Governing Post Apartheid Spatiality: Implementing City Improvement Districts in Cape Town

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ABSTRACT

To achieve a world-class city capable of attracting business in a competitive global market, the municipal government of Cape Town, South Africa, like many cities of the global North, has adopted a model of urban revitalization popularized by New York City: Business or City Improvement Districts (BIDs or CIDs). By examining CIDs in center city Cape Town, the paper casts light on the socio-spatial relationship facilitating the neoliberal post-apartheid regime and its governance. Analyzing discursive and spatial practices of Cape Town Partnership, the managing body of downtown CIDs, from 2000 to 2006, the paper reveals its difficulties in stabilizing the socio-spatial relations of a transnationalizing urban revitalization strategy and rejects the view of CIDS as simply a global roll-out of neoliberal urban policies. It highlights how CIDs are challenged from both within and without their managing structures by contentious local issues, and in particular by vast social inequalities and citizens’ historical struggle for inclusive citizenship and the right to the city. Whether and how CIDs’ inherent limitations can be overcome to address socio-spatial inequalities is an open question.

Key words: urban revitalization; improvement districts; neoliberal governance; post apartheid city; Cape Town, South Africa.

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“[T]hrough a combination of brute force, dispossession and expropriation, and the imposition of negative laws and sanction…. [t]he right of blacks to live in the city were constantly under threat, if not denied in full. . . . [T]his is why most social struggle of the postapartheid era can be read as attempts to reconquer the right to be urban” (Mbembe 2004: 391).

Dispossession from land and exclusion from the urban areas have been at the center of people’s struggle in South Africa. In the Western Cape, since the 17th century white settlers had dispossessed Khoi-Sans of their land and cattle, exploited slave labor by Africans, South and South East Asians, and extracted natural resources to support accumulation by the expansionist
mercantile capitalist class in the metropol. By the late 19th century this brutality had created legal means of excluding natives from the urban areas and protecting the white settlers’ concentration of wealth (Keegan 1996; Western 2002). A series of segregationist socio-spatial relations during both the colonial and the apartheid era privileged whites’ access to Cape Town’s resources. The 1913 Land Act, purporting to benefit natives through separate development, confined them to desolate homelands and excluded them from cities. The 1950 Group Area Act, ostensibly to ensure better health and sanitation for the city as a whole, socially restructured the urban space for further exclusion and secured the exploitation of a racialized urban labor force. The spatiality of apartheid policies was instrumental to the state’s domination and extraction of resources (Robinson 1997).

If it was a unique socio-spatial relationship that lubricated the urban machinery of capital accumulation under apartheid, what socio-spatial relationship facilitates the neoliberal post-apartheid regime? How is this neoliberal spatiality governed? And what contradictory pressures does this it experience?

To answer those questions, this paper focuses on an urban development strategy adopted in Cape Town called City Improvement Districts (CIDs) and on the public-private partnership (Cape Town Partnership or CTP) that oversees and manages them in the central city. CIDs create special zones within the city that receive additional, privately funded public services and that enforce the city’s by-laws regulating the uses and users of public space. I argue that CIDs promote the uneven social and spatial development characteristic of neoliberal spatiality. Cape Town Partnership is shown to govern such spatiality of post-apartheid, neoliberal cities through its discursive and spatial practices. The CIDs in Cape Town, it is argued here, restructure urban space to serve the ideal of a world class city integrated into the global economy, at the cost of the city’s social and spatial integration. As the CIDs’ contentious neoliberal processes try to marketize public urban spaces, they are challenged both within and outside the CIDs’ management structures.

The organization of the paper is as follows: I first describe the national and local neoliberal policy that adopts CIDs as a market-driven, consumer-focused and externally-oriented urban development strategy. Second, I present a detailed description of CIDs’ origin, management structure, budget and mandate. Third, I discuss the discursive and spatial practices used in Improvement Districts to socially sanitize urban public spaces for greater marketability in the global economy. I ground this analysis in the disciplining practices vis-à-vis informal traders, parking attendants, street kids and the homeless in the downtown Cape Town CID territories. Fourth, I reflect on the contentious CID implementation and the resultant shifts in the CIDs’ practices and discourse from 2000 to 2006. Fifth, I discuss the spatiality and governance of post-apartheid neoliberal cities as reflected in Cape Town CIDs: how CIDs perpetuate the apartheid spatiality, although shifting the bases of urban exclusion from race to class. This exclusionary socio-spatial relationship is however governed innovatively through a multi-actor matrix that is not only flexible but permeable — hence the possibility of resistance and change. In conclusion, I argue that the tensions CIDs embody are rooted in Cape Town’s colonial struggle between dispossession and citizenship claims, between imposed elitist fantasies of urban planning and the local realities. The encounter is far from attaining equilibrium; whether and how the tensions will resolve is far from preordained; it remains an open question.

1. Restructuring the State into Municipality Incs.
Much has been written about the post-apartheid ANC government abandoning its promised, equity-oriented Reconstruction and Development Program (RDP) for a homegrown neoliberal program of restructuring called the Growth Employment and Reconstruction program (GEAR) (Bond 2000; Cheru 2001). GEAR prescribes growth by liberalizing international trade, and relying on market mechanisms for state restructuring and integration into the global economy. That program has had serious implications for municipal governments. In metropolitan Cape Town, for example, the restructuring of municipal government promoted developmental local government through Integrated Development Plans and unified the city’s tax base through a unified municipal government, Unicity; but the restructuring also promoted municipal operations as a private business. Given the absence of adequate transferable funds for their expanded responsibilities, local governments are encouraged to be entrepreneurial and improve local revenues by private sector participation and using market–based strategies.

A financially strapped city is expected to think and act like a private sector entity, turning itself into a sort of “Municipality Incorporated” that not only is fiscally disciplined and market savvy, but also participates in dissolving the public realm (Clark 2004). On one hand, to shed responsibilities and costs, “Municipality Incs.” contract out basic services to private companies and aim for full cost recovery through users’ fees—“no fee, no service.” MIIU, co-funded by USAID, for example, was created by the national government in 1998 with precisely that objective: to promote the national outsourcing of services and public-private partnerships for infrastructure and services (also see http://www.miiu.org.za/). On the other hand, to increase its revenue and income base, a municipal government must prioritize, making the city or selected zones more marketable and attractive for lucrative consumption and investment—often at the cost of urban integration and social cohesion. City Improvement Districts (CIDs) exemplify such cases of entrepreneurial governance. Local governments in Johannesburg and Cape Town adopted CIDs in 1997 and 1999, respectively, to generate income for government through real estate development and lucrative tourism, with the promise to also create jobs.

This paper examines Cape Town Unicity’s CIDs as an example of the larger market-led, neoliberal rationale at national and municipal levels of government. I focus on Cape Town’s historic core, loosely defined as the business district (CBD) or city bowl, which was a designated white area under apartheid. I do so for two reasons: firstly, the area’s historical significance as a contested space central to the struggle over citizenship and the right to the city ever since the first Western settlers arrived; secondly, the area’s economic significance not only to the Unicity tax base but also to low-income residents whose livelihoods depend on the city center’s hubs of public transport and informal markets.

2. What Are CIDs?

City Improvement Districts are zones that receive, privately funded, additional services for security, cleaning and marketing. Once 51 percent or more of the area’s property owners have voted to adopt a CID, all owners there must participate, paying fees (close to 13 percent of their property rate) added to their municipal bills and collected by the City. Residential and commercial tenants have no say about CIDs, since voting is tied to property ownership. The CID agenda is “retaining business and encouraging new investment” in those zones. The founding director of CTP summed up the CID goals as follows:

The first objective is the attainment of world-class standards in the Cape Town central city, while the second involves the branding, positioning, marketing and establishment of
the central city as a globally competitive city with a globally competitive product offering. (interview 2001)

CIDs are managed by non-profit, private partnerships between local government and businesses, which oversee services by both the municipality and private subcontractors within the CID.4 Central City CIDs in Cape Town5 are managed by the Cape Town Partnership (hereafter CTP). As the managing body of the most powerful CIDs in Cape Town, CTP is subsidized by the Cape Metropolitan Council.6 Its Board of Directors comprises members from both the public and private sectors,7 CTP is active in the re-formulation and enforcement of city bylaws on the use of public space in its territory, in particular by informal traders, parking attendants, street kids, the homeless, and panhandlers.

CID s are not unique to post-apartheid South Africa. They were promulgated in the mid-1980s by New York City’s Mayor Guiliani (as BIDs, Business Improvement Districts). Over a thousand cities in the US and many cities in Europe have adopted this strategy for local economic development and revitalization. In the Third World, South Africa’s Cape Town and Johannesburg are among the few cities that have adopted the entire CIDs package.8

In South Africa, CIDs were first considered under the apartheid state (Scott 2003). In 1987, after a South African delegate visited New York’s BIDs, the Cape Town Council recommended such a partnership. In 1988-89 a Central Business District (CBD) Association was created to establish a partnership between the central city and the private sector. This attempt failed for lack of political backing and because certain City departments, particularly engineering, feared the erosion of their functions. The City’s social and political dynamics blocked creation of a CID until after the 1994 political transition.

As apartheid’s geographical structure by the Group Area Act and influx control were removed, poor people found their way to cities, and affluent whites curled up in private gated communities (Jurgens and Gnad 2002) that created the “fortress LA” in the tip of Africa (Robins 2003). Central city property owners decried how the city was “evolving,” and Property Owners Associations and Chambers of Commerce agitated for council action on their behalf. In 1999 the city of Cape Town approved adoption of CIDs in partnership with business and property owners, proclaiming a win-win situation for all parties.9 Since the first CIDs in Cape Town, in 2000, the number has increased to 14.10

As a city planner involved in establishing the CIDs and the Cape Town Partnership stated:

Much to one’s surprise, in this process the City to a certain degree let the leadership role gravitate towards the business. . . . there was no memorandum of understanding drawn up between the partnership and the council, which clarifies the sets of objectives, goals and expectations, roles and the rest of it. They focus mainly on service [but] there is no mention of responsibility. . . . Due to a lack of planning capacity the partnership became quite eclectic [in] putting its point of view forward. . . . with a lot of the decisions being made [on ad hoc basis or] by net surfing. (interview 2001)

3. Interpretive Framework
In *Seeing Like a State*, James Scott (1998) argues that much of statecraft is to make citizens “legible” through naming, mapping, surveying, and standardizing. This section examines Cape Town’s local state craft, through the Cape Town Partnership (CTP), to make citizens legible and to socially sanitize its selected urban public spaces. Analysis of the Partnership’s discursive and spatial practices, is grounded in (a) CTP’s discourse of creating a world class city; and (b) CTP’s disciplining practices to control informal traders, parking attendants, street kids and the homeless within the city center’s CIDs.

**a) Discursive Practices**

The discourse of creating a world class city has been fundamental to CTP’s elitist practices in establishing the CIDs. Attracting business and investment opportunities has been the rationale offered for the local government’s participation in establishing, once again, an exclusionary Cape Town. The CT Partnership joins with major local and multi-national real estate development companies in discursive practices and image making to promote Cape Town as the “Apple of Africa.” This fantasy of Cape Town or its selected improved zones as a simulacrum of New York or London appears in the Partnership’s and the private developers’ marketing material about the real estate boom in the downtown CIDs.

A South African development company, for example, indeed calls itself New York Living Ltd. and promotes a centrally located, seven-story apartment complex at Cape Town Heritage Square as apartments that “bring a touch of New York class for [Cape Town] CBD” ([*The Saturday Argus* January 1, 2004]). To promote this “dream New York and London life style right in downtown [Cape Town],” the company markets the apartments as “residential cocoons” that are heavily surveilled and “make you feel secure and privileged” (ibid.). The real estate development fantasies of New York Living Ltd. for downtown Cape Town are not unique; other “visionary developers are hoping to turn Johannesburg inner city center into something that resembles Manhattan,” writes a reporter. The new developments are touted for bringing “the American dream” to Johannesburg ([*Business Day* January 28, 2004]).

Nor is such fantasizing of the West in urban development new to Cape Town. This desire can be traced back to the first white settlers’ replication of the metropol through architectural design and planning (Worden et al., 1998). But the long history of imposing elitist Western urban models impervious to the local realities of Cape Town has been a trail of failed attempts.

In more recent history, for example, a case in point is the City Development Strategy (CDS). Pieterse (2005) reflects on this model of strategic participatory planning that international development agencies promoted in South Africa (also see Parnell and Robinson 2006). He identifies serious contradictions in trying to apply Western modernist assumptions of the kind implied by CDS, to Cape Town, an unequal and politicized, post-apartheid environment. Like the Metropolitan Strategic Development Framework that Vanessa Watson (2002) has critiqued, CDS remains on the paper for being based on rationality and assumptions relating to a mode of living not that of the post colony (Watson 2006).

The present study of CIDs in Cape Town is in some ways reminiscent of a too familiar story: the struggle between a trans-local urban development model fantasized by elite...
professionals and the challenges mounted within the local context to its processes of adoption and adaptation.

b) Spatial Practices

To create the image of a world-class city and pose as a desirable destination for global capital and tourism, CTP uses regulatory practices that socially sanitize public space in the city’s CIDs. Those practices and their embedded tensions are examined next.

- **Regulating uses and users of public space: informal traders**

  A contentious issue on CT Partnership’s agenda is informal trade. While the formal sector’s business owners object to the informal sidewalk traders as obstructing their business and costumers, the informal traders and their low- and middle-income costumers see informal traders as a source of livelihood that must not be shut down. The City and the CTP, aspiring to make Cape Town a globally competitive and world-class African city, intend to regulate the places and kinds of informal trade so that the special zones project the image of a highly orderly city that is a promising site for investment. The by laws and the draft policy formulated by the council with CTP’s input now limit informal trade in downtown to traders registered for designated markets and yellow-lined sidewalk site.\(^\text{13}\) The ultimate goal, however, as described by the CTP’s CEO (interview 2004) and Unicity’s Economic Development Division staff (interview 2006), is to remove informal trade from all CID sidewalks to designated market spaces. Those markets’ privatized management is also urged: “putting the running and organization of existing markets on council land up for tender”\(^\text{14}\) (*This Day* October 16, 2003).

  That policy’s rationale is expressed by Dereck Bock, CTP’s chief operations officer:

  
  > [W]e need to get the traders off the pavements. That is what they had done in Johannesburg. The local government and council in Johannesburg simply just moved them off the pavement and into areas of business and market areas and that is what we want to do here as well. . . . The reason is that the businesses, especially the established businesses, are very anti traders on the pavements, because people can’t walk there . . . And secondly, some of the street traders obstruct the windows of shops, . . . businesses spend hundreds of rands putting up a nice window display but you can hardly see those. . . . So, it is the established businesses out there, and they actually want them [the informal traders] off the pavements. (interview 2004)

  In an interview, Rosheeda Muller, the chairperson for the Grand Parade United Trade Association (an association of informal traders), points out the priority revealed in Bock’s statement: a bias towards formal businesses that assumes the city belongs only to formal business but not to the informal traders. That underlying value is held by Unicity and CTP alike.

  Does the CID want to move us in the interest of formal business? Does the CID want to move us because the informal operate on land where in fact they believe are of the formal business? . . . [Well] we find this not fair. The city belongs to both informal and formal business persons. . . . [Also] are we not the biggest job creator? Are we not giving a venue for people who are unemployed, unskilled [or] retired, an opportunity to become
If government structures work with us correctly, we alleviate poverty, we alleviate unemployment, we can alleviate a lot of issues which are major social problems in our city. But, unfortunately we are being looked upon as useless, as informal hawkers that must be controlled. The city has drafted out an informal trading policy document, but we will oppose it, because it has not our input on the document. We’ve given input, certain objections, but they never took into consideration. They want to make it a law. That is why we have organized ourselves. Informal trade is only successful and sustainable in the CBD if it has constant trade and feet moving by it. Sidewalk trading is an international global affair. (interview 2004)

Muller’s comments also question the CIDs’ claims to arise from a Partnership.

Who is the Cape Town Partnership? Who are they? Is the partnership between the Unicity and the property owners of the city? Well, we are not property owners. We don’t own land [and we have no say]. [I]t is the business people who run the things. But we don’t take this and just lay down. I mean we will fight these issues. (interview 2004)

The small number of Unicity’s staff that are encouraged with informal trade may validate this critique. For example, of the 10 professional and permanent staff in the Economic and Human Development Division, only 2 work on informal trade. The number of Unicity staff that oversee traders and communicate with them has shrunk from 18 in the early 1990s to 4. Management and regulation of informal trade has sought only limited input from the traders’ associations and cooperatives and is ridden by anxieties fed by the lack of communication between the council and traders. Council’s approach has been “predominantly one of law enforcement,” not a productive working relationship recognizing this sector’s merit, according to statements by a planning official in the City of Cape Town (interview 2006).

Informal traders in Cape Town have an increasing number of organizations, some informal and others structured, that have called for traders’ inclusion on the board of CTP, for their active involvement in designing the bylaws, and for cooperative management of traders’ markets by their own organizations, rather than handing over public market places to privatized management. In short, these organizations demand inclusion in formulating an approach to informal traders that recognizes them as urban citizens with legitimate voices and contributions. Cape Town Unicity, however, associates productivity only with a formalized business sector whose interests are advanced by CIDs. The informal traders fear that Cape Town’s urban revitalization strategy, whose overwhelming trend is to attract tourism and affluent consumers, will regulate them into upmarket, tourist-oriented trade areas, which may look orderly but are not the busy markets that serve the local low-income clientele.

The future will reveal whether the Unicity and the CTP can realize their shared fantasy of removing from CBD sidewalks the informal traders that they believe undermine the image of a world class city, and containing them in pedestrian malls and markets. The experience of other cities, however, indicates that the task may not be attainable. Efforts to similarly constrain informal traders have been common in Third World cities, but not necessarily successful. In Johannesburg, for example, Pat Horn of Street Net wrote, “[Urban revitalization policy] could forever spend its resources on evicting hawkers who would return as soon as the eviction had died down” (This Day January 26, 2004). Simone (2004a: 169-70) describes in other African
cities, efforts to suppress informal traders as “a losing battle for the state.” People persist in revising and improvising their informal activities and resiliently, insisting on their urban citizenship and right to survive in the city.

Socially sanitizing public space: parking attendants, street kids and the homeless

In 2001, with guidance by CTP, the City passed a bylaw that applied to CBD parking attendants, the unemployed people who steer people and cars in the congested downtown, point drivers to available curbside parking and protect their parked vehicles. A CTP staff cited drivers’ safety and their vehicles’ security as the concern, since the parking attendants are anonymous (interview 2001). Moreover, the potential for more income to the City from its curbside parking bays was viewed as an incentive to change “the parking situation.”

On those bases the CTP embarked on a mission whose first step was to contract management of downtown parking to the highest bidder. That company was to recruit “parking wardens” who would replace the informal network and meet specific criteria: ten grades of education, no criminal record, sobriety on the job, training and successful testing. The recruited wardens were to wear a uniform and name tags, and issue receipts on the company’s booklet for the parking fees they collected. The private company was to pay a contractual amount to the City and a fixed wage to the parking wardens.

Implementation of the plan was obstructed, however, by the existing informal network of parking attendants. For them, every few feet of the busy downtown street curbs are a valuable resource for feeding their families, and their behavior was strongly territorial. They were not easily pushed aside by the new uniformed wardens. Nor was there a long line of educated applicants with reference letters seeking those low-paying jobs. So the recruitment criteria fizzled, and for the most part the same parking attendants, uniformed and name-tagged, returned to work carrying the companies’ receipt booklets.

The effort to impose ‘legibility’ on parking attendants goes hand in hand with new surveillance in the CID s to improve the perceived safety for central city visitors, tourists and affluent consumers. The terms of safety and security, today, rally support for neoliberal planning just as the terms sanitation and hygiene did for 19th century urban reformism and colonial planning. Important aspects of CID disciplinary work activities seek to socially sanitize the urban public spaces by surveilling and registering of homeless children and adults.

The public space and its users in central city CID are policed by many surveillance means: 24-hour, closed-circuit TV cameras, private security officers on foot, bicycle and horses; City and national police forces. Tall this policing of public space is funded not only by the CIDs’ privately raised funds, but by drawing down a lion’s share of Unicity’s security enforcement. The distribution of forces is unrelated to need, as the urban areas with the highest crime rates receive no remotely comparable share of the City’s security enforcement. Its rationale is economic: displacing crime from affluent areas with lucrative consumption to less lucrative and so less privileged areas, where property owners cannot afford to purchase additional safety.

In the earlier phase of CIDs’ implementation (2000-2003), street kids and the homeless were regularly rounded up into the backs of private security trucks. Since late 2003, CTP has
shifted to working through an NGO-run Assessment Center’s six outreach workers to keep street kids and homeless people off CID territory. The multi-service assessment center registers street kids brought in by the outreach workers into a database. Those with no criminal charges pending are taken to their families or to one of the NGO-run shelters outside the CIDs.  

2003 marked an important turning point in the CT Partnership’s discursive and spatial practices, in particular vis-à-vis the homeless population and street kids. The combination of processes and forces responsible for that shift is discussed below.

4. A Contested Partnership

Since their inception in 2000, Cape Town CIDs have undergone a contentious process. Some have hailed them as a potential counterforce to Apartheid urban homogenization; others have faulted CID gentrification for throwing away the chance to buy thousands of inner-city flats and thus ensure housing in the central city for low-paid workers. Critics assert that CID gentrification has instead pushed the poor to the urban outskirts, leaving residential apartheid entrenched and betraying the integrationist aspiration for a “compact city” (Business Day Sept. 17 2003). (For more on gentrification in South African cities, see Visser 2002; for more on the failure of the compact city idea and exclusivity of the post-apartheid urban developments see Lemanski 2006)

The critique of CIDs arises from citizens in various paths of life. Informal traders resist them as a threat to their livelihood. The CT Partnership may promise jobs created by new investments in the CIDs, but informal traders see CIDs criminalizing their means of livelihood in order to accommodate global capital, foreign investors and incorporated businesses owners. Other urban citizens resent having the state relieved of responsibilities that their taxes pay the state to perform. CIDs’ activities that push lower-income people out of their areas have been contested by tenants and property owners. A group of residents in Seapoint took CTP to court in 2002 and eventually gained a judgment that unlawful procedures had been used to declare their neighborhood an Improvement District (Cape Argus Feb 9, 2004; for a discussion of the CID’s procedural flaw, see Laurie Scott’s thesis, 2003).  

Grassroots movements in the townships that question the legitimacy of state privatization actions are a serious challenge to CTP strategy from the standpoint of substantive citizenship and the right to a just city (see Miraftab 2006a). Social movements against evictions, privatization and service cut-offs that have been sweeping the townships and poor neighborhoods since late 1990s are a potential counterforce to the state’s participation in the exclusionary practices of the CT Partnership to create CIDs.

Among those responsible for law enforcement in the CIDs, a different critique is voiced. By laws in Cape Town, unchanged from the Apartheid era, make homelessness and poverty public offenses. Such by laws are ignored in the city as a whole, but are expected to be enforced within the CIDs. The officers expected to do “the dirty work” of enforcing them among “undesired” citizens are not a homogeneous group. Both Council officers and private security officers that CTP hires for CIDs may differ on whether or how far to enforce such bylaws. A City law enforcement officer, Able (pseudonym), waving a pocket version of the bylaws, said, “they simply don’t make sense in Cape Town. . . . We have so much more to do that we can’t go after the panhandler, or someone earning a living at the robot [traffic light]. We
just ignore them” (interview 2006). The business sector, however, often presses officers for tougher application of the by laws and “clean-up of the area.” Not that law enforcers always bow to the interests of the business community. On one occasion, officer Able recounted:

[W]anting to gain favor with the property and business owners in CBD, the Council put a lot of pressure on us to ticket informal traders and panhandlers for public littering. . . . They were coming on us really heavy. So to give them a lesson, that week we issued 320 tickets for public littering. But all of those were issued to formal businesses in the area for their illegal trash dumped outside their property! That got them off our back.” (interview 2006)

Some of the critique of CIDs has come from within the city government — in particular, with respect to CTP’s founding CEO, Michael Farr, a hawkish entrepreneurial executive officer who regularly took credit for the economic boom of the CBD and scorned the City for “incompetence.” The real estate boom in the CBD, which in the first six months of 2003 alone had brought into the CBD more than R3,049 billion in real estate investment (Engineering News July 4-10 2003), also brought Farr unaccountable political power. Indeed, as manager of the city’s most lucrative and revenue-generating area, some referred to him as the “unofficial mayor of Cape Town.” Resentment of Farr built up within the city council. In 2003, when power in the City government shifted from the DA to the ANC, Farr’s openly exclusionist remarks made the newly ANC dominated city government vulnerable.

Farr’s prominence sharpened conflicts between socially-oriented and market-oriented factions, and between the city government and the business-dominated Partnership. Within CTP, too, tension appeared between the private sector’s profit maximizing and the public sector goal of building political constituency. The contentions within and outside both the Partnership and the city government led to “a crisis that brought the partnership to the verge of collapse. . . . the City threatened to pull out of the partnership” (CTP CEO, interview 2004). To avoid the partnership’s collapse, Michael Farr stepped down.

Andrew Boraine, an ANC anti-apartheid activist and a charismatic former city manager of Cape Town who had helped create the CTP and had signed the Partnership agreement, stepped in to head the CTP. Boraine, pursued the CIDs’ main objective: to create a world class city attracting global and national investments. But he also responded to the local context and the growing tensions around Improvement Districts by distancing himself from Farr’s elitist stands and trying to humanize the CIDs.

Boraine’s discursive shift made a point of declaring that “poverty is not a crime;” and “we can’t create an island of prosperity in a sea of poverty.” In speeches after his appointment, Boraine declared, “we [CTP] must see all people as assets. Whether living in loft apartments or on the streets we need to treat all people humanely” (The Cape Tower August 14, 2003). The shift was reflected in CTP’s website, where the logo “creating a city for all” replaced its earlier logo “creating a world class city.”

An important event that cannot be underestimated for its effect in destabilizing CID implementation and for the changes in CTP’s discursive and spatial practices was the tragic murders of two street kids by white business owners in downtown CIDs. One murder was recorded on the city’s CCTV, the very cameras installed for surveillance of the poor and the
homeless, which recorded the CID business man as he shot a street kid in front of his store, point blank. The national broadcast of the footage stirred public outrage, reminding most South Africans of apartheid’s brutality against blacks forbidden from Cape Town’s white downtown spaces (Cape Argus May 17, 2004). Mayor Nomaindia Mfeketo, a black former activist in the ANC’s women’s league, pledged angrily that within a year there would be no street kid left in Cape Town — but not because of callous exclusion actions. She launched the Smile-A-Child Campaign, funding NGOs to grapple with the street kids’ plight.

In short, since the CID’s inception in 2000, the combination of a many-pronged resistance and the scheme’s own obliviousness to the local context have been bringing it face to face with the local specifics of their global neoliberal agenda. As the parking attendants’ recruitment criteria had to be abandoned, heavy handed treatment of homeless, too, was defeated, since CTP found it could not simply send pickup trucks to “clean up” poverty from the streets of downtown. In 2004 the Partnership joined the mayor’s Smile-A-Child Campaign by launching its own Social Development Program to help fund creation of the multi-service Assessment Center mentioned earlier. Then NGO staff, not security officers, were keeping street kids out of downtown CIDs. The Partnership also launched a new activity, Cultural Industry. This program mainly commodifies culture to promote tourism, but it also organizes cultural activities and events such as popular free concerts, as a way of bringing into the central city the lower-income people who are increasingly alienated from its redevelopment.

The shifts observed over the last six years in the Partnership’s discourse and management of CIDs should neither be dismissed as superficial rhetoric, nor exaggerated as accomplishing substantive changes in citizens’ urban experience. Boraine’s pro-poor statements are helpful in validating the actions of law enforcement officers, informal traders, homeless, street kids, tenants and others who baulk at the elitist project of CIDs. But it must be noted that the Partnership’s revised stance is impelled only by social and cultural logic, not an economic one. As important as those changes are on social and cultural grounds, the city center’s real estate boom and the pressing gentrification of adjacent neighborhoods are meanwhile aggressively displacing residents with middle and lower incomes. Informal traders still feel overseen or under attack, and insecure about their futures. As of January 2006, for example, when the last field visit for this study took place, the informal traders’ associations at the Grand Parade had yet not received an appointment that had been requested since 2004 to meet with the CTP’s new CEO or staff (interview with informal traders associations at the Grand Parade, 2006). The City’s Economic Development Division continues to ignore the significance of informal trade for the city’s majority poor, as shown by the same lack of balance in its budget and staff allocations that is described above (interview with city officials 2006).

5. Analysis

This section, reflecting on the longitudinal study of CIDs and their management through the Cape Town Partnership, addresses the questions posed at the outset here: what is the socio-spatial relationship that facilitates the neoliberal, post-apartheid regime? How is that neoliberal spatiality governed?

a) Spatiality of post apartheid neoliberal governance
A large body of literature has examined the fragmentation and polarization of the post-apartheid city. Studies by Watson (2002), McDonald and Smith (2004), Turok (2001) and also my own (2004) have shown that post-apartheid neoliberalism, through restructuring the state and liberalizing the economy has continued to a certain degree the apartheid legacy of spatial inequalities. I will not go into detail here on that point, except to underline the South African context of inherited social and spatial inequalities, which promoted policies for national and regional development that emphasize social and spatial integration at the local and regional levels. In that context, the kind of area-based, local economic development embraced by the CT Partnership in CIDs risks quite the opposite outcome.

For example, both the territorial focus of the Assessment Center and its financial ties to the CTP and the CBD business sector raise questions about the accountability and also the ultimate objective of the Campaign’s and CTP’s joint outreach. An NGO staff member stated that the driving force behind their CID effort is the city’s apprehension that street kids are an economic liability for the CBD, hurting the city’s image for tourism, for global investment and for the 2010 World Cup in Cape Town (interview 2006). There is a difference, she said, between working for the wellbeing and rehabilitation of street kids across the city and removing them from a selected, lucrative business district. The coupling of the Mayor’s Smile-A-Child Campaign with CTP’s Social Development Program has imposed a narrow, territorial focus on the problem of homelessness and drug abuse among children, bringing into question the motives at work.

The CIDs’ territorially bound strategy tends to displace crime to areas that cannot afford to purchase the additional safety, and to move street kids to areas where there are no NGOs paid to do outreach. By thus creating zones of advantage and disadvantage (Wilkinson 2004: 227), CIDs widen the gap between haves and have nots, and help to fragment and polarize urban space in post-apartheid cities — a trend persistent in the uneven spatial development and arguably instrumental, not accidental, to a capitalist mode of growth and wealth accumulation (Smith 1996; Harvey 2005).

The neoliberal city, though as a whole it is fragmented and polarized, poses in its selected, sanitized and disciplined zones as a highly “aestheticised commodity” for global investment and consumption (Mbembe 2004: 394). It even markets the poverty and stigma of its marginalized communities as exoticism for tourism consumption, in townships tours and coffee table, township picture books. The 2001 fair organized by CTP in the CBD, advertising with appropriate irony “Cape Town on sale!” exemplifies such commodified treatment of the city.
Examining the CTP’s spatial practices also reveals that neoliberal spatiality does not in fact “shift the spatial scale of state-citizen relations from urban location to the individual,” as argued by Robinson’s early (1997: 379) analysis of post-apartheid spatiality. Full blown, neoliberal urban policy as observed in the Cape Town CID marks the persistence of exclusionary citizenship and the right to the city. By tying the availability of adequate services, whether waste collection, safety or outreach work among homeless and street kids, to the area property owners’ ability to pay extra, CID continue apartheid’s urban spatial inequalities. I argue that territorially bounded programs like CID continue the apartheid legacy by re-linking the basis of state-citizens relationship to physical urban location. They shift the basis of exclusion from race to class, but still access to better security or cleaning services is defined by whether one is located in an Improvement District or not.

Furthermore, the study of CID’s spatiality in Cape Town highlights the wide implications of privatized space. In the post-apartheid, neoliberal era, effective privatization of public urban spaces, whether or not actual ownership is transferred to the private sector, hands to that sector control over the logic of what should — and should not— be done in public space. Similarly, privatization of local governments should be understood as extending beyond the limited meaning of outright sale of public assets or outsourcing public services. Beyond that literal meaning, the socio-spatial relationships (e.g., Improvement districts) prescribed by neoliberalism’s entrepreneurial urban strategies operationalize a rationality that dissolves the public realm; it is urban problems and solutions that are privatized to individuals, households and neighborhoods (Miraftab 2006b).

The question that has to be dealt with now concerns the governance of this spatiality in the context of highly politicized and unequal, post-apartheid society. How does the local government in Cape Town deal with the contradictory pressures on it: on the one hand for entrepreneurial governing, which motivates creation of CID; and on the other for social integration and equity, which motivates resistance to CID within and outside the Partnership
structure? And more particularly, how do we explain the shifts in the CT Partnership’s discourse, approach, and areas of activity from 2000 to 2006?

b) Neoliberal mode of governance

Considering the Partnership’s means and outcomes, and the shifts in both, I propose its conceptualization as a neoliberal mode of urban governance (Osborne and Rose 1999; Hay 2003; Robins 2002). A working definition of governance stresses a network mode: governing through a matrix of state and non-state actors (Rosenau and Czempiel 1992; Santos 2004). A governance conceptual framework notes on one hand the multiplicity of actors and on the other the network’s flexibility and responsiveness to the dynamics among actors and forces. Conceptualizing CTP as a neoliberal mode of governance, I note how, in the interactions among actors and forces, this flexible matrix is resilient to secure conditions of capital accumulation and is permeable to pressures for change.

Wendy Brown (2003) argues that neoliberalism is less a bundle of economic policies than a rationality and a network of social analyses, images and practices that removes responsibilities from the public sector to the private sector: national and multi-national firms, NGOs and the citizens. Scholars have stressed the flexibility and innovativeness of neoliberalism as a mode of governance. Rose (1999) for example, distinguishes between “governing” and “ruling,” and argues that neoliberalism eschews traditional, coercive state control; rather, it aims to govern, using innovations and many actors.

In the CT Partnership, for example, it is not local government alone that stabilizes conditions for capital accumulation in post-apartheid Cape Town. Rather, a matrix of governance does so, not only through governmental agencies but also through the private sector: national and multi-national, real estate development and tourism companies, subcontracted parking management and private security agencies; and civil society organizations: the NGOs involved in the mayor’s Campaign and CTP’s social development program.

This network of actors governs spatiality through a complex set of values, fantasies and practices that blur the distinctions among the interests of the public sector, the private sector and civil society. Not only do privatizing municipalities increasingly bring their objectives and principles into line with those of the private sector, but non-governmental organizations, too, find themselves embedded.

A large body of literature implicates non-governmental organizations in the neoliberal mode of governance (Kamat 2004; Miraftab 2005; Ferguson and Gupta 2002), demonstrating how NGOs may serve as an extension of state or corporate interests in neoliberalism. Cape Town’s public-private partnership dominated by the interests of business and property owners, and the local NGOs’ alliance with the Partnership in the Assessment Center also reveal the fallacy of assuming that the three sectors maintain distinct and autonomous interests.

In the Cape Town Partnership the local government operates through many increasingly undistinguishable actors and through flexible technologies of control to facilitate and stabilize certain socio-spatial relations for capital accumulation — thus exemplifying neoliberal governance.
The conceptual framework of neoliberal governance also illuminates how the shifts in the Partnership’s discourse, practices and approach since 2000 reflect the flexibility to accommodate pressures from within and outside the Partnership. CIDs, as an entrepreneurial urban strategy with narrow territorial focus, enacted urban exclusion in ways that met fierce resistance. CTP has tried to manage this failure through efforts to humanize CIDs as being impelled by a social and cultural rather than an economic logic. The accumulation of capital through real estate and tourism continues, but the Partnership governs the situation: evincing social concern by treating the homeless and street kids they exclude from the Improvement Districts with dignity and by means of civic organizations; assuming a cultural role by giving over city space for popular cultural events. In short, as the Partnership’s economic activities exclude poor people, its cultural arm pursues inclusion and proclaims “a city for all!”

The complexity of neoliberalism’s mode of governing lies precisely in such simultaneously launched spaces of inclusion and exclusion. However, the consequence is that as the state uses the flexibility of the multi-sector matrix to seek legitimacy and manage crisis, the citizens use that flexibility as well, to open up spaces for claiming citizenship rights. Thus neoliberal governance is not only flexible, but permeable.

In the Partnership’s changing practices, we must also pay attention to the tensions between the local and trans-local forces. Mayor Guiliani’s trans-local model of CIDs, which appealed to some Cape Town planners and business people, found no stable ground in the highly unequal and politicized, post-apartheid society there. Neither the neoliberal governing of spatiality nor the social restructuring of the post-apartheid city for the accumulation of capital should be imagined as an uncontested global roll-out of neoliberalism. The CIDs undertook to regulate the informal traders in where and what they trade; to make citizens legible by issuing ID cards for parking attendants, registering and keeping data on homeless adults and children; to maintain heavy surveillance of CIDs’ public space. That fantasized level of control, however, met difficulties among law enforcers, the NGOs needed to help the CIDs’ implementation and the disadvantaged citizens intended as disciplinary subjects.

Recognizing the challenges the Cape Town CIDs faced, generating power struggles within and outside their managing structures, leads one to reject an analysis that would either celebrate or bemoan CIDs as an overpowering global process (Clark 2004). Rather, we note the strenuous local tensions CIDs face in their implementation, and argue that the CT Partnership and the processes and outcomes it exemplifies are far from predetermined by global capitalism. In actuality they are shaped by the conjuncture of global and local forces and the resultant contradictory pressures.

This ethnographic study of the CT Partnership and its governance of the center city CIDs during the a six-year period, 2000-2006, reveals the contentious nature of the global-local nexus where neoliberal urban development models are applied and the highly contested terrain that their flexible governance tries to stabilize. This paper’s longitudinal perspective on the dynamics of neoliberal spatiality and its mode of governance clarifies their undetermined nature. The CTP of 2000 is no longer the same in 2006; and in 2010, when the Soccer World Cup takes place in Cape Town, the tourism and real estate pressures may further alter the practices by CTP through the CIDs. Furthermore, in the local elections of May 2006, ANC was once again voted out of office; the affect on the Partnership and its practices through the CIDs remains to be seen.
6. Concluding Remarks

“Urban landscapes come to refract various layers of sedimentation — of past uses and organization — as well as to embody a range of possible meanings and actions falling outside the shifting levels of specification brought to bear on these landscapes by the prevailing and, in Africa, often fragmentary apparatus of control” (Simone 2004: 14).

The examination of contemporary CIDs in the light of the historic struggle over core urban space in Cape Town marks them as the most recent of centuries of exclusionary strategies there. In a concise social history of Cape Town, Worden and colleagues (1998) recount the colonial experience of the city’s historic core: not only was it built on land stolen from Khoi-Sans, but its very structures arose paid for by the blood money of slaves: the compensation that slaveholders received in 1838 from the British Queen for the abolition of slavery largely financed the downtown real estate (ibid.: 102). The current urban revitalization strategies continue the colonial award of voting rights to property owners, protecting and improving their colonial privilege. What land was to the white colonizers, downtown real estate properties in the neoliberal era are to national and foreign investors: “modern gold mines right downtown.”

CIDs’ selective success has been achieved at the cost of abandoning the anti-apartheid struggle for an integrated city: “one city, one tax-base” (Robinson 1998). Since property owners in lower-income areas cannot afford the additional fees for privatized services, CIDs widen urban social and spatial inequalities; meanwhile CIDs’ fantasies of integration into the global economy scarify the national goal of integration.

The danger with CIDs’ increasingly popularized and transnationalized blueprint for urban revitalization in developing nations is that the dream of the metropol suppresses collective memories, obliterating the capability to construct alternatives from within. CIDs establish a public assumption that there is no alternative (“TINA”) to development through privatization. They purvey a limited concept that ignores any possibility of urban development based on people’s practices. Instead, CIDs are based on the interests of formal business, foreign investors, global tourism and the national elite. This era’s elite inclusion privileges consumer rights over citizen rights.

To be sure, behind the powerful visions of the metropol and the neoliberal cities, there is the weight of global capital, which uses varying policies to open markets in even the most remote corners of the world. Yet neither the ambitions of the neoliberal imagination nor the powers of global capital are preordained and inevitable in every instance. CIDs have been effectively challenged on the ground by citizens as users of Cape Town’s urban space.

Just as no state is in reality a homogeneous entity, Cape Town CIDs were challenged from within the local state and its partnership with the private sector. This paper reveals some of the small and continuous ways in which neoliberal schemes are challenged by the specifics of the local context. The Partnership’s leadership shift may stand as a small victory wrought by such a challenge.

Given the extreme inequalities of South African society, its high unemployment, its poverty, and therefore the significance of informal activities for the survival of its majority population, the underlying assumptions of such increasingly transnationalizing urban revitalization schemes are shaky. Unless the structural basis of South Africa’s inequalities is
reformed and urban revitalization becomes rooted in the struggle there for justice and to regain the city, CIDs will find no stable ground in South Africa.

BIBLIOGRAPHY:


ENDNOTES

1 Only four percent of the Cape Town Unicity’s budget comes from intergovernmental transfer of funds (Coopoo 2000:6); ninety percent comes from local revenues. Those revenues include the sale of bulk services such as water, sanitation, and electricity (85 percent), and to a limited extent property rates and levies (Watson 2002:77, citing Ministry of Provincial Affairs and Constitutional Development 1998).

2 I am influenced by Mbembe’s writing on a highly exclusive and privately managed gated complex (Melrose Arch) developed in the northern suburbs of Johannesburg. This complex having its own shops, restaurants, apartments, gym and hotel, utilities, police system, refuse removal, and security, and its very own postal code and telephone exchange, is termed by Mbembe an “incorporated municipality” (2004:394).

3 This is a unique feature of South African CID’s. Elsewhere the public sector does not bear the burden of fee collection and threat of property confiscation should rate payers fail to pay the additional levies for CID privatized services and management.

4 Of the currently active Improvement Districts in Cape Town, the CBD and three areas adjacent to CBD are managed by Cape Town Partnership. The other districts fall outside of the CBD, and each is managed by a single agency. E.g., Wynberg, Claremont, Fish Hoek, and Muizenberg each have their own managing company.

5 These include CBD, Green Point, See Point and Oranjekloof.

6 The city pays 1/12th of CTP’s budget plus three percent of bad debt provision.

7 The composition of the board has changed since its inception. The earlier CTP Board comprised three members of the public sector and nine members of the organized business sector, including Chambers of Commerce; the South Africa Property Owners Association; Corporate Cape Town (26 companies such as banks and finance companies); Cape Town Heritage Trust; Cape Town Tourism; the Convention Center Company; Business Against Crime; and the City-Community Patrol Board. The most recent composition of the CTP Board, however, is more diverse, including some members of the non-profit, non-governmental organizations. The current Board comprise members of the following organizations: Mandela Rhodes Foundation; Hermans & Roman Property Solutions; Mayoral Committee for Housing, City of Cape Town; Table Mountain National Park; University of Cape Town; I & J company; Haven Night Shelter; SA Black Technical & Allied Careers’ Organisation (SABTACO); City manager, City of Cape Town; Former Arts & Culture Manager, District 6 Museum Foundation; Special Advisor to the Premier, Western Cape Provincial Government; Business Against Crime; RMB Properties; Cape Town Heritage Trust; Member of the Mayoral Committee for Planning and Environment, City of Cape Town; and Cape Regional Chamber of Commerce (http://www.capetownpartnership.co.za).

8 See Kevin Ward 2005 for a comprehensive review of CIDs in Europe and the US; also see Mallett, 1994, for an eloquent analysis of Improvement Districts in the US, with astonishing parallels to the CIDs’ experience in Cape Town.

9 The 1997 bylaws for Johannesburg Improvement Districts were redrafted for adoption by the Cape Town City council.

10 Cape Town CBD, Green Point, Seapoint, Oranjeoklof, Fish Hook, Muizenberg, Wynberg, Claremont, Epping, Parrow, Black Heath and Pardon Island.

11 The Partnership’s statement of objectives per their website in 2001 includes “Creation of a world-class city with globally competitive service offerings” (http://www.capetownpartnership.co.za).

12 Many of the downtown (re)developments cater to local and international tourists and the tourism industry and are mixed use that include luxury residential units and businesses. This new development near the convention center, designed by the US-based DHK architectural firm, for example, houses 7 residential floors and two floors of businesses: shops, a restaurant, a coffee bar, and a business center with lounge and concierge, gym, saunas, terrace and pool (The Saturday Argus April 17, 2004).

13 Currently, the City allows licensed vendors, only temporarily until the trading policy is approved, and on specific marked locations, to set up stands. In the CBD there are 384 existing bays on sidewalks.
Privatization of markets, while providing income to the City, removes public sector responsibility for conditions and handling of informal trade and traders. For example, a subject of major controversy has been the Green market square, located downtown on highly valued urban land. To generate additional income for the City, this artisan market place has been leased out to an individual who does no more for the vendors than collecting their monthly fees for their trading stands and paying the City its negotiated share. In recent years, the City’s entrepreneurial enthusiasm has privatized many key marketplaces in Cape Town, including the fresh produce market in Epping.

A point of comparison is Durban, where the Council employs 52 area managers and is actively building urban citizenship among historically disenfranchised and marginalized informal traders (e.g., see Grest 2002; Bouillon 2002 for the process of building the Warwick Junction informal market).

In South Africa it is estimated that, nationwide, the informal sector has 10 percent of the formal sector’s turnover and employs 30 percent of economically active people (Street Net This Day January 26, 2004). For Cape Town, a Council report states that informal trading accounts for between 18 percent and 20 percent of the economy (The Cape Times August 11, 2003).

For example, at the end of the 1970s, when informal enterprises were banned from Johannesburg’s streets, there were about 200-250 hawkers in the inner city. Two decades later, writes Rogerson (2000), there were about 15,000 street traders there (cited in Tomilson et al, 2003: 16).

Laurie Scott (2003:31) cites a survey conducted by the Catholic Welfare Development in 1996 among the homeless population of downtown Cape Town. Over 70 percent of the respondents cited parking and/or washing cars as their source of income.

Of the CCTVs purchased by Cape Town Unicity in 1999, 72 are installed in the CBD alone, 12 in the adjacent upmarket, oceanfront Seapoint; and 43 along a main artery road, Vanguard Drive, to monitor criminals’ likely escape route. Of the 900 city police officers operating in all of metropolitan Cape Town, about 150 are designated to the CBD and Seapoint (interview 2006).

There is of course an additional economic rationale to the discourse of safety and security: one that extends it beyond individuals’ bodily safety to the collective economic security of the city. Rationalizing policing of public space, CTP’s founding CEO argues, “expenditure on policemen is not consumptive. It is investment expenditure. Because if crime is addressed, more investment is brought in” (interview 2001).

The Mayor’s Campaign made some funds available to the local NGOs located in the CBD that had for decades worked with the center city street kids, but it did not consult with them (interview with a local NGO 2006). The bulk of the Mayor’s funds went to the one NGO (City Mission) jointly contracted with CTP to run the Assessment Center targeting CBD’s street kids specifically.


A group of rate payers in Seapoint (Rates Action Group) took CTP to court for unlawful methodology in declaring the area an Improvement District. They declared the procedure to be flawed, for example, by a high-rise building with 200 owners seeking consent only from the building’s homeowners association, rather than from individual owners (Atlantic Sun Aril 15, 2004 and interview 2004).

Scott’s research (2003) reveals what he calls a “phasing strategy” which, like electoral demarcations, secures the required majority vote in an area by dividing it into several sub-areas and obtaining the votes for the entire area through several phases.

For example, the Offence Reference Book (July 2004) that is currently used by the Cape Town city police lists the following as offense: panhandling sect2(c) 93524; urinating sect 2(d) 93540; spilling or dropping trash that causes annoyance or danger 1(1)(b) 93493; as well as loitering, standing, sitting or lying in a place to annoy, obstruct, damage, inconvenience public or traffic 1(1)(a) 93485.

A clear and tragic example of that is observed in the current struggles in Woodstock, a centrally located Cape Town neighborhood whose gentrification has led to eviction of many poor residents. Most fiercely resisted has been
the eviction of poor households from units on Gympie Street, Woodstock. For more on this ongoing struggle see http://southafrica.indymedia.org/news/2006/04/10183.php

27 Although most NGOs working with street kids in downtown indicate a drop in the CBD’s number of street kids, it is not clear whether that is resulted from the CBD becoming a no-go zone for street kids and homeless, or from the kids’ successful placement with either their families or rehabilitating institutions. The data base of the Assessment Center, for example, shows that of 306 kids they worked with during the previous year, 152 went home and stayed. But the whereabouts of the others are unknown.

28 *Cityviews*, a 2005 publication of CTP exemplifies the extent of commodification and marketization that the project of neoliberal governance undertakes, where as a gift idea for the festive season it advertises a coffee table book on Township Life!

29 This is not unique to the South African context. Schaller and Modan 2004 examining the grafting of the BID model onto ethnically and economically diverse neighborhoods in Washington DC, explain how it exacerbates social segregation, conflict and exclusion there.

30 *The Saturday Argus* (July 5, 2003) reports on the discovery of “new gold mines right downtown,” where people like Mark Tuckwell buy three historic buildings for R1.7 m and within a year put them up for sale at R20m after their conversions to boutique hotel, sectional title luxury apartments and a restaurant/cocktail bar.