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## Review Article

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### The Icons of Urban and Regional Crisis in South Africa

Fassil Demissie\*

Richard Tomlinson and Mark Addleson (eds) *Regional Restructuring under Apartheid: Urban and Regional Policies in Contemporary South Africa*, Ravan Press, Johannesburg, 1987, pp. 317.

The system of apartheid represents a particular form of state intervention to secure and maintain racial domination and capital accumulation in South Africa. But the relation between racial domination and capitalism has not been always a simple one. Ever since apartheid was institutionalized in 1948 by the Purified National Party to regulate all social life, various elements of its structure have been modified to accommodate the requirement of capital accumulation and racial domination at different historical conjectures. A major theme running throughout South African history has been the ever increasing need to maintain a high level of capital accumulation and a simultaneous imposition of rigid social control institutions to maximize the exploitation of African labor.

Since the SOWETO uprising in 1976 and the general restructuring of the global economy between labor and capital, the South African state has undertaken a number of initiatives to diffuse the popular struggle as well as to redefine a new spatial boundary for capital accumulation and racial domination by restructuring the geographical bases of apartheid. The book under review takes up as its starting point, the urban and regional restructuring of the political economy of South Africa and the specific role of the state in the process. The book is divided into four parts each dealing with a specific problematic of the restructuring process. Part one sets the general context of the state's regional strategy and includes three articles on South Africa regional political economy, on the state's industrial dispersal policies and on

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\* Urban Studies Program, DePaul University, 2323 North Seminar Avenue - Chicago, Illinois 606/4-3298..

the relationship between the state's regional policy and capital. Part two takes up decentralization policies especially those that have to do with urbanization and urban social movements. This section includes four articles on influx control, the urban foundation, local governments as well as the East London bus boycott of 1983. Part three focuses upon industrial decentralization policy and provides a current appraisal of the policy. Four articles are devoted to assessing the industrial decentralization program. The articles included in this section center on industrial decentralization as a regional development tool, industrialization under apartheid, and the responses of the manufacturing sector to incentives for decentralization. Part four is devoted to a number of "case studies" which highlight and evaluate specific facets of the state's urban and regional policies. Four articles are devoted to this subject. They include discussion on the emergence of a regional labor market, the industrialization of Dimbaza, and the export processing and free enterprise zone in Ciskei as well as location behavior of foreign manufacturing firms in South Africa.

A major theme that runs throughout the selections is the central role of the state in the restructuring process. Although different emphasis is given, the collection contextualises the restructuring process within the wider ambit of state policy.

The restructuring of the urban and regional structures of South Africa emerged from two conjunctural crises. First, the accumulation strategy which brought sustained economic growth and generous rate of profit during the 1950's and 1960's came to a halt by the mid 1970's as galloping inflation and balance of payment difficulties began to squeeze the economy. This regime of accumulation strategy depended upon a high level of state intervention and regulation through extensive import substitution, state protected industries and a highly controlled and racially segmented labor market. By the 1970's, the predominance of inexpensive and unskilled African labor went hand-in-hand with a depressed consumer market for manufacturing goods and periodic production bottlenecks caused by skilled labor shortages. The rising pressure on wages and social expenditure as well as cost of maintaining apartheid has caused severe dislocation. The economic, political and ideological conditions that had sustained the regime of accumulation during the apartheid era's "long boom" began to show advanced signs of decay. The second impetus for the restructuring process was accelerated by the popular struggle of the African people. The Soweto uprising in 1976 rocked South Africa and the white minority regime off balance for almost a decade. The dominant classes were thus confronted with a crisis of grave proportion. The combination of heightened popular struggle, the worsening economic recession as well as the growing regional instability following the collapse

of Portuguese colonialism marked the fusion of structural and conjunctural dimensions culminating in what Saul and Gebl termed "organic crisis"<sup>1</sup>.

In response to the "organic crisis", reformist elements of the National Party succeeded in 1978 in putting P.W. Botha at the helm of the state and party under the slogan "adopt-or-die". This slogan was later incorporated into an all-encompassing rubric of the Total Strategy Doctrine. A major element of this doctrine was to chart out a strategic offense aimed at diffusing political conflict by offering significant concessions to channel African political and economic aspirations in a manageable way and simultaneously accelerating the restructuring of the economy in South Africa. The package of reforms which were initiated since 1979 includes the Wiehan and Riekert Commissions reports, the Koornhof Bills, the Constitution and the confederal ethnic states. These and other reforms introduced since are based on economic liberalization, the abrogation of certain racially discriminatory practices, and the introduction of experimental forms of political representation designated to further entrench racial domination. As Greenberg (1964) suggested, the aim of the reform process has been to construct a more "incorporative ideology", that is, "to universalize the scope of hegemony by negating the racial character of the state, and by reducing the direct and visible role of the state in the economy"<sup>2</sup>. The so-called reforms of the National Party appear to be significant departure from Verwoerdian apartheid but as Wolpe has warned, "while it is important to expose the shallowness of the so-called reforms, these policies have opened new spaces of contestation". What need to be investigated, he added, is the extent to which these "reforms" have transformed the political terrain, set up new bases of conflict and contradictions and paved the way for a possible new alignment<sup>3</sup>.

The political terrain of South Africa and indeed that of Southern Africa has been transformed by the geographic restructuring of capital and labor. The first article by Cobbett & al. focus on the broader issue of regional political economy and provides a critical analysis of the reform strategy of the South African state in the 1980's. Three major component of the strategy are outlined in greater detail: new controls on labor movements and settlement, regional development policies (especially industrial decentralization), local and second tier government reforms and the corresponding constitutional

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- 1 For an interesting exposition of the concept as it relates to South Africa see Saul, J. and Gelb, S. (1981) *The Crisis of South Africa: Class Defence and Class Revolution*, New York, Monthly Review.
  - 2 Greenburg, S. B. (1984) "Ideological Struggle with the South African State" Paper presented at the Conference on Economic Development and Racial Domination. University of Western Cape.
  - 3 Wolpe, H. "Strategic Issues in the Struggle for National Liberation in South Africa" memo, 1983, p.2.

changes. As Cobbett & al. note, the Reikert Commission which was created to develop an urbanization strategy following the township crisis, recognized the permanent settlement of the urban African working class and sought to secure their economic welfare by tightening the pass laws to protect them against competition for urban jobs from the relatively impoverished and less skilled work-force. Such a strategy Cobbett & al. and Hindson argue exacerbated the difference between those referred as "insiders" with residence rights under Section 10 of the Urban Area Act and Africans from the Bantustans with temporary employment contracts in white South African cities. The Commission also sought the creation of centralized labor bureaux near Bantustan borders to regulate and control the movement and settlement of African workers subject to availability of housing and employment in urban centers.

The Riekert Commission envisaged a process whereby the central state control of the townships by the Bantu Affairs Administration Boards would gradually give way to decentralized structures under the control of black local authorities. To achieve this, the Commission called for the rigid enforcement of the pass laws for Africans without Section 10 (a), (b) and (c) exemption in the cities.

The traditional labor control mechanisms broke down due to the rapid incorporation of the Bantustan into metropolitan centers resulting in a massive increase in the size of cross-border commuter labor force and the relative decline in long distance labor migration. The rise of this class of commuter workers or regional proletariat as Cobbett & al. prefer to call them in and around major industrial centers close to the Bantustans suggest a major locational restructuring of capital and labor.

Part of the problems with the Riekert strategy which Hudson correctly points out was the attempt to solve the crisis of townships in white South Africa without seriously addressing the question of growth of urban populations within the Bantustans and their dependence on employment within the metropolitan centers (Pretoria-Witwatersrand-Vereening - PWV, Port Elizabeth-Uitenhage and Capetown).

The unveiling in 1981 of nine development regions by Prime Minister Botha underlines the restructuring process and serves to underscore the state's attempt to respond to the new geographical patterns of capital and labor location which has been developing since the late 1960's.

As Cobbett & al. and later Glaser demonstrated, the geographical patterns of capital and labor location materialized from the state's industrial decentralization strategy which sought to stop and if possible, reverse the migration of African to "white" urban centers as well as promoting the growth of towns behind Bantustan boundaries.

A range of incentives was offered for industrialists to invest in growth points located in the Bantustans. Such incentives encouraged a limited geo-

graphical dispersion of capital from metropolitan centers to outlining peripheral areas within the Bantustans. Despite the marginal contribution of industrialization in the Bantustans, the scheme played, in Southall's words, a decisive role in the creation of a "set of political structures allowing for wider incorporation of an emerging African petty-bourgeoisie into the various homeland governments"<sup>4</sup>.

The generous state subsidies in transportation rates, access to power and water resources as well as allowances to offset the cost of African housing was not sufficient enough to attract capital to growth centers within the Bantustans. With the establishment of the Permanent Committee for Location of Industry and the Development of Border Areas, the state extended additional tax concessions, low interest loans for factory relocation to growth points situated close to metropolitan complexes and large towns that simultaneously qualifies as border industrial areas. The concession proved to be inadequate and were increased in 1964, in 1968 and again 1972. Although great hope was placed on border industrialization, it failed to produce significant results. As Glaser noted, the "87,000 jobs created in the border areas with lesser or greater assistance from the first decade of the border industry program fell glaringly short of the 50,000 a year envisaged by the Tomlinson Commission" (p. 36). It is important to stress that the jobs created within the Bantustans as a result of industrial decentralization are characterized by very low wages, poor health and safety conditions and without the protection of trade unions.

The inability of border industrialization to absorb African work-seekers in significant numbers necessitated the state to change its strategy and by 1967 it had revised two policy approaches which governed the initial phase of the industrial dispersion program. The Physical Planning Act of 1971 placed tighter control on African work-seekers entry to the metropolitan areas and discouraged businesses that already employed large numbers of African workers from expanding their operation in the PWV region and the Port Elizabeth/Uitenhage region. Part of the logic for this emphasis is to be found in the political project of the apartheid state. As Glaser has argued, if the Bantustans were to play a strategic role in the political project of the state, they would have to be economically revitalized and the legitimacy of their elite would have to be enhanced. By the end of the 1970's the Bantustans have failed to develop as autonomous economic and political entities.

The attempts to revitalize Bantustan industrial development was not confined only to South African, American or European capital. Increasingly,

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4 Southall, Roger (1983) *South Africa's Transki: The Political Economy of an "Independent" Bantustans*, New York, Monthly Review Press, p.40.

Taiwan and Israel based companies investors have established their plants in growth point in the Bantustans to take advantage of the vast pool of cheap labor. For example Rogerson points out of the 60 new factories planned by foreign enterprises 35% were from Taiwan with an average capital investment of R. 1,185,000 and are engaged in textile manufacturing<sup>5</sup>. Much of this investment took place in Ciskei. As it turned out, the generous tax policy offered by Ciskei has been accompanied by a significant decline in multinational investment.

The current regional planning strategy was officially announced in 1981 at the Good Hope Conference. A major component was the division of the South African surface land into eight (later nine) regions which cut across both the so called "self-governing" and "independent" Bantustans whose borders are considered "soft" for the purposes of economic planning. The eight development regions were established and their "actual development needs, development potentials, functional relations and physical characteristics"<sup>6</sup> were determined on the basis of three criteria - the need for employment creation as measured by employment figures and the estimated number of people entering the labor market in the next decade; average income and its distribution in each region; and the future labor market potential of each region. Four types of industrial development were established; metropolitan areas, deconcentration points, industrial development points and other industrial points. Each was to be treated under a different incentive programme, and incentives were to apply only to secondary industries: manufacturing, processing and assembly. These development regions as Cobble & al. argued "correspond to the geographical patterns of capital location and labor settlement".

The new regional planning emphasized industrial development in a number of small deconcentration points on the outskirts of metropolitan centers with private capital whether these centers fall within or outside the Bantustans borders. This strategy is a reverse of the previous regional planning and underscores the importance attached by the state to deconcentration points adjacent to metropolitan centers. The new regional planning program also recognizes the importance of metropolitan areas not only for the purposes of planning but also in the state's political project in making metropolitan and development regions as the most appropriate geographic foundation for the evolving confederal system. This project rests on the one hand by coopting urban Africans who qualify for residency in urban areas under Section 10 into local government structures, and on the other by insisting that Africans

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5 Rogerson, op.cit., p.303.

6 Supplement on Regional Development Strategy, *South Africa Digest* February 4, 1982.

(unlike Coloreds and Indians) exercise their political rights in the Bantustans.

The functional role of decentralization and regional development was clearly stated by Chris Heunis, Minister of Constitutional Affairs, when he said: "a more balanced development action in a regional context is necessary in order to carry out a policy separate development to its logical conclusions"<sup>7</sup>. The "logical conclusion" he was referring was formulated in 1978 by Dr. Mulder who stated that:

*"If our policy is taken to its logical conclusion as far as black people are concerned, there will be not one black man with South African citizenship... Every black man in South Africa will eventually be accommodated in some independent new state in this honorable way and there will no longer be a moral obligation in the parliament to accommodate these people politically"*<sup>8</sup>.

Since the early 1980's, the state has put into legislative action the Passage of Local Governments Affairs in 1983, the Local Government Bodies of Franchise Act in 1984 and the Regional Service Council Act of 1985 to restructure the country's system of local government resulting in the establishment of third and second tier form of local government. The third tier is composed of local authorities which deal with "own affairs" for each racial group, and the Regional Service Council (RSC) which cater for "general affairs" on a metropolitan region in 1985, the state announced that provincial councils would be replaced by a strong executive and administrative committee appointed by the state president to deal primarily with "general affairs". Although the scope and powers of these committees is in the process of being outlined, it has been suggested that they will be based on the nine development regions. Beyond the first and second tiers, the state has also realized that the Verwordian form of total racial segregation was unrealistic. Instead, the National Party envisages the creation of a federal form of government linking the development regions and the "independent" Bantustans. A new multilateral structure consisting of Council of Ministers, a secretariat, various technical bodies and the Regional Liaison Council, to coordinate the planning priorities of South Africa and its "independent" Bantustans states.

This political project rested on African local government, the tricameral parliament and ethnic confederation. As Todes & al. have argued, the new local governments have come under considerable attack from the disenfranchised African population. The legitimacy of the Black Local Authorities as

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7 Quoted in Davis, R. "Capital Restructuring and the Modification of the Racial Division of Labor", *Journal of Southern African Studies*, 5 (2) 1979, p. 184.

8 *Benson Report*, 1980, p. 432.

an appendage of the apartheid state was shattered as the popular upsurge reached its peak in 1985.

Unlike Verwoerdian apartheid, the state has adopted reformist policies in initiating housing and township upgrading schemes and overseeing the location of industrial sites in the Bantustans. Free enterprise became the National Party's new found creed as it sought the virtues of a robust capitalism to provide the Bantustans and Border Areas with sustained economic growth. The National Party's emphasis on free enterprise and its desire to work in close collaboration with private capital brought many businessmen and industrialists to participate in the National Party's political and economic project. A clear example of this relationship is the increasingly important role being played by the urban Foundation which was formed with the purpose of "improving the quality of life in urban communities in the Republic". The Foundation initiatives and the individuals who control it (Oppenheimer, Rupert, Barlow, Mennell & al.) represent South Africa's monopoly interest. As the spokes-person suggested, the Foundation "Should be perceived as what it is - an extension of commerce and industry, expressing the considered opinion of the nation's leading businessmen and industrialists"<sup>9</sup>.

The role of the urban Foundation in securing and improving the condition of labor reproduction has not been a subject of systematic study. However, Bernstein from the urban Foundation suggested that "incremental changes through sustained pressure to push the government to move decisively for fundamental reform" (p. 108) would result in significant political and social change. The areas in which the Urban Foundation works particularly in housing, health and education, are central to the reproduction of labor. This intervention in the sphere of reproduction despite the philanthropic guises of the Foundation intended to shift the cost of the reproduction of labor (housing, education and health) onto the African working class.

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9 *The Sowetan*, May 22, 1981.