

## Review

Bill Freund and Vishnu Padayachee (eds)  
(2002) *(D)urban Vortex: South African city  
in transition*. Pietermaritzburg: University of  
Natal Press.

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This book is the edited product of a much larger body of papers presented at the City of Durban Project Conference, held in July 1998 at the University of Natal, Durban, under the auspices of the Economic History department. The project brought together many, if not most, of the leading social science researchers working on Durban, for a conference that was most impressive for the depth and breadth of discussion on the challenges confronting a city undergoing multiple transitions.

As is often the case with the publishing of conference proceedings, there has been some delay between the presentation of papers and their publication in edited book form. Nevertheless, the volume is a timely addition to the growing body of work devoted to Durban. It makes the research accessible to a general readership and stands as a benchmark for work being done at a particular moment in Durban's history. It also builds on a long tradition of urban studies emerging from the University of Natal, the last general volume on Durban being the Maylam and Edwards collection, published in 1996.<sup>1</sup>

The book has 11 chapters and an introduction by the editors. The chapters are grouped into four main themes, each of which is prefaced with some useful introductory comment aimed at unifying the individual contributions. These are generally of a high standard and provide a range of materials which, when taken together, make for a significant body of intellectual work. In their introduction the editors outline the parameters of their project: a political economy of a changing Durban, whose focus is on

problems of economic and social development, rather than on urban culture or urban living in general. As the editors note, the emerging urban literature tends to fall into two broad categories of analysis – one that deals with problems faced by cities in the 'developed world' and another that focuses on the challenges for cities on the periphery. Since Durban, along with other South African cities, displays characteristics from both worlds it presents itself as a fascinating laboratory for the analysis of social change. This work aims to look at Durban in the context of some global trends affecting cities in general, namely the declining importance of secondary industries for city economies, and the changing relationship of cities to national states. At the same time the editors note that Durban's own growth path has given rise to a very specific set of social forces that will, in large part, determine its future possibilities for economic and social development, and these are to be fully explored.

Part One of the book deals with the local state. In an important first chapter entitled 'City Hall and the Direction of Development', Bill Freund provides an overview of the changing role of the local state in economic planning and development. The first section tells the story of how the city council intervened in the local economy from its inception in the mid 19<sup>th</sup> century until the modern period of municipal government, highlighting what came to be its characteristic features. City growth in the colonial period depended heavily on the development of the port as a point of connection between the world economy and the mines of the Witwatersrand. But the port's management lay with the national South African Railways and Harbours administration, and was not within the purview of the city council – a problematic disarticulation of control, from the local point of view, that has been an enduring feature of Durban's development and is more fully treated by Trevor Jones in a later chapter.

However, the dominant merchant interests managing the colonial city also made strategic investments in land, which enabled them to provide attractive conditions for the development of industry in the 20<sup>th</sup> century. The city council became a major property owner and speculator in its own right, and strategic investments and tactical budgetary decisions laid the foundations for a financial system that gave Durban substantial capital reserves and made it the most solvent municipality in the country at the time of the transition from apartheid. The other side of the financial coin, so to speak, was the notorious 'Durban system' of Native Administration, emulated elsewhere in South Africa, based on a separate Native Revenue

Account and fuelled by revenues from the municipal monopoly on the brewing and sale of beer to Durban's growing African working class.

Bill Freund provides an analysis of a city administration that over the years developed considerable financial and administrative expertise, and developed a system of 'racial Fordism' which, by the 1960s, had ensured Durban's place as the second most important manufacturing centre in the country. His interviews with a wide range of key administrators and officials, some of them very long-serving, give richness and texture to his description. Of note too, is his analysis, in the second part of his chapter, of the impact on city management of 'the liberal hour' – the decade from the late 1970s when councillors aligned with the Progressive (later Progressive Federal) Party came to exercise a dominant influence at a time of considerable political and economic change. Racial segregation was increasingly challenged, the business community more directly engaged on social issues, key urban developments initiated, and a start made to the business of reorganising the city administration into more business-oriented units designed to operate on a cost-recovery basis. The 'liberal moment' in Durban's administration proved quite fragile and gave way to new players in the 1990s – National Party councillors negotiating with the Inkatha Freedom Party and an unbanned ANC at a local level, and a business community now mobilised to secure its interests in an increasingly fluid political situation.

The final section of the paper, 'the democratised city in an era of globalisation', describes the most recent phase of spatial, political and economic restructuring in Durban. Freund ends with several cautions regarding the future. Perhaps the greatest challenges are posed by shifts in the whole economic order, in which the city must function just as its management has come under the political control of groups that carry a mandate to represent the interests of poor and marginalised citizens and to deliver to them services previously denied by the old order. At the same time the local state is being downsized, the centre of gravity of new economic activities is moving northwards, and the future viability of the city centre remains an open issue. The 'growth coalitions' favoured by the new alignment of dominant interests may well end up reinforcing the power of interests that are already privileged and may not lead to the widely distributed development, both spatially and socially, that Durban needs.

The second chapter, by Peter Hall and Glen Robbins,<sup>2</sup> examines economic development strategies adopted by Durban's local government since 1994.

The authors stress that the new, post-apartheid place of economic development in local government thinking is not merely the consequence of traditional activities, such as regulation, service provision, infrastructure maintenance and planning, but in fact the guiding rationale for existing and new responsibilities. Their aim in this chapter is to make a contribution to the literature on the local state and economic development in South Africa, which explores the specificities, and importance, of local responses to national policies. They describe how economic development strategies emerged in the Durban Metropolitan Council and discuss their context – the unification of weak and highly fragmented local government systems, the creation of a single tax base and its spatial extension into peri-urban areas. There is an interesting theoretical discussion on different approaches to understanding the complex interplay of interests that come together in policy making, where sectional interests, the macro-economic context and complex political and institutional pressures all come into the equation. What the authors provide is a nuanced picture of how the formulation and implementation of development strategy in Durban is conditioned by numerous factors, not least of which are those relating to the interests of the most powerful local government agencies and sectors of the local business constituency, including emerging black business interests.

There are three chapters in the second section which is devoted to Durban's economy. Trevor Jones writes on the Port of Durban, Mike Morris, Justin Barnes and Nikki Dunne look at Industrial Restructuring, and Vishnu Padayachee analyses the financing of Durban's development between 1970 and 1999. Jones's detailed and lucid chapter argues that the port is currently at something of a crossroads. Having become established as the major general cargo port in Africa, the container hub of the western Indian Ocean, and the dominant port in the southern hemisphere it now faces challenges at both national and global levels. The diversification of the port at Richards Bay, the completion of the Maputo corridor, the development of Coega in the Eastern Cape, environmental issues in Durban's southern industrial basin and management problems at the port have all combined to complicate decisions about future options. Perhaps even more crucial is the state of flux in the international sea transport industry, where a globalised container industry can make cargo routing decisions that directly affect the fortunes of ports across the world.

Jones provides an overview of the historical development of the port, and a careful and detailed analysis of the impact of the port's activities on

the local economy. He shows how the port is absolutely central to Durban's existence, as a major source of employment, expenditure and investment, and how key planning and operating decisions are taken outside of Durban, causing tensions between local authorities, commerce and industry and national government departments and the centralised Transnet management.<sup>3</sup> He concludes that any diversion of traffic from Durban, especially container traffic, would have a devastating effect on the local economy, and that the present and future comparative advantage of the port lies in the realm of containerised cargoes, conventional general cargo and liquid-bulk petrochemicals. Exploiting these advantages within the complex and changing economic and policy environment is the real challenge for the future, necessitating that difficult decisions will have to be made about investment and capacity building.

The Morris, Barnes and Dunne chapter addresses the question of how well Durban's industrial economy is responding to a rapidly changing domestic and international environment. Historically, Durban has been more dependent on manufacturing industry than other major South African cities. Hence the post-apartheid government policy shift from Import Substitution Industrialisation to trade liberalisation and export promotion has presented particular challenges as well as some opportunities. The authors assess the strengths and weaknesses of the inherited industrial structure in the light of global manufacturing trends. They argue that the competitive potential of Durban's industry is weakest in those sectors (such as clothing, textiles, automotive and food) developed under a regime of tariff protection. However, the paper, printing and publishing, and chemicals sectors are expected to benefit from liberalisation, while some of the city's leading manufacturing sectors (including food, chemicals and paper) are already considered internationally competitive. Job losses are a major preoccupation but with skilled labour and management as a critical component in the new industrial economy, Durban does have a comparative advantage because of the presence of its large Indian population.

The authors contrast the responses to changing conditions of competition in the clothing sector with those in the automotive industry. They argue that the weakness in the clothing sector has been caused by a failure to reorganise production. Firms have responded to increased competition from imports by attempting to reduce costs rather than improving other areas of competitiveness. Some companies have migrated to the upper end of the market to avoid the competition from cheap imports. The question

of illegal imports touches directly on the capacity of the state to police the port, while improvements in the management and organisation of production in the industry could allow for exports as a strategy, given the proximity of the port to the main areas of production. The automotive industry in Durban has in recent years become uncompetitive internationally and has been losing domestic sales to foreign imports. It has responded aggressively to this situation and there are signs of improved competitiveness brought about by the creation of competitive benchmarking structures, in turn a response to supply-side government sector partnership initiatives, and to the gradual adoption of advanced information technology infrastructures and export strategies.

Vishnu Padayachee's chapter is an innovative description of some aspects of Durban's financial scene over the past 30 years, and of the kinds of industrial, commercial and infrastructural development made possible by investors in the city. His main argument is that access to finance depended largely on whether – and how – potential borrowers were linked into the larger structures of the South African corporate world dominated by the mining, industrial and finance networks. Those that were directly connected, such as the Tongaat-Hulett group and other large corporations, did not experience problems raising finance. Those outside the charmed circle – the small and medium-sized companies – experienced the greatest difficulties in raising loans, especially when interest rates went up and growth slowed or declined from the mid-1980s. His analysis first examines Durban as a financial centre, and then looks at the main new sources of finance available to borrowing institutions in the city. There is also description of the activities of the major financial institutions that have been based in Durban since 1970, as well as a consideration of the role of the city council in financing development.

A number of important points emerge from Padayachee's detailed chapter: Durban's 'branch economy' status – most national companies are headquartered in other cities; the critical developmental and spatial effects of strategic investment decisions taken by dominant local companies such as the Tongaat-Hulett group; the graduation of some Indian businesses out of their 'corner shop' culture into the world of the stock markets and large-scale bank borrowing the success of the city of Durban in raising finance for infrastructural development through its Capital Development Fund. Padayachee concludes by suggesting that Durban will remain a secondary branch economy and financial centre. Opportunities were lost for financial

reforms during the 1990s that might have opened the door for a more active involvement of financial institutions in a more rapid transformation of the industrial, commercial and financial life of the country. Durban could well have benefited more than other cities from reforms because of its distinctive location, human resources and other advantages.

Part Three of the book, 'Society and Governance', has three chapters which focus broadly on social issues. Brij Maharaj looks at 'Segregation, Desegregation and De-Racialisation'. His focus is on the spatial ordering of social relations in Durban – its racial politics – and speaks to the themes that are probably the most rehearsed in all the literature on South African cities. In Durban the presence of a dynamic and innovative Indian population constituted a threat to elements of the white population and led to local government policies that culminated in the 1950 Group Areas Act, which was then implemented over a period of 20 years, with its accompanying dispossession and relocation of settled communities. By the 1980s the system was under severe stress. There were massive housing backlogs in the African areas, burgeoning informal settlements, rising unemployment and poverty, a lack of basic services and a build-up of resistance to urban apartheid in the form of active social movements. An oversupply of rented accommodation in the 'white' areas meant that an illegal 'greying' process took place as landlords bypassed the Group Areas Act. High levels of violence between the ANC and the IFP as they contested power in the urban and peri-urban areas further depressed economic growth. Civic organisations played an important role in local-level negotiations for the democratisation of local government, which is now complete. But the city faces a legacy of deeply entrenched inequality that will probably take generations to address.

David Hemson's chapter, 'Breaking the Impasse. Beginning the Change', deals with labour markets in Durban. He shows how the city was the locus of labour market decisions until the mid-1940s, describing the rise of a series of 'despotic' controls which were later taken over by the central government, and pinpointing the Durban strikes of the 1970s as a crucial factor in the eventual break-up of the system. Characterising the post-apartheid period as marked by advances in some areas, ambiguity and retreat in others, he looks specifically at the National Dock Labour Scheme and the locally-based Job Opportunity Bureau initiatives as examples of interventions in the labour market at different levels. He concludes by noting that the great advance made with the destruction of apartheid has carried with it a cruel contradiction, which is that the collapse of oppressive

labour controls was accompanied by a period of economic stagnation that undermined hopes of a more equitable labour market. In the current economic conditions, he argues, globalisation has undermined workers' conditions while its potential for greater human solidarity has yet to be explored.

In their chapter, David Wiley, Christine Root and Sven Peek focus on environmental struggles in the south Durban basin, an area in which the dynamic petro-chemicals industry is located alongside communities that have long suffered the effects of both the Group Areas Act and industrial pollution. As the authors note (2001:223):

South Durban's cauldron of pollution was created by an intertwining of the economic interests of industry, the security interests of the apartheid state, and the racial segregation interests of a major portion of the Durban white electorate. Interest in the health and well-being of South Durban's largely black communities was sacrificed.

The chapter provides fascinating documentation of how democratisation in the 1990s created the space for local communities to begin organising in order to shape policy decisions affecting their living environment, and details the strategies adopted towards both the corporate and government interests involved in the area. Their conclusion is that corporate interests remain dominant in the area, as they work in concert with national and local government strategy, but that space remains for community-based organisations to demand greater participation in policy formulation in order to rebalance the power dynamics.

The final section of the book, 'Basic Needs', turns more to a perspective 'from below' and contains contributions that address in one way or another questions about how the mass of Durbanites manage to make their way and survive in an urban environment, which despite the ending of apartheid is, in many ways, as hostile as before to their interests, as new mechanisms of exclusion, founded increasingly on economic forces, come into play. Wendy Annecke's chapter, 'The Apartheid of Basic Facility Provision in the City of Durban with a Focus on Energy', looks at women living in an informal settlement that developed as refugees fled the political violence of the 1990s. Through the careful documentation of household survival strategies she provides a rich account of how poor women go about meeting their energy needs in a specific locale in Durban. She notes that Durban has been at the forefront of innovation in the delivery of free basic minimum water (and now electricity) to consumers, and concludes that the increased



importance of skills and information technology in the global economy there would seem to be a need for more research on how firms and the state are dealing with this challenge at the local level. The tension in the book between approaches to Durban focusing on policy and development from above, and those that took as a point of departure the struggles for survival and politics from below, is clearly noted in the editors' comments. In Durban, as in other cities in South Africa more generally, the informal sector exists in the interstices of the capitalist economy set up by the dominant social forces in the 20<sup>th</sup> century.

In this respect South Africa is different from other African economies where the informal sector is in fact more important in the economy of cities than the formal. Another project which involved some of the same researchers from Durban and focused on Abidjan and Marseilles – the Three Cities project – saw more work being done on Durban's informal sector, some of which could usefully be read as a complement to the politics from below contribution of the book under review.<sup>4</sup> A general conclusion, which sought to unify the various sections of the volume, would have gone a long way, in the view of this reviewer, to strengthening the cohesion of the final product.

### Notes

1. Maylam, P and I Edwards (eds) 1996. *The People's City: African life in twentieth-century Durban*. Pietermaritzburg and Portsmouth: University of Natal Press and Heinemann.
2. Both authors have worked within Durban's Economic Development Department, and most recently Robbins has been made Acting Director.
3. Recent news reports would seem to indicate that this has been recognised and is being addressed finally. Terry Hutson 'Port plans must not be delayed' Highroad, *The Mercury*, February 26, 2003.
4. Bouillon, A, B Freund, D Hindson and B Lootvoet (2002) *Governance, Urban Dynamics and Economic Development: a comparative analysis of the metropolitan areas of Durban*. Durban: Plumblin Publishing.