JOHANNESBURG: OF GOLD AND GANGSTERS

By Patrick Bond
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Introduction: What’s in a name

Johannesburg is the ideal setting for the film Tsotsi, meaning ‘gangster’. Based on a 1960 novel by Athol Fugard about lumpenproletarian redemption, the story was brought up to date with ‘tsotsi-taal’ (a mixed language favoured by young toughs), given edge through local rap-like music (‘kwaito’), and in 2006 awarded the Oscar for best foreign-language film. Set mainly in a smoke-choked Soweto neighbourhood, director Gavin Hood’s dark version of post-apartheid deracialization reaches its audience via a wealthy black professional family, repeatedly robbed notwithstanding a high-tech security apparatus in their house in the formerly white suburbs, while a Sotho-speaking Afrikaner (the only white in the film) leads the police investigation. These twists are neither impossible nor typical in today’s Johannesburg. But they are distractions, because the film leaves intact a core message drilled through contemporary culture about success, namely how important it is to escape the township. Tsotsi’s Soweto is characterized by tiny tin shacks on dirt roads; informal pubs run with an iron fist by a ‘shebeen queen’; dice-gambling entertainment; car batteries serving as electricity sources – for those who haven’t hooked up illegally; communal taps with long queues providing a modicum of water for women to carry home; homeless children surviving in stacked concrete piping; unemployed young adults without hope; crime-ridden trains; domestic strife and wife-beatings; endemic disease; often gratuitous violence.

Perhaps it is inevitable and appropriate that Tsotsi reproduces a version of Johannesburg elite consciousness (and fear), a state of mind numb to worsening class and durable racial inequality, and dismissive of the rising threat of progressive urban social movement activism. Comments social critic Percy Ngonyama, ‘The horrific living conditions in the squatter camp - brought about by government’s strict fiscal policies - are a major cause of the high crime rate. And given South Africa’s well-documented tumultuous past, the crime is accompanied by senseless violence. The movie also accurately illustrates the growing inequalities between the new black elite -
very out of touch with reality - in plush suburbs, who drive around in their luxurious German vehicles, and the hungry masses in the shacks who are struggling to make ends meet. Yet as Ngonyama agrees, you wouldn’t know from *Tsotsi* that organized popular unrest offers just as durable a legacy of apartheid’s oppression, of post-apartheid’s economic alienation and of hope for resistance and revolution.

Johannesburg remains one of the world’s crime capitals partly because it hosts amongst the world’s most entrenched systems of urban inequality. This quintessential neoliberal dystopia is a far cry from the promises of a liberation movement, the African National Congress (ANC), carried to national, provincial and municipal power in mid-1990s landslides. The ANC’s mandates were as far-reaching as the *Freedom Charter* (1955), whose proto-socialism was invoked at a large rally near Soweto, or the more detailed *Reconstruction and Development Programme* (1994), which in part reflected the influence of trade union and left social movements, and which served as the ANC’s first electoral campaign platform.

Those mandates could have justified, at the very minimum, transforming Johannesburg, instead of amplifying its spatial, racial, gendered, ecological and class contradictions. The city’s very name, honoring Johannes Rissik, surveyor of the stolen land where gold was discovered in 1886, is an apartheid hangover. A genuine liberation movement – or even self-conscious black nationalists – would, at the least, have relabeled the city ‘iGoli’ (city of gold in isi-Zulu), perhaps, or ‘Soweto’, or even the more hip version ‘Jozi’. Instead, in 2001, elite opinion concluded that a slightly new brand, ‘Joburg’, was ‘an opportunity to revitalize the image of the city’, whose official name would go unchanged. As Mayor Amos Masango put it, ‘The new logo seeks to galvanize citizens of Johannesburg behind a common vision of building a world class African city: young, ambitious and successful.’ South Africa’s largest metropolis, responsible for 16% of the country’s economy, Johannesburg is the only African ‘world-class city’ typically included in such lists.
A futile quest by city fathers (no women were involved) for a neoliberal economic utopia soon merged with Gauteng Province’s inanely branded ‘Blue IQ’ investment incentive gimmickry, favoring foreign investors and local wealthy entrepreneurs at the expense of the citizenry. (The class bias was abundantly clear when in the dilapidated Newtown arts/culture district that serves as the local Left’s only semi-liberated zone, Blue IQ’s gentrification strategy threatened to displace the venerable Workers’ Library and the socialist-controlled Khanya College, until organized resistance won out in 2003.) Johannesburg’s Afrikaner-driven construction sector – the heart of the city’s growth coalition - cohered during the mid-2000s with two victories: winning key host status for the 2010 soccer World Cup (with vast stadium refurbishment costs) and constructing a $3 billion ‘Gautrain’ fast service connecting the newly-renovated international airport to the new Sandton financial district and then Pretoria and central Johannesburg, although links to Soweto or any other black township were curiously omitted. In any case, ticket prices will be far out of the range of working-class budgets. A final crucial element of the restructured Johannesburg of the 2000s is the uneven wave of property speculation that swept the country: from 1997-2004 real estate prices in South Africa rose 200% (two and half times more rapidly than in even the bubble-ridden United States), and as a result, ‘the banks’ high level of property exposure is a source of vulnerability’, warned the International Monetary Fund in 2005. Casinos and shopping malls were the main site of construction capital, at a rate in Johannesburg alone that sometimes exceeded the entire national low-income housing budget.

Johannesburg stands exposed as a city unable to break from its inherited built environment, the speculative character of South African capital accumulation, or its rulers’ neoliberal mindset. As Martin Murray explains, Johannesburg is an unsettled city with its own distinctive style of get-rich-quick materialism, its own impatient brand of ‘instant urbanism’ and its own self-indulgent, narcissistic arrogance. This ‘course city of gold’ arose as a farflung European outpost on the marginal playing-fields of world
capitalism. As a symbolic expression of intent, the evolving architectural vernacular of Johannesburg has always reflected the self-conscious desire of urban planners, design specialists, and corporate clients to favorably position the city in the vaunted global economy by emulating, and sometimes even crassly imitating, the built environment of the European and American metropolitan core.¹¹

Imitating other aspirant financial centers, Johannesburg’s simultaneously precarious, parasitical posture reflects the logic of neoliberal capital accumulation. Beginning in 1994, South Africa’s traditionally racist and pollution-intensive companies were embraced by a grateful black elite, including vulgar politicians and state officials (the revolving door is notorious). To be sure, the onset of free-market economic policies based on an export-orientation fetish preceded Mandela’s ANC government by a few years. But a small clique of ‘New Guard’ ANC officials today work closely with the leftover ‘Old Guard’ bureaucrats whose commitment to racial apartheid is conveniently forgotten but who prosper just as nicely while building class apartheid. Together, the ruling party and its new-found Afrikaner co-conspirators:

• allowed vast sums of rich white people’s loot to escape through relaxing already porous exchange controls in 1995;
• let the largest firms (Anglo American, DeBeers, South African Breweries, Old Mutual, Didata) relocate their financial headquarters to London from 1998-2000, in the process evacuating profits and dividend flows forever;
• cut primary corporate tax rates from 48% in 1994 to 30% five years later – achieving a level that is fifth lowest when compared to more than two dozen OECD countries - in search of new fixed capital investment that never materialized;
• watched aimlessly as business fired a fifth of all formal-sector workers;
• allowed industries like clothing, footwear and appliances to collapse under international competition; and
• incessantly privatized or corporatized once-formidable public assets, including Johannesburg’s municipal suppliers of water (to the Paris firm Suez) and electricity (to the US firm AES).

**Johannesburg top down**

If international capitalists and Northern Hemisphere tourists are the top priority, what do they see when they fly into the city, especially after passing through the thick brown cloud of particulates during the April-November dry season? Temperature inversions and the lack of rain are the natural reasons that Johannesburg’s 1500 meter high
elevation and brisk winds still don’t provide clean air during most of autumn, winter and spring. Viewed from above, the filthy smudges of human fingerprints are everywhere to partake: concentrated industrial pollution over the east-west factory strip south of the city and spewing from the eight-chimneyed power plant astride the airport; gold-mine dumps straddling the industrial land, ceaselessly blowing sand and dust into Soweto and other black townships; periodic bush fires; and the ongoing use of coal, paraffin and fuelwood for cooking and heating in impoverished shack settlements. Across South Africa, the drive towards electricity commercialization and privatization caused supply cutoffs for more than two million households each year during the early 2000s, as price increases returned them to dirtier forms of energy. The consequent re-emergence of tuberculosis and other rampant respiratory illnesses, not to mention periodic water-borne disease epidemics, threaten the lives of five to six million people who move from HIV-positive to full-blown AIDS once opportunistic infections hit.

The air remains particularly cloudy over the black townships, for Johannesburg authorities have only been embarrassed about electricity shortages when a series of blackouts hit the wealthier northern suburbs of Johannesburg during 2005, the result of underinvestment in electricity and other municipal infrastructure maintenance and upgrading during the late 1990s. (This was also a national problem, and knocked Cape Town out for four days straight in February 2006 when a nearby nuclear reactor had to be taken off-line, causing the ANC to lose the next municipal election to a center-right coalition.) The blackout problem should not, however, disguise the primary consumers of the country’s vast coal reserves: mines and smelters responsible for the South African energy-intensive economy’s emission of twenty times more CO2 emissions per unit of per capita GDP than even the United States.12
The view from the airplane window reveals two major conglomerations of skyscrapers in Johannesburg, in the Central Business District (CBD) and the northeasterly edge city known as Sandton. The CBD was originally constructed during the 1890s gold rush, and then rebuilt many times, ultimately to become Africa’s most intimidating concrete canyon. From the mid-1980s, black South Africans were finally allowed in without their ‘pass books’, which had long regulated internal apartheid migration to satisfy the hiring whims of white-owned mines and factories. From the early 1990s, as township ‘hawker’ (sidewalk sales operations) edged out shop-based commerce and as wars between rival ‘kombi-taxi’ gangs littered the CBD with dozens of dead riders, virtually all Johannesburg’s white-run corporations fearfully fled the desegregating inner-city. Mid-1970s office blocks — such as the Carlton Center, Africa’s tallest building at 50 floors — were soon valued at 10% of their replacement cost, thanks to mass white capitalist disinvestment and bank redlining. Although the Carlton was sold in 1999 at 5% of its original building cost (for less than $5 million) and now houses the transport parastatal corporation Transnet, the adjoining Carlton Hotel — once Africa’s grandest 5-star establishment — remains shuttered.

The Johannesburg inner-city landscape is also being defaced by other greed-driven processes. Slum landlords, whose wealth originated in the kombi-taxi sector, perpetually milk (but do not invest in) huge blocks of flats, allowing them to fall into fatal disrepair, in the process sparking regular eviction battles. When not imitating older versions of forced-removals from such sites, government officials yet again attempt to revitalize Newtown in spite of the apparently permanent fact that a critical mass of wealthy white people remain too paranoid to patronize its famed and once ultra-trendy Market Theatre complex, which had been nurtured through the difficult late-apartheid era by Mary Slack, nee Oppenheimer, high society’s most cultured tycoon. Even the provincial parliament in the center of the CBD is surrounded by desolate empty buildings whose ground-floor retail shops are the only income source; too many well-organized rent strikes drove landlords to empty the residential
upper-floors, whose elevators, electric wiring, water-boilers and pipe systems are in any case rotten beyond repair. Ongoing ‘crime and grime’ characterizes the downtown, in spite of a new camera surveillance system – operating in a few safety zones near residual corporate offices - that Foucault would have admired. Casting our eyes twenty-four kilometers to the northeast, we can make out a prime beneficiary site of Johannesburg capital flight (in addition to London and ‘EsCapeTown’). Sandton attracted many billions of rands worth of 1990s commercial property investment, as well as world-class traffic jams, nouveau-riche conspicuous consumption and discordant postmodern architecture. Only the world’s least socially conscious financial speculators would trash their ex-headquarters downtown to build a new city while draining South Africa of capital. Sandton Square was quickly surrounded by skyscrapers, banks (including a brand new Citibank tower), boutiques for the ubiquitous nouveau-riche, 5-star hotels, a garish convention center, Africa’s biggest stock exchange and other architectural detritus showcasing brazen economic power. Only the most esthetically barren of moneved elites would build their little Tuscany on Africa’s beautiful highveld, behind three-meter high walls adorned with impenetrable barbed wire – a world-class South African export - to keep...
out the tsotsis. Johannesburg’s cutting-edge high-tech surveillance systems are
staffed by poverty-level black security-sector workers, who go on strike for
higher wages every few years, to the panic of the petit-bourgeoisie. Expensive
car-tracking systems identify heart-of-darkness ‘NoGoZones’ (sic) like
Alexandra township three miles east of Sandton; if drivers dare venture to
Alex, satellite alarm beams are automatically activated and rescue teams are
mobilized. In unison, these features conjoin conspicuous consumption norms,
the psychology of class insulation, phallic symbolism, and a profoundly
distorted political economy.

Just before landing at the glossy Johannesburg International Airport, our
incoming foreign investors and tourists are close enough to notice the silvery
glinting of thousands of tiny metal-roofed shacks in the bright sun, like
cauterized wounds on the yellowish skin of Africa during the dry season. The
township slums stretch to the horizon, and house the majority of Gauteng
Province’s ten million inhabitants. Because of a stingy government policy
based on World Bank advice in mid-1994, shortly after Nelson Mandela was
elected president, Johannesburg’s new formal residential areas for low-income
black residents are actually further away from job opportunities and are worse
served with community amenities, schools and clinics, than even apartheid-era
ghettoes. The new houses – often termed ‘Unos’ (after Fiat’s tiniest car), or
‘smarties’ (a candy equivalent to US M&Ms) or even ‘kennels’ – are generally
half the size of apartheid’s old 40 square meter ‘matchbox’ houses, and
building materials are flimsy so as to comply with the post-apartheid
government’s stingy $2500 per unit housing grant, implemented by Joe Slovo,
who ironically at the time was chair of the Communist Party. (The World Bank
had advised Slovo to limit subsidy size and rely more on banks, which he
adopted shortly before his death in 1995.) The small housing grant forced
developers to seek out ever cheaper land on the city’s distant periphery.

As for Johannesburg, ‘The World Bank has worked with the city in recent
years to support its efforts in local economic development and improving
service delivery,’ according to Bank staff and consultants:

In 1993, the World Bank with financial support from USAID, undertook
research in the metropolitan centers to quantify the backlogs and estimate
the cost of overcoming the backlogs. In 1994, after the ANC came to
power, the World Bank, together with a counterpart South African team
and assistance from USAID, funded a municipal finance study and
prepared the Municipal Infrastructure Investment Framework (MIIF). The
Bank’s empirical work provided the ‘first cut’ database for the MIIF,
which in addition to backlog and cost estimates, provided
recommendations as to how services might be delivered and financed...
The 2030 strategy (popularly called Vision 2030) draws largely on the
empirical findings of a series of World Bank reports on local economic
development produced in partnership with the CoJ during 1999–2002, and
places greater emphasis on economic development. It calls for
Johannesburg to become ‘a world-class business location.’ One of the tenets
of the Vision is that ‘a better quality of life’ for its citizens is based fundamentally on the ability of the city to grow: the ability of the city to provide for services is related to its tax revenue base or growth. The CoJ does not consider service delivery to be its greatest challenge to becoming a better city... The genesis for the monitoring system lies in the World Bank’s local economic development methodology developed for the CoJ in 1999. The latter sought to conceptualize an optimal role for a fiscally decentralized CoJ...(emphasis added)\textsuperscript{17}

 Needless to say, ‘fiscally decentralized’ means corporatized and outsourced services, which in any case the municipal bureaucrats and their Washington advisors downplay as a ‘challenge to becoming a better city’. In the words of iGoli 2002, ‘The challenge is to transform the current bureaucracy into a business approach because the city is a “big business”’.\textsuperscript{18}

 Admits the City of Johannesburg in its 2030 plan, ‘Post-apartheid developments have often exacerbated the apartheid city form,’ which forces much longer and more expensive commutes than should be necessary, as well as far greater spending on bulk infrastructure.\textsuperscript{19} Geographically, Johannesburg’s landscape still reflects how racial apartheid was explicitly manifested in residential segregation. By 2003, Gauteng Province housing minister Paul Mashatile conceded that the resulting class apartheid in Johannesburg and surrounding suburbs had become an embarrassment: ‘If we are to integrate communities both economically and racially, then there is a real need to depart from the present concept of housing delivery that is determined by stands, completed houses and budget spent.’ His spokesperson added, ‘The view has always been that when we build low-cost houses, they should be built away from existing areas because it impacts on the price of property.’ Rebutting, the head of one of Johannesburg’s largest property sales corporations, Lew Geffen Estates, insisted that ‘Low-cost houses should be developed in outlying areas where the property is cheaper and more quality houses could be built.’\textsuperscript{20} Because national housing policy remains developer-driven and bank-centred, it is the likes of the estate agents, commercial bankers and construction companies who still determine development processes, so it is reasonable to anticipate no change in Johannesburg’s landscape. New settlements will continue to host smaller houses than during apartheid, located even further from jobs and community amenities, characterized by ongoing disconnections of water and electricity, with lower-quality state services ranging from rare rubbish collection to dirt roads and inadequate sewage and storm-water drainage.\textsuperscript{21}

 Aside from providing comfort that a generous reserve army of workers will keep down labor costs, the sprawl of slums does not distract investor eyes from their own future residences below. From the air, the pleasing bright green quilt of well-watered English-style gardens and thick alien trees that shade traditionally white - now slightly desegregated - suburbs, is pocked with ubiquitous sky-blue swimming pools. To achieve the striking effect, Johannesburg’s vast cohort of hedonistic citizens abuse water. Waste occurs not only in the bourgeois and petit-bourgeois residential zones sprawling north
and east of the city center, but in the southern mining belt and the corporate-dominated farms on the city’s outskirts. Further scarce water is used for cooling coal-burning electricity generators. Jeune South African bureaucrats brag about supplying the world’s cheapest energy for industrial use, because they fail to price in the damage to the environment, including one of the world’s worst global greenhouse gas emissions. The ‘Dutch Disease’ phenomenon, added to South Africa’s mineral wealth, distorts and distends the local economy and annihilates efforts at industrial balance.

Worsening water apartheid

The implications for water supply are becoming critical, and have been noted by the world’s media. Thanks to migration, the annual growth of Johannesburg residents has been 4.2% (with job creation of less than 3%). By 2015, Johannesburg and four surrounding cities will host an estimated 14.6 million urban residents; the young metropolis will be the 12th largest in the world, ahead of Los Angeles and Shanghai. When gold was discovered in 1886, thousands of fortune hunters and proletarians were drawn inland immediately. Johannesburg soon became the planet’s largest city with no substantial natural water source. Seventy-five kilometers to the south, the Vaal River is pumped uphill to Johannesburg, but by the 1980s it became apparent that the source would be insufficient for the next century. Apartheid-era engineers and World Bank project officers tried to solve the looming shortages with a dam and tunnel scheme that draws water several hundred kilometers from across a mountain range atop the small and perpetually impoverished nation of Lesotho. Africa’s largest infrastructure investment, costing an estimated $8 billion if all six dams are built, the Lesotho Highlands Water Project is now less than half finished but has already displaced tens of thousands of Basotho peasants, inundated sacred land and threatened endangered species from minnows to vultures. The Orange River’s downstream ecosystem has been thrown into question. The first Lesotho megadam is also the World Bank’s most infamous single project site for corruption.
Who pays the bills for this multifaceted attack on people and nature?\textsuperscript{25} Johannesburg water prices went up by 35% during the late 1990s, but township residents in the lowest consumption tier found themselves paying 55% more because of the cost of the Lesotho dams, for which the old P.W. Botha regime needed surreptitious funding during the mid-1980s due to apartheid-era financial sanctions. The World Bank set up a secret London account to facilitate matters, overriding objections from the liberation movement, including its then representative in Ireland, Kader Asmal. As South Africa’s water minister from 1994-99, Asmal was chosen to chair the World Bank’s 1998-2000 World Commission on Dams. Entangled in the contradictions and hypocrisies, he refused to let the Commission study the Lesotho dam and angrily rejected grassroots demands from Alexandra, Soweto and Lesotho that overconsumptive water users in the mines, factories and mansions be made more responsible for paying the dam’s bills and for conserving water so as to prevent future dam construction. Such ‘demand-side management’ would also have included repair of ubiquitous leaks in the apartheid-era township infrastructure, where half of Soweto’s water is lost. Bankers were anxious to continue financing, and construction companies ready to keep building, the multi-billion dollar dams. The World Bank’s Inspection Panel refused a full investigation of township residents’ complaints in 1998.

Other bills – for public and private health problems – are also paid by low-income Johannesburg residents. By 2000, cholera was devastating the countryside from which many Zulu-speaking migrant laborers emerged after their brief Christmas break. The disease spread, inevitably, to Alexandra township, home to an estimated 300,000 people crammed into just over two square miles of mainly squalid housing and inadequate sanitation. In early 2001, cholera killed four residents, and Sandton residents panicked by emptying swimming pools once dangerously-high levels of E.coli were discovered in their water table. Responding almost habitually, municipal officials engaged in embarrassing internationally-televized forced removals from shacks alongside the Jukskei River.\textsuperscript{26} Even the \textit{Sunday Independent} editorialized against ‘bureaucratic know-it-allism and disregard for individuals and indeed communities. Sadly the events in Alex have all the elements of the worst of apartheid-style thinking and action.’\textsuperscript{27}
Privatization is also changing the nature of water and sanitation services delivery. A clear relationship between urban water commodification and eco-health dangers is evident in Soweto, where Suez began installing pre-paid meters in mid-2003. Suez inherited a dysfunctional system in low-income areas, especially the shack settlements which are home to nearly a third of the city’s 3.2 million residents: 65% use communal standpipes and 20% receive small amounts from water tankers (the other 15% have outdoor yard taps). For sanitation, 52% have dug pit latrines themselves, 45% rely on chemical toilets, 2% have communal flush toilets and 1% use ablution blocks. Needless to say, these conditions are both particularly hostile to women and children, and breed disease at a time when Johannesburg’s HIV rate has soared above 25% and when cholera and diarrhoea epidemics are still spreading.

Instead of expanding supply to these unserved areas, Suez’s response to poverty was to take part in massive water disconnections (which should be deemed unconstitutional). At peak in early 2002, just before community resistance became an effective countervailing force, Johannesburg officials were disconnecting more than 20,000 households per month from power and water — making mockery of the boast on the Department of Water Affairs and Forestry’s website that Johannesburg offers 100% of its residents their first 6,000 liters per household free each month. For municipal bureaucrats and Suez, the point of disconnecting low-income people and maintaining low water/sanitation standards so long after liberation was a strategy, quite simply, to save money. Eco-blindback was inevitable, as Asmal’s successor, Ronnie Kasrils, admitted to parliament in 2001: ‘Unacceptable sanitation services resulting in severe water pollution, especially bacteriological pollution, is a grave concern in Gauteng… A lack of funds has been identified as the hindering factor in the upgrading and maintenance of sewerage networks’. Of course, saving money at the expense of black lives lost was not unfamiliar to South Africa’s apartheid state rulers, and the lesson was quickly learned by their ANC replacements. Thabo Mbeki’s spokesperson was Parks Mankahlana, prior to his death in late 2000 (reportedly of AIDS). Mankahlana off-guardedly justified to Science magazine why the Department of Health refused to provide a relatively inexpensive ($15 million per year) anti-retroviral treatment to pregnant, HIV-positive women: ‘That mother is going to die and that HIV-negative child will be an orphan. That child must be brought up. Who is going to bring the child up? It’s the state, the state. That’s resources, you see.’
Three authors of the most rigorous recent analysis of Johannesburg’s socio-economic challenges - Jo Beall, Owen Crankshaw and Susan Parnell - concluded in 1999 ‘that there are opportunities to address urban poverty, inequality and environmental management in an integrated way. However, these are predicated on the Greater Johannesburg Metropolitan Council (GJMC) and its advisers understanding the ways in which pro-poor and social justice strategies interface with urban services and the urban environment.’ In reality, the GJMC team and the research and donor agencies have largely failed to raise urban infrastructural services to levels required, or even to establish policies to that end. The problem is partly historical, of course. Not only was the city’s wealth always associated with superexploitation of black people generally; in particular, the rural African woman was most systematically oppressed so as to generate Johannesburg’s prosperity. Women suffered in rural areas across the Southern African region by helping to reproduce cheap labor through the Bantustan reserve system and migrant labor. Their subsidy came in providing the kinds of childcare/home-schooling, home-based medical aid, and care of the elderly that ordinarily would have been provided by tax-based or benefit-based public and private educational, medical and pension systems in a normal capitalist labor market.

Where black workers did achieve a degree of residential stability in Johannesburg once they had acquired a ‘dompass’ to comply with the Pass Law, they faced systemic discrimination on the basis of both labor and residency. Water-borne sanitation was first introduced in Johannesburg around 1908, but the disposal of excrement for the entire city occurred close to the black ‘locations’. Lack of sanitation was also a regular excuse for displacing low-income black people to outlying areas. Numerous histories of Johannesburg shed light on the uneven character of the city’s growth, but what is striking is the early 20th century sanitation conditions associated with the return to private management of public services. By 2001, Suez began installing pit latrines, a new ‘shallow sewage’ system, and pre-paid water meters, and announced it would spend more than $2.5 million constructing 6,500 latrines between 2003-05. Shallow sewage is also attractive to the company, because maintenance costs are transferred to so-called ‘condominium’ residential users, where a very small water flush and slight gravity mean that the pipes must be manually unlogged every three months (or more frequently) by the residents themselves.
Johannesburg managers were also reluctant to offer a genuine free lifeline supply and rising block tariff so as to redistribute water from rich to poor, and simultaneously incentivize water conservation. During the late 1990s, Johannesburg also became liable for Lesotho dam repayments, resulting in a spectacular 69% increase from 1996-99 in the nominal cost of water purchased from the Rand Water Board. By the time Igoli 2002 was established in 1999, Johannesburg’s water prices became more regressive than during apartheid (i.e., with a flatter slope in the block tariff). However, a free basic lifeline was promised in 2001, amounting to 6,000 liters of water each month for each household. The Department of Water Affairs and Forestry website claims that ‘100%’ of Johannesburg residents are beneficiaries of the free basic water provision, but this is impossible, given how few low-income people have their own house or yard connection, and given how many people have faced water disconnections.37 The main debate is whether the free lifeline block is adequate (and fairly administered), and whether the tariff curve rises in an excessively ‘convex’ or sufficiently ‘concave’ manner, once the pathbreaking ‘free basic water’ is provided residents who have house or yard taps.

That policy came from the December 2000 municipal elections – held in the wake of rising protest and alienation, as well as the cholera epidemic – and was meant to fulfill this promise: ‘The ANC-led local government will provide all residents with a free basic amount of water, electricity and other municipal services so as to help the poor. Those who use more than the basic amounts, will pay for the extra they use’. Johannesburg reinterpreted this otherwise progressive mandate utterly regressively, however, by adopting a relatively steep-rising convex tariff curve, in contrast to a concave curve starting with a larger lifeline block, which would have better served the interests of lower-income residents. In 2003, the second tier of the block tariff (7-10 kl/household/month) was raised by 32%, while the third tier (11-15 kl/household/month) was lowered by 2% (during a period of roughly 10% inflation, which was the amount by which higher tier tariffs increased). The dramatic increase in their per-unit charges in the second block meant that there was no meaningful difference to their average monthly bills even after the first free 6,000 liters. Moreover, the marginal tariff for industrial/commercial users of water, while higher than residential, actually declines after large-volume consumption is reached.

Behind the sabotage of the water promise was Suez, which had an incentive to avoid giving poor people water for free. In turn, the city government’s inadequate access to capital was the ubiquitous reason that Johannesburg’s pro-corporatization bloc – namely, city manager Ketso Gordhan
(who later became the second-ranking official at First National Bank), the
‘Transformation Lekgotla’ of 15 councilors, and a team of World Bank advisers -
gave for embarking on an asset-sales strategy during the late 1990s. Capital-
drought was genuine insofar as the national Department of Finance had
reduced the country’s central-local operating grant system by 85% (after
inflation) from 1991-99, leaving Johannesburg with only $4 million in 1999.38
City managers were not particularly creative in attracting other national funds
such as housing subsidies, infrastructure grants, poverty relief funds, etc., for
the vast impoverished population. And when the finance department granted
Johannesburg $83 million in 2000, it came with extremely tight strings attached,
as central government insisted upon the rapid implementation of the city’s
corporatization strategy, known as Igoli 2002. Moreover, prior to 1992, banks
and insurance companies financed white Johannesburg’s capital expansion
programmes.

As Johannesburg desegregated, the capital market institutions turned off
their loan funds for municipal capital bonds, preferring to send financial
resources into the stock market, suburban shopping centres and office
buildings.39 Finally, wealthy households and corporations did not pay their fare
share of the city rates bill. For decades, white ratepayers received an enormous
subsidy from black township residents. Township workers labored in factories
and offices, and township consumers bought goods in shops that were located
in white-controlled municipalities. Those factories, offices and shops paid rates
to Johannesburg, while township administrations such as Soweto and
Alexandra relied mainly on beerhall revenues and, during the 1980s, some
central government funding. During the mid-1990s, the Sandton Ratepayers
Federation and Liberty Life insurance company, a major Sandton property
investor, challenged redistributive rates that would subsidize Sowetans.
Although the wealthy white residents lost their case in the highest courts in
1997, the effect was to intimidate Johannesburg politicians at a crucial moment.
Johannesburg’s fiscal stress at the time of Igoli 2002 included more than $80
million in budget deficits over the 1998-99 period and a consequent dramatic
decline in capital spending (from $200 billion in 1997 to $50 million in 1999).40

Yet there was still scope for substantial redistribution, given the enormous
wealth base in South Africa’s main city. Even prior to the incorporation of the
new and highly lucrative Midrand commercial and industrial city, following a
national demarcation of municipal boundaries in 2000, the Johannesburg Metro
area could claim a rated tax base of $5.5 billion, and annual revenues arising
from property taxes, other charges and levies and Regional Service Council
taxes of $700 million. In addition, by 2000, Johannesburg raised service revenues
of approximately $350 million from sales of electricity, and $250 million from
water, wastewater, solid waste disposal and gas.41 Raising these rates on large
(wasteful) users by just 15% would have covered the previous year’s deficit, and
would also have laid the basis for a conservation-oriented water/energy
strategy.

Instead, Johannesburg sought and won the large grant from central
government in 2000 which came with explicit conditionality to implement the
Igoli 2002 privatization programme. The plan was agreed to by the Johannesburg Council at the urging of Gordhan, over objections of the SA Municipal Workers Union (which pulled 20,000 workers out to protest in 1999) and periodic community protests, without popular debate, earned Johannesburg Council a celebratory—if highly misleading—‘success story’ box in the World Bank’s World Development Report 2004. According to a front page New York Times story in May 2003, Suez officials ‘acknowledged that in communities like these, billing people for water has been like squeezing water from a stone... Orange Farm women, who live by doing other people’s laundry, said they barely had enough money to pay for food and school fees. Many of them already have prepaid electricity meters in their homes, and they say their families end up in the dark for several days each month’.42

Resistance

Dating to the mid-1980s, Johannesburg hosted what was possibly the world’s most impressive urban social movement, the South African township ‘civics’.43 But the SA National Civic Organization suffered systematic demobilization of their ranks by the ruling party during the mid-1990s.44 Hence an independent network of community groups arose in several Johannesburg townships beginning with the formation of the Soweto Electricity Crisis Committee in early 2000.45 Led by former ANC councilor and Soweto regional leader Trevor Ngwane, the group took what was already a popular township survival tactic – illicitly reconnecting power once it was disconnected by state officials due to nonpayment (in 2001, 13% of Gauteng’s connections were illegal) – and added a socialist, self-empowered ideological orientation.46 Within a few months, the Anti-Privatization Forum (APF) was formed to unite nearly two dozen community groups across Gauteng, sponsoring periodic mass marches of workers and residents. One of the key activists from Orange Farm township, Bricks Mokolo, quotes the popular APF graffiti slogan: ‘destroy the meters and enjoy the water. The government promised us that water is a basic right. But now they are telling us our rights are for sale’.47 Regular arrests in Orange Farm, the Phiri suburb of Soweto and
other sites have not intimidated activists from organizing against pre-paid meters. A major court battle to declare the devices unconstitutional is also imminent, catalysed by the APF, facilitated by an invaluable radical NGO (the Freedom of Expression Institute), and backed by one of the country’s top lawyers.

The ability of the Johannesburg Left – in communities, in avant-garde unions and in small political parties - to successfully contest this sort of neoliberalism has been uneven, but from 2000-05 was sufficiently impressive to warrant regular demonization by the African National Congress. During 2005-06, internal political controversies arose over municipal electoral strategies but were soon largely resolved. There is, instead, a more durable process of resisting neoliberalism unfolding. Harking back to the 1976 uprising, APF personalities like Mokolo, Ngwane, Virginia Setshedi, Dudu Mapondo, John Appollis, Dale Mckinley, Ahmed Veriava, and Prishani Naidoo are highly regarded around the world for their courage, this time not in resisting Afrikaans education but in liberating electricity and water from expensive (and unreliable) meters and advocating (and partially winning) access to free basic ‘lifeline’ electricity and water.\(^{48}\) Although the APF remains split in part on ideological lines (with classical socialist/autonomist and social movement/political party rifts), the sense of unity against ubiquitous neoliberalism, paranoid ruling-party nationalism and worsening state repression has been maintained. Across South Africa in 2005 alone, some 5800 protests – a large proportion based upon urban grievances - were recorded by the police, who deemed 13% of these protests ‘illegal’.

Aside from managing left-ideological conflict, at least five durable organizational problems face APF activists, which they seem to have largely overcome: raising resources (the movement is supported in part by small membership dues but also by left international institutions such as War on Want and the Rosa Luxemburg Foundation); avoiding the once-off ‘IMF Riot’ style of urban uprising (very common in areas where the police and ruling party quickly snuff resistance); distinguishing themselves from the coopted and corporatist sections of civil society (the SA National Civic Organization and many though not all affiliates, as well as urban NGOs - which mainly work for the state - and charity institutions); stemming the sorts of urban movement ebbs and flow which win immediate victories yet then quickly lose momentum (Durban’s Concerned Citizens Forum suffered that fate)\(^{49}\); and turning their consistent anti-neoliberal activist work into a substantive political program for social change.
There is another challenge, however, which is much more daunting: to take interlocking and overlapping struggles across South Africa and forge them into what appears as the next logical step: construction of a broader movement of social forces in Johannesburg and other cities not only unified with organized labor, but also actively demanding decommodified, destratified public services. These other forces include Treatment Activist Campaign militants who successfully campaigned to produce or import cheap generic anti-retroviral medicines that fight AIDS (especially for pregnant women and rape victims); activists invading land and housing; shackdwellers especially in Durban demanding an end to displacements and neglect; church and labor leaders putting the demand for a Basic Income Grant on the national agenda; and students, teachers and parents’ groups insisting on free primary education for all. In the same spirit, thinking globally, tens of thousands of South African activists demanded in August 2001 at the World Conference Against Racism in Durban that reparations be granted for slavery, colonialism and apartheid; in August 2002 that the Johannesburg World Summit on Sustainable Development - along with Mbeki’s New Partnership for Africa’s Development - cease commodifying nature and society; and in 2003 that George W. Bush leave Africa and the rest of the world alone. In 2004, hundreds of Johannesburg activists in Jubilee South Africa (a group subsequently divided over intra-organizational issues) and the APF campaigned for apartheid reparations by specific European and US corporations (and to halt Barclay’s return to South Africa), both in the streets and in the New York courts using the Alien Tort Claims Act, initially without success thanks to Pretoria’s siding with the corporations. In 2005, they gave Paul Wolfowitz his first taste of protest as the World Bank’s new president. None were fooled by the Blair Africa Commission, the Millennium Development Goals, the Make Poverty History Campaign, G8 debt and aid promises, the temporary WTO ‘Doha Round’ deal at Hong Kong and the like; regular briefings at the Workers’ College, Khanya College, Jubilee, the Southern African Centre for Economic Justice and other sites of ideological development confirm the critique of capitalist globalization. Rising campaigns for immigrant rights especially by Zimbabwean exiles may also make a dent in the South African working class’ notorious xenophobia, as well.
None of these small-scale modes of resistance will immediately overturn the Johannesburg ruling elite, nor will minor electoral campaigns by APF affiliates do more than gain a council seat here or there (as in the 2006 municipal elections). The tsotsis running South Africa’s largest municipality, financial centre, mining houses and industrial stronghold will continue to impose new urban depravity upon poor and especially black people, women, the environment. Yet profound contradictions bubble to the surface regularly, reminding the citizenry of the costs of a neoliberal dystopia. So far, no matter their weaknesses, Johannesburg’s broadly-defined independent Left groups appear the only set of forces with the creativity, militancy and political vision to curtail the worst excesses of this evil paradise, until an opportune moment arises for a more powerful assault and breakthrough.

Notes

2. For Human Development Index comparisons that combine income, education and mortality, Johannesburg’s white residents rate 44, just below the average of rich countries (45); the city’s black residents rate 32, just above South Africa as a whole. In the world rankings, South Africa fell from 86th to 120th place out of 177 countries during the early 2000s. Greater Johannesburg Metropolitan Council (2003), Johannesburg 2030, Johannesburg, p.12.
3. For example, Pretoria is ‘Tshwane’ (though not without intense intraelite debates between the new black rulers and old Afrikaners); Durban is ‘eThekwini’; Port Elizabeth is ‘Mandela Metropole’; the sprawling towns and slums near Johannesburg once known as the East Rand are now collectively ‘Ekurhuleni’.
4. The name Igoli was considered, but was ruined in 1999 when it became the title of the ‘Igoli 2002’ privatization strategy, drafted by municipal neoliberal bureaucrats alongside World Bank consultants. The plan was renamed by community critics ‘E.coli 2002’ in early 2001 when excrement from Johannesburg’s slums - where water is supplied (and often denied) by the French water privatizer Suez, beneficiary of a huge commercialization contract - regularly despoiled borehole water supplies, leading to unprecedented groundwater pollution. Hence the suburb of Sandton, for example, is characterized by high-walled fences, but there was no stopping the migration of water-borne diseases through the water table. Rather than treat the issue as a sustained threat to the region, Sandtonites invested in their own additional borehole water purification systems, consistent with the tendency to insulate the upper classes from socio-environmental problems, rather than solving those problems.
5. Harare, Zimbabwe was the former name of the largest, southwestern black township of the former Salisbury.
6. The new brand Joburg, according to one uncritical report, ‘features a stylized Hillbrow tower, arguably the city’s best-known landmark. But where the previous version painted the
tower in rainbow colours and set it against the city skyline, the new logo transforms the tower into an exclamation point. The dot represents the City of Gold; the exclamation mark expresses the city’s identity as a “lively, vibrant and dynamic place” and the tower at the top shows its unique variety, according to its designers... The whole, according to Interbrand, “projects the name of the city as the ‘hero’ and no longer concentrates on an architectural skyline as a symbol”... The Mayor explained: “We have learned valuable lessons from cities like Singapore and New York that a brand is one of the most important assets of a city ... It’s about value, prestige and emotional attachment.” The values of Brand Joburg are consistent with creativity, fun, leadership and determination; they speak of entrepreneurial impetus and dynamism.’ Ludman, B. (2002), ‘Joburg gains a brand and loses an apostrophe’, Mail and Guardian, 6 June.


8. From 1999 to at least 2009, Gauteng’s premier is Mbhazima Shilowa, a high-profile former Congress of SA Trade Unions (Cosatu) general secretary and South African Communist Party (SACP) central committee member known for his love of fine cigars. The Gautrain project was termed the ‘Shilowa Express’ and in late 2005 was fought - belatedly, half-heartedly and unsuccessfully - by Cosatu and the SACP.

9. International Monetary Fund (2005), ‘South Africa: Selected Issues’, IMF Country Report No. 05/345, Washington, p.48. This is not dissimilar to patterns found, for example, in the United States, as Mike Davis argued: ‘This hypertrophic expansion of the financial service sector is not a new, higher stage of capitalism - even in America speculators cannot go on endlessly building postmodernist skyscrapers for other speculators to buy - but a morbid symptom of the financial overaccumulation prolonged by the weakness of the US labor movement and productive capital’s fears of a general collapse.’ (Davis, M. (1985), ‘Urban Renaissance and the Spirit of Postmodernism’, New Left Review, 151, p.112.) In South Africa, the contribution of manufacturing to GDP fell from 21.2% in 1994 to 18.8% in 2002, while the category of ‘financial intermediation’ (including insurance and real estate) rose from 16.4% of GDP in 1994 to 19.5% in 2002. For more, see Bond, P. (2005), Elite transition: From apartheid to neoliberalism in South Africa, Pietermaritzburg, University of KwaZulu-Natal Press, Afterword. 


15. Johannesburg’s major black townships - Soweto, Alexandra, Ivory Park and Orange Farm – are host to 192,000 formal dwellings. In addition to pre-existing ‘matchbox’ houses, most post-1994 state-financed houses include a small plot of land and a low-cost permanent structure often half as big as a matchbox (typically costing $2300). There are also 83 informal shack settlements in greater Johannesburg, housing 189,000 dwellings. Most lack piped water/sanitation, electricity and other municipal services.

18. Greater Johannesburg Metropolitan Council (1999), iGoli 2002: Making the city work – It cannot be business as usual, Johannesburg, Metropolitan Corporate Services, p.6. For a full analysis of corporatist trends, see Samson, M. (2004), ‘Reprivatizing services, regendering the labor market: A feminist analysis of the formation of the Pikitup waste management utility by the contracting local state in Johannesburg,’ University of the Witwatersrand Department of Political Science, Johannesburg.
19. The average Johannesburg resident takes 50 minutes to get to work; while 48% spend more than 10% of income on their work transport (although racial breakdowns are not available, these statistics are likely highly significant when correlated against race.) See Boraine, A. (2004), ‘Can we avert an urban crisis?’, South African Cities Network Presentation to Institute for Justice and Reconciliation Public Debate, Cape Town, 22 September, http://www.ijr.org.za/pastevents/Boraine%20presentation.ppt
21. See ongoing documentation of these problems at the Municipal Services Project website at http://www.queensu.ca/msp
23. The other megacities likely to have more people will be Tokyo, Dhaka, Mumbai, Sao Paolo, Delhi, Mexico City, New York, Jakarta, Kolkata, Karachi and Lagos. See Boraine, ‘Can we avert an urban crisis?’
24. US Senate investigations pushed the Bank into debarring a single token company in 2003 (Canada’s Acres), while bribery prosecutions and convictions on several other large transnational corporations in the Lesotho courts awaited Bank follow-up in mid-2006, notwithstanding a PR-heavy anti-corruption crusade by Paul Wolfowitz. During the mid-1990s, the Bank also went to great lengths to protect a corrupt senior official in the project, Masupha Sole, from being fired, in spite of documented bribes to his Swiss bank account by a dozen of the world’s largest construction companies over the decade 1988-98. Sole was subsequently jailed.
26. Sandton Chronicle, 2 February 2001. At the epidemic’s epicenter, in deep rural KwaZulu-Natal, the outbreak was preceded by the disconnection of water to destitute people who could not afford the US$7 connection fee. For the prior 17 years, water had been supplied free by the apartheid regime.
27. Sunday Independent, 18 February 2001. The battle was pitched as residents attempted to prevent the evictions of more than 1000 families. Hired by Shilowa’s provincial government, hundreds of private, outsourced security men arrived wearing red overalls (dubbed ‘red ants’ by the residents). Directed by stereotypical white bosses, they began bulldozing houses and possessions. When residents resisted, police moved in with rubber bullets, tear gas and stun grenades. At least eight people were seriously injured. According to a February 13 2001 Panafrican News Agency report: ‘Community leader Bishop Mampe Maredi said the people, many of whom were the poorest of the poor, were being treated like dogs. “Even the previous government treated people better than this”.’
28. By early 2006, Suez was formally fired as Argentina’s supplier and along with most other major water companies were in fast retreat from loss-making Third World cities. See World Development Movement and Public Services International (2006), Pipe dreams: The failure of the private sector to invest in water services in developing countries, London, March.
29. Sunday Times Gauteng Metro, 19 May 2002,
31. Cited in *The Citizen*, 14 July 2000 and *Mail and Guardian*, 21 July 2000. Mankahlana - who a week earlier said he would toss the 5,000-signature Durban Declaration on AIDS (from an international AIDS conference) into Mbeki’s ‘dustbin’ because it strongly refuted the AIDS-dissident camp - immediately denied making the statement: ‘Their story is a complete fabrication.’ *Science’s* editor replied that his reporter had recorded Mankahlana in his Pretoria office on March 24, and offered to play the tape. Notwithstanding Mankahlana’s subsequent denial that the statement reflected policy, there was a general sense amongst health professionals in South Africa that the *Science* quote was indeed official thinking. (Mankahlana had personal experience that is perhaps worth citing for further context. He was, at the time of making these quotes, the target of two paternity suits based on failure to pay child maintenance, which he lost.)


33. There are many sources, but one which highlights the structural economic processes associated with Johannesburg’s mining economy is Fine, B. and Z.Rustomjee (1996), *The Political economy of South Africa*, London, Christopher Hurst and Johannesburg, Wits University Press.

34. Grant and Flinn report, ‘In March 1904 an outbreak of bubonic plague erupted in the unsanitary area comprising the “Kaffir Location” and the “Coolie Location.”’ The shacks were immediately razed on the orders of the Medical Officer of Health and the inhabitants were moved to the new Klipspruit Location for Blacks, situated 12 miles from the center of the town, near the proposed sewerage works.’ Grant, G. and T.Flinn (1992), *Watershed town: The history of the city engineer’s department*, City of Johannesburg, pp.58,61.


36. In this case, Suez tells customers to: ‘Wear gloves; remove all solids and waste from the inspection chambers; do a mirror test for each chamber-to-chamber section; if waste material is found in a section, bring in the tube from the upstream inspection chamber until it comes into contact with the obstruction; block off the outlet from the downstream inspection chamber with a screen that allows water to pass through but not solids; push the tube until the material is moved to the downstream inspection chamber; wear gloves and remove waste material by hand; pour a large quantity of water through the section between the two inspection chambers and check for cleaning; repeat the mirror test; close the inspection chambers’. For more, see Harvey, E. (2003), ‘A critical analysis of the decision to corporatize the water and wastewater services in the City of Johannesburg’, Masters Dissertation, University of the Witwatersrand Graduate School of Public and Development Management, Johannesburg.


40. To illustrate, with more than 20% of Johannesburg residents lacking individual access to water taps, plans were shelved to spend $30 million in 1999/2000 through extending the water pipe grid and upgrading bulk systems (as well as installing individual meters). Only $1 million was spent on capital upgrading (Greater Johannesburg Metropolitan Council ‘Igoli 2002 Conceptual Framework’, p.6).


