.

Conclusion

Cape Town has been cited as a case of South African exceptionalism, but that fails to consider how much of the city’s challenges are those of any growing African urban space. Like many cities on the continent, Cape Town was confronted with a less than desirable inheritance. Where other cities face the challenge of the spontaneous development of inequality over time, in the post-apartheid era, Cape Town has had to work hard to undo the effects of legislated racism and inequality.

The city has achieved varying levels of success in these endeavours. Using the governance levers
available, it has been able to create a dynamic and thriving economy growing well above the national rates. While it is not perfect, the DA has taken a fragile city coalition to one of the best administrations in South Africa. Whether this excellence will continue following battle over former mayor, Patricia de Lille remains to be seen. Central organisations like Wesgro have illustrated how municipal, provincial and private sector actors can form successful partnerships, pushing Cape Town’s economy from ‘Slaapstad’ to a services-hub.

However, in areas such as housing, rooted in the forced removal and violent separation of Black communities, Cape Town has thus far been unable to undo the spatial legacy of apartheid. This has created conditions for an insecure, unsafe and gang-ridden life for Black people in the Cape Flats. Here, it is clear that there are some things a city cannot do alone.

Cape Town does not have the requisite density to sustain a viable mass transit system like the BRTs. Transport, notably the dilapidation and insecurity of the rail, show us what can happen when good inheritance is not acted upon to ensure long-term sustainability. Here, again, the City cannot solve rail on its own. Better ways of collaboration with the national government are needed.

In order for Cape Town to address its major challenges, national, regional, and municipal levels must work together to adopt a long-term view for change. The private sector can play a role, too, as in the example of the CCID. Smarter, multi-stakeholder thinking is needed to break the cycle of poor housing and growing gangsterism.

Through its successive transitions, Cape Town has demonstrated that where you begin does not determine where you end up. The City has redefined itself from its colonial and apartheid origins, though not without challenges. As it grows, it will need to grapple with the issues of politics, funding and legacy. Cape Town has overcome its legislated inequality, but it will now, like other African cities, need to confront how economic inequality shapes access to the city.
Endnotes


5. See http://www.uncubemagazine.com/blog/11762959. 


9. Cape Town’s Gini Coefficient is 0.61. It measures income inequality on a level of 0 to 1, with 0 being the most equal and 1 being the most unequal. See https://www.iol.co.za/capeargus/news/inequality-levels-in-cape-town-the-highest-in-10-years-17288968.

10. Hereafter, City (capital C) refers to the City of Cape Town government, while city refers to Cape Town itself.

11. This is based on a meeting with the Premier in April 2018, and subsequent email correspondence. See also https://www.dailymaverick.co.za/opinionista/2018-11-11-from-the-inside-few-things-are-more-complicated-than-an-acrimonious-political-divorce/.

12. Jan van Riebeeck was the head of the first official Dutch settlement in South Africa.


14. For the purpose of this Paper, the term black will be used to refer to citizens of black African descent. Whereas the term Black, capitalised, will be used to refer to citizens of black African, Coloured and Indian descent as characterised by South African law.


17. This includes the Intergovernmental Fiscal Relations Act (1997); Municipal Structures Act (1998); Municipal Systems Act (2000); Intergovernmental Relations Framework Act (2005).


20. The number of departments varies between provinces. However, they generally consist of a combination of twelve of the following departments; Finance, Economic Development, Tourism, Housing, Education, Health, Social Development, Transport, Public Works, Planning and Environment, Sport, Recreation, Art & Culture, Agriculture, Local Government, Safety and Security or Community Safety.


22. Ibid.


26. A territory designated by the separatist policies of the apartheid government for certain racial groups.

27. This fell under the Municipal Structures Act of 1998.


31. Sleep City.


39. See https://www.crimestatssa.com/provinceselect.php?sortorder=&Show Province=Western+Cape&go=1&Precincts %5B %5D=1062&Precincts %5B%5D=1067&Precincts%5B%5D=1082&Precincts %5B%5D=1074&Precincts %5B%5D=1072&Crimes%5B%5D=Murder&Years %5B%5D=2017&Years %5B%5D=2018&Submit=Submit.

40. Approximately 107,379 crimes were drug-related.

41. See https://www.dailymaverick.co.za/article/2018-10-04-if-it-takes-me-until-i-die-i-will-seek-justice-for-my-son-anguished-cape-flats-mothers/.


43. See http://beyondourborders.net/the-khayelitsha-project/.


45. Meaning ‘Our Nyanga.’


51. The criteria includes: A South African citizen; over 21 years old; married or living with a partner, single or with dependents; earning less than R3 500 per household; first-time home owner.


60. Fifty-three per cent of workers in Cape Town use private vehicles.

61. TDA City of Cape Town, Cape Town’s Transport Picture 2016.

62. Low to low-middle income households make up 95 per cent of public transport users, approximately 2 528 000 daily passengers.

63. City of Cape Town, 2016. City of Cape Town Transport Development Index.

64. TDA City of Cape Town, Cape Town’s Transport Picture 2016.


70. See https://www.citypopulation.de/php/brazil-regiaosud-admin.php?adm2id=4106902.

71. TDA City of Cape Town, Cape Town’s Transport Picture 2016.


73. In 2017, Cape Town had the worst rainfall in 84 years, the worst in recorded history.


75. Picture source: Planet Labs Inc.

76. See https://africheck.org/reports/do-formal-residents-use-65-of-cape-towns-water-with-half-going-to-gardens-pools/.


83. Ibid.


88. Historically, a lack of timely investment in infrastructure by Eskom has led to cyclical energy shortages, as seen in 2007 and 2014.


92. Ibid.

93. Ibid.
