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Professor of Political Economy, University of the Witwatersrand School of Governance

***Conflict, competition and power  
- the (D)urban context  
and (D)urban violence***



**Urban Frontiers:  
A conversation about  
poverty, violence and  
development in  
South African cities  
*Johannesburg,*  
*8 March 2016***

# *South Durban's dig-out port*

An aerial photograph of South Durban, South Africa. The top half shows the old airport site, characterized by a large, flat, green field with several large, circular storage tanks. The bottom half shows the new dig-out port, a large, rectangular, man-made harbor filled with water, with a ship docked at a pier. The surrounding area includes residential and commercial buildings, roads, and a coastline with a beach.

*old airport site today*

*new dig-out port, 2020 (?!)*

*“could become KZN’s Marikana”*

*- Frikkie Brooks, KwaZulu-Natal chief planner*



Credit: Independent Media

All roads in and out of uMlazi were blocked by protesters on Monday. Picture: Sibusiso Ndlovu



## uMlazi protest chaos

*DAILYNEWS/NEWS* / 07 March 2016 at 10:06am

By: Bernadette Wolhuter



Durban - There was pandemonium in uMlazi on Monday morning, as angry protesters blocked entries and exits to the south Durban township, placing it under lockdown.

# Umlazi residents take to streets after several electrocutions

SOUTH AFRICA Monday 7 March 2016 - 8:55pm



File: Rocks and burning tyres littered the streets of the Malandeni settlement in Umlazi hours after protests on Monday. Photo: eNCA

DURBAN - [Residents of an informal settlement in Umlazi, Durban](#) took to the streets on Monday, barricading roads and forcing motorists to take alternative routes.

They claim the eThekweni Municipality has ignored them for years, and are demanding better municipal services, especially safe electricity and housing.

Themba Shinga, a community leader, said: "[People are tired now of waiting for the empty promises](#), and [illegal electricity] connections have caused much havoc here. We have lost many people and our animals through this. That's the main reason people decided to go on the street."

Maria Sharapova: I took drugs



TWICE-A-WEEK SHUT-OFFS POSSIBLE

# Durban water cuts plan

**LEADER**  
Durban's water utility has announced a plan to cut water supply to homes twice a week to conserve water. The plan, which is being implemented from next month, will see water supply to homes cut for two days each week. The utility says the plan is necessary because of a severe drought in the region. The utility says the plan will save 100 million litres of water each week. The utility says the plan will also save 100 million litres of water each week. The utility says the plan will also save 100 million litres of water each week.

CLEARING THE STREETS



Police officers in riot gear clear a street during a protest in Durban. The officers are clearing the street of debris and are also clearing the street of debris. The officers are clearing the street of debris and are also clearing the street of debris.

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## How the water cut-offs could affect you

Water supply to homes will be cut for two days each week. The utility says the plan will save 100 million litres of water each week. The utility says the plan will also save 100 million litres of water each week.

# Climate Change and Financial Instability Seen as Top Global Threats

Publics around the world are concerned about the effect of global climate change and international financial instability, with majorities in many of the nations surveyed saying these are major threats to their countries. But Islamic extremism is also a serious concern, particularly in the United States, Europe and sub-Saharan Africa. In contrast, relatively few consider American or Chinese power and influence a major threat to their countries.

## Global Threats

*Median % saying each is a major threat to their countries*

|                                   | <b>U.S.</b> | <b>Canada</b> | <b>Europe</b> | <b>Middle East</b> | <b>Asia/Pacific</b> | <b>Latin America</b> | <b>Africa</b> | <b>ALL COUNTRIES</b> |
|-----------------------------------|-------------|---------------|---------------|--------------------|---------------------|----------------------|---------------|----------------------|
|                                   | %           | %             | %             | %                  | %                   | %                    | %             | %                    |
| Global climate change             | 40          | 54            | 54            | 42                 | 56                  | 65                   | 54            | 54                   |
| Int'l financial instability       | 52          | 45            | 63            | 54                 | 49                  | 49                   | 54            | 52                   |
| Islamic extremist groups          | 56          | 41            | 55            | 41                 | 47                  | 31                   | 56            | 49                   |
| Iran's nuclear program            | 54          | 44            |               |                    |                     | 39                   | 41            | 44                   |
| N. Korea's nuclear program        | 59          | 47            |               |                    |                     | 38                   | 39            | 42                   |
| U.S. power and influence          | 23          | 23            |               |                    |                     | 38                   | 21            | 27                   |
| China's power and influence       | 44          | 34            |               |                    |                     | 38                   | 26            | 27                   |
| Political instability in Pakistan | 37          | 22            |               |                    |                     | 30                   | 25            | 22                   |

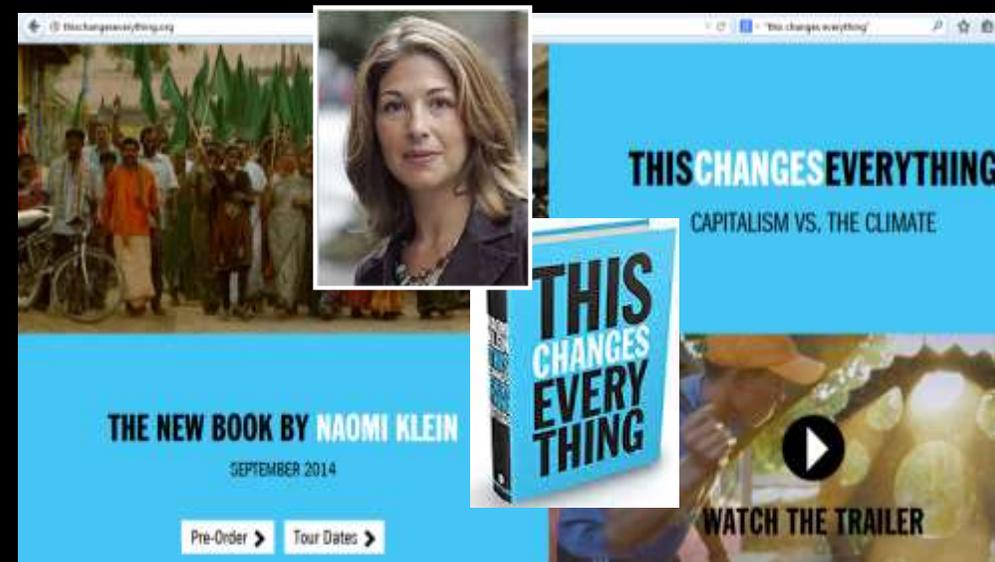
PewResearchCenter

JUNE 24, 2012

Climate Change and Financial Instability Seen as Top Global Threats

# This Changes Everything: Capitalism vs. the Climate

Naomi Klein, author of the #1 international bestsellers, *The Shock Doctrine* and *No Logo*, returns with *This Changes Everything*, a must-read on how the climate crisis needs to spur transformational political change



We seem to have given up on any serious effort to prevent catastrophic climate change. Despite mounting scientific evidence, denialism is surging in many wealthy countries, and extreme fossil-fuel extraction gathers pace. Exposing the work of ideologues on the right who know the challenge this poses to the free market all too well, Naomi Klein also challenges the failing strategies of environmental groups.

*This Changes Everything* argues that **the deep changes required should not be viewed as punishments to fear, but as a kind of gift. It's time to stop running from the full implications of the crisis and begin to embrace them.**

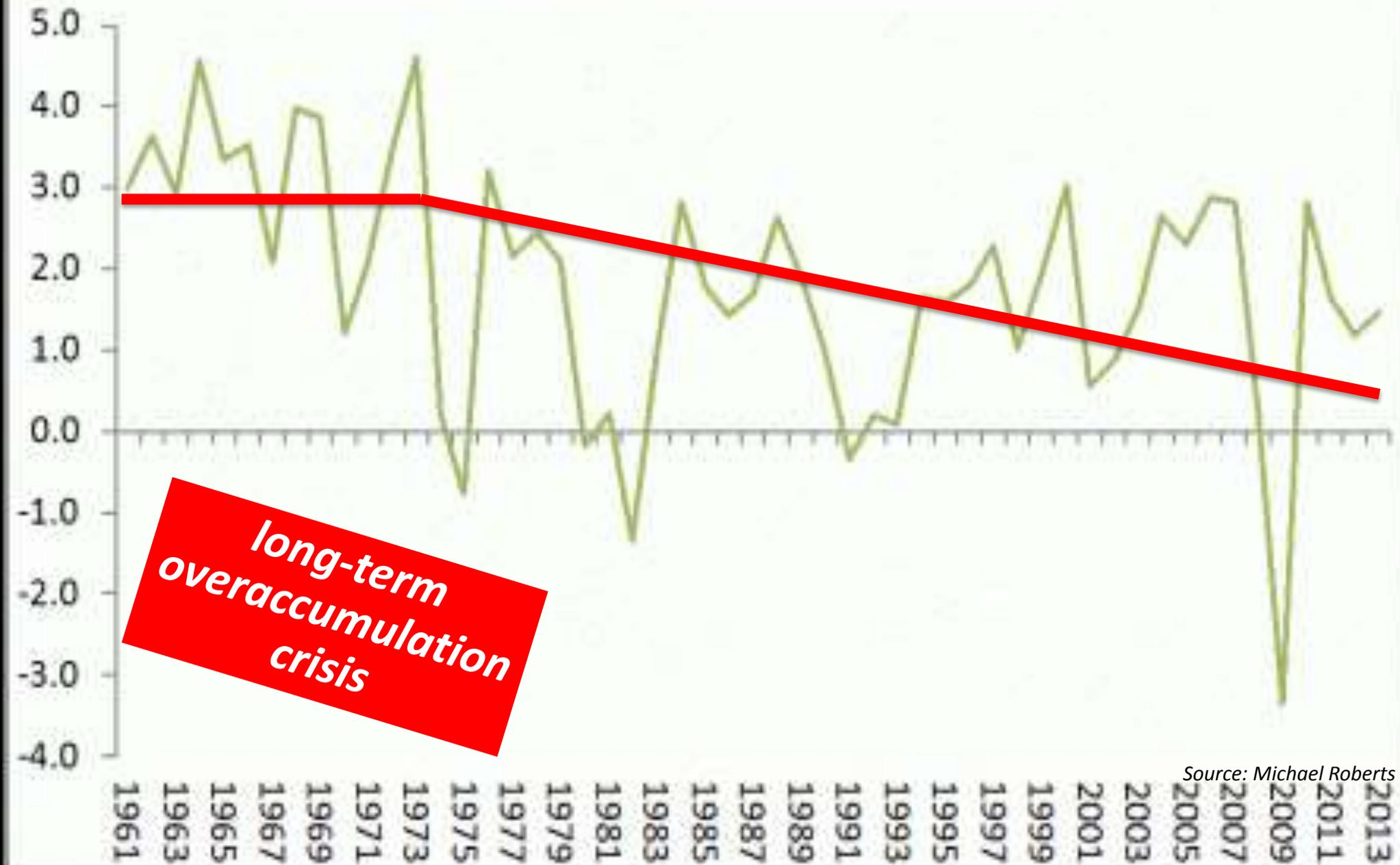
Naomi Klein is an award-winning journalist, syndicated columnist and author of the international bestsellers, *The Shock Doctrine* and *No Logo*. She is a member of the board of directors for 350.org, a global grassroots movement to solve the climate crisis, a Puffin Foundation Writing Fellow at The Nation Institute, and a former Miliband Fellow at the LSE.

# This Changes Everything

- **energy** (oil/coal to renewables)
- **transport** (private to public, shipping to local production)
- **urban form** (from sprawling suburbs to compact cities)
- **housing/services** (from hedonism to socio-ecological)
- **agriculture/food** (from semi-feudal, sugar-saturated, carbon-intensive plantation-grown to organic, cooperative and vegetarian-centric)
- **production** (from multinational-corporate capitalist logic to 'Just Transition' localization, eco-social planning and cooperation)
- **consumption** (from advertisement-driven, high-carbon, import-intensive and materialistic to de-commodified basic-needs guarantees and eco-socially sound consumption norms)
- **disposal** (from planned obsolescence to 'zero-waste')
- **social/private space** (from durable race/class/gender segregation to public space, recreation, desegregation and human liberation)



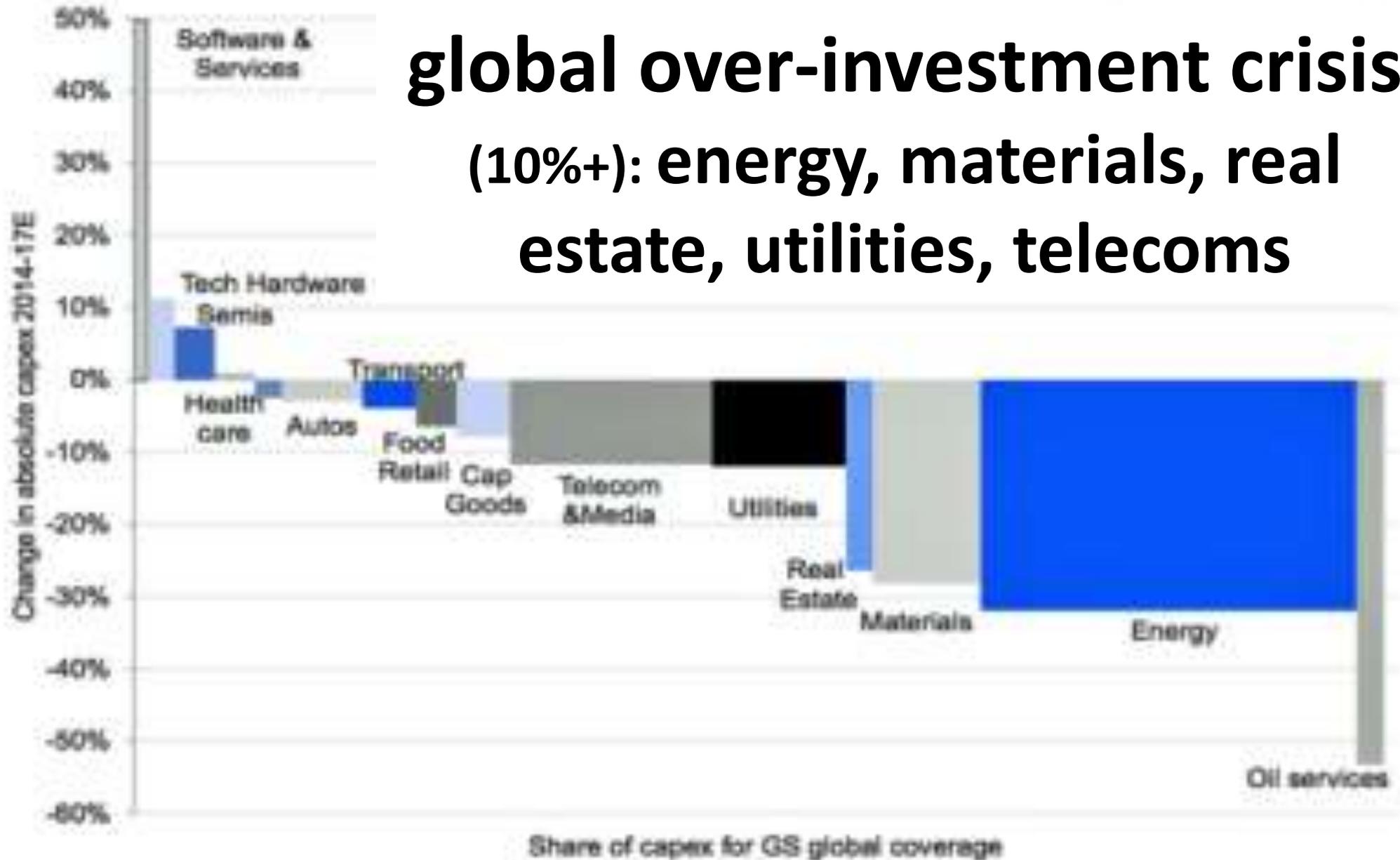
# World real GDP per capita annual growth (%)



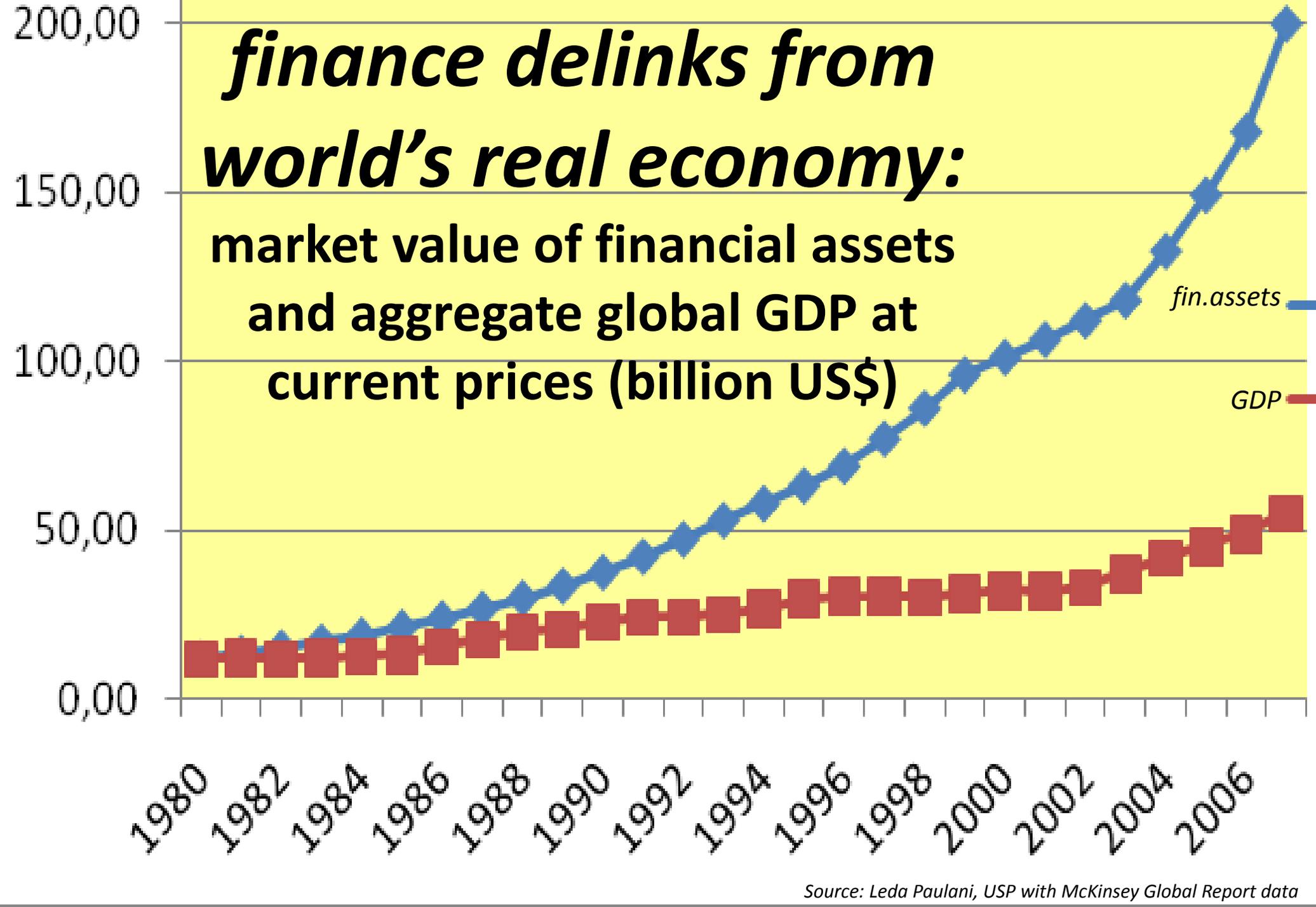
Source: Michael Roberts

# Share of capex in 2014 vs. change 2014-2017E, GS global coverage

**global over-investment crisis  
(10%+): energy, materials, real estate, utilities, telecoms**



***finance delinks from  
world's real economy:  
market value of financial assets  
and aggregate global GDP at  
current prices (billion US\$)***



# The Rand's Flash Crash

## Intraday Price of South Africa's Currency in U.S. Dollars YTD



# BUSINESS REPORT

www.bes.co.za • www.twitter.com/besrap • www.facebook.com/besrap

SOUTH AFRICA'S NATIONAL FINANCIAL DAILY

THURSDAY, JANUARY 14, 2016

## SAFETY FIRST

US poultry imports must balance local economic imperatives and health standards

Kholofelo Maponya, page 14

## DIVISIVE DEBATE

A bigger resolve is needed for the sake of a united South Africa

Adriaan Groenewald, page 14

# Goldman Sachs bets against the rand

Shorting currency a top trade

Justin Brown

GOLDMAN Sachs' global markets team has identified shorting the rand as one of its top trades for this year due to falling commodity prices and South Africa's current account deficit.

According to the business insider.com, the rand and the Chinese peso were both identified by Goldman as shorting opportunities in 2016 as both are major market players.

To short a currency is to sell that unit with the aim of making

Rand vs dollar



German Klaus Schwab, the founder and president of the World Economic Forum, yesterday unveiled the programme for its annual meeting in Davos, Switzerland. The main theme will be 'Mastering the Fourth Industrial Revolution'.

Photo: WEF

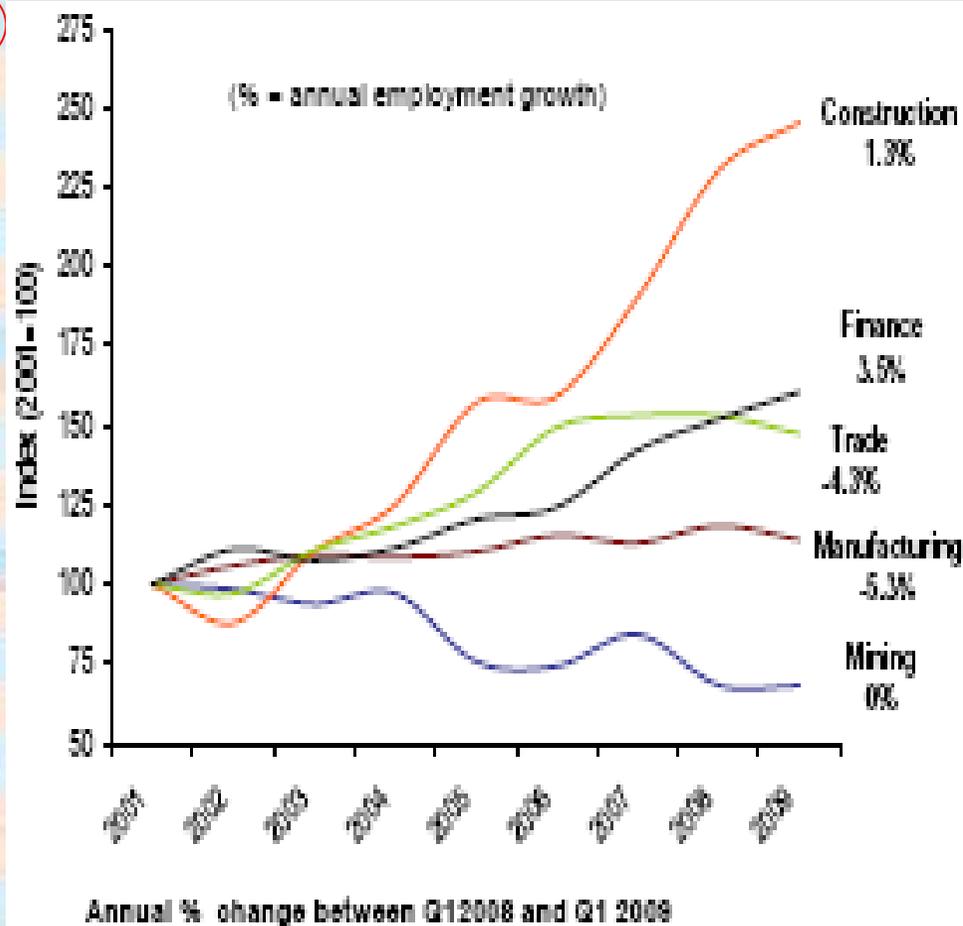
## Hot topics dominate WEF agenda

# The Economist's house-price indicators

% change

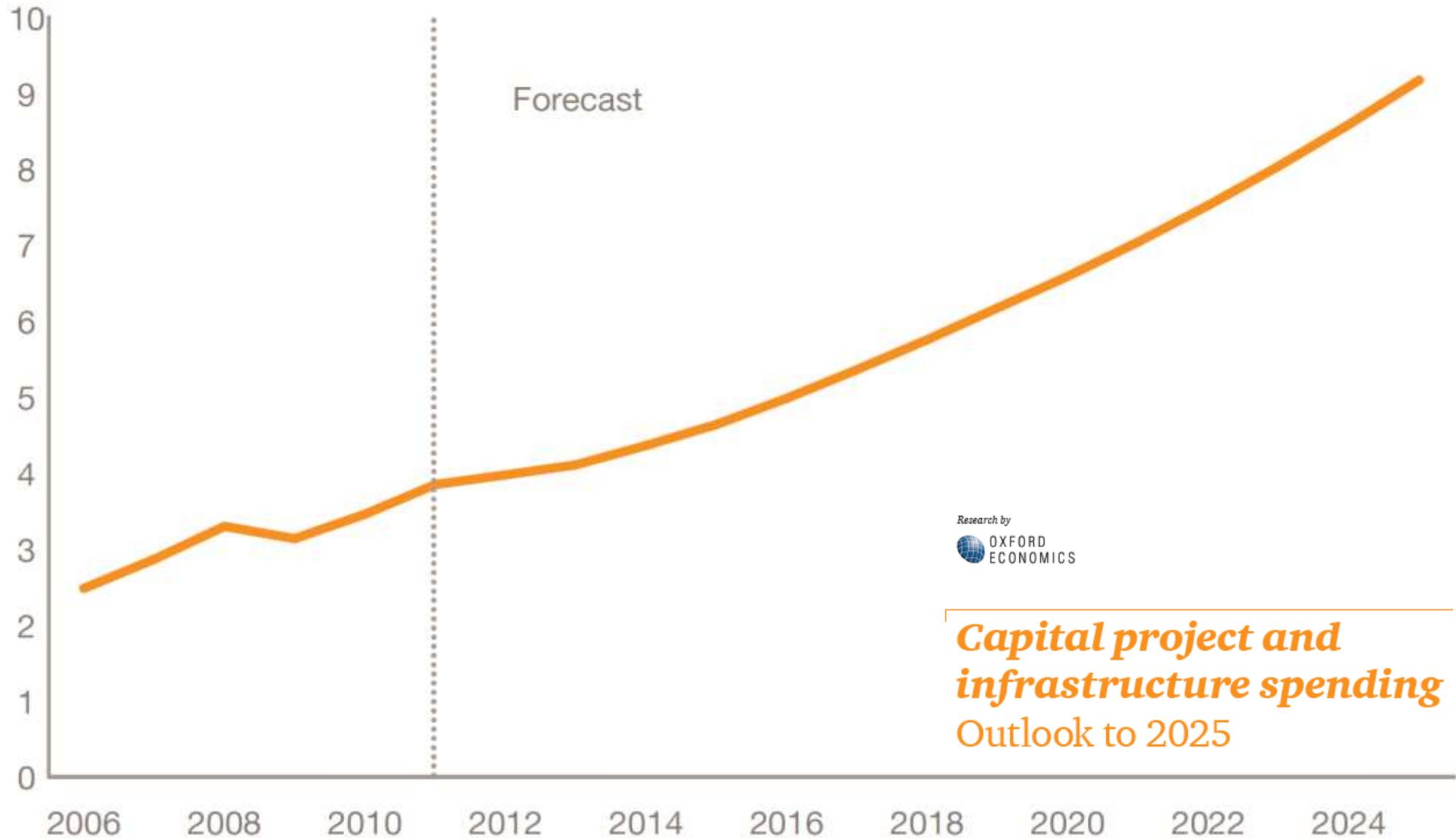
|  | Latest Q4 2007<br>on a year earlier | 1997-<br>2008 |
|--|-------------------------------------|---------------|
| Switzerland                                    | 3.7                                 | 24            |
| Italy  | 1.1                                 | 104           |
| France   | 0.8                                 | 152           |
| China  | -0.9                                | na            |
| South Africa                                   | -1.3                                | 389           |
| Sweden   | -1.6                                | 145           |
| Japan  | -1.8                                | -33           |
| Canada   | -1.9                                | 66            |
| Germany  | -2.5                                | na            |
| Spain  | -3.2                                | 184           |
| Australia                                      | -3.3                                | 163           |
| United States (OFHEO)                          | -4.5                                | 84            |
| Singapore                                      | -4.7                                | na            |
| Denmark  | -4.9                                | 119           |
| Netherlands                                    | -5.2                                | 90            |
| New Zealand                                    | -8.9                                | 102           |
| Ireland  | -9.8                                | 193           |
| Hong Kong                                      | -14.0                               | -35           |
| Britain  | -17.6                               | 150           |
| United States<br>(Case-Shiller national index) | -18.2                               | 66            |
| United States<br>(Case-Shiller ten-city index) | -19.2                               | 102           |

**world's highest  
property bubble  
389% rise, 1997-2008  
responsible for explosion of  
construction, finance**



# Global infrastructure spending to reach \$9 trillion by 2025

\$trn, current prices



3

Poorly located and inadequate infrastructure

Inclusion and faster economic growth

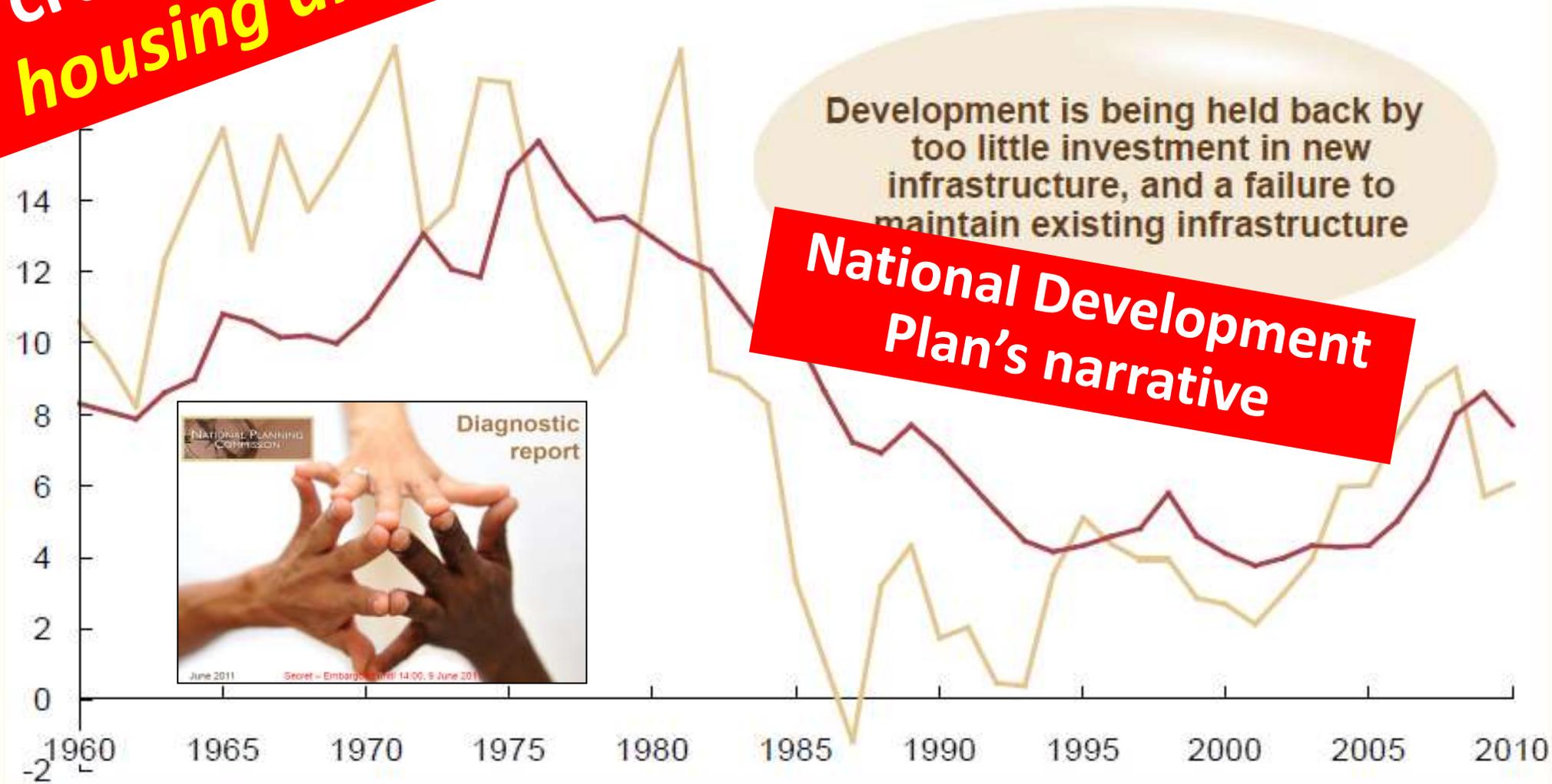
We have under-invested

for over a generation

**crucial underinvestment:  
housing and basic services**

GDP %

— Net capital formation as % GDP  
— Gross fixed capital formation by the public sector as % GDP



Development is being held back by too little investment in new infrastructure, and a failure to maintain existing infrastructure

**National Development Plan's narrative**

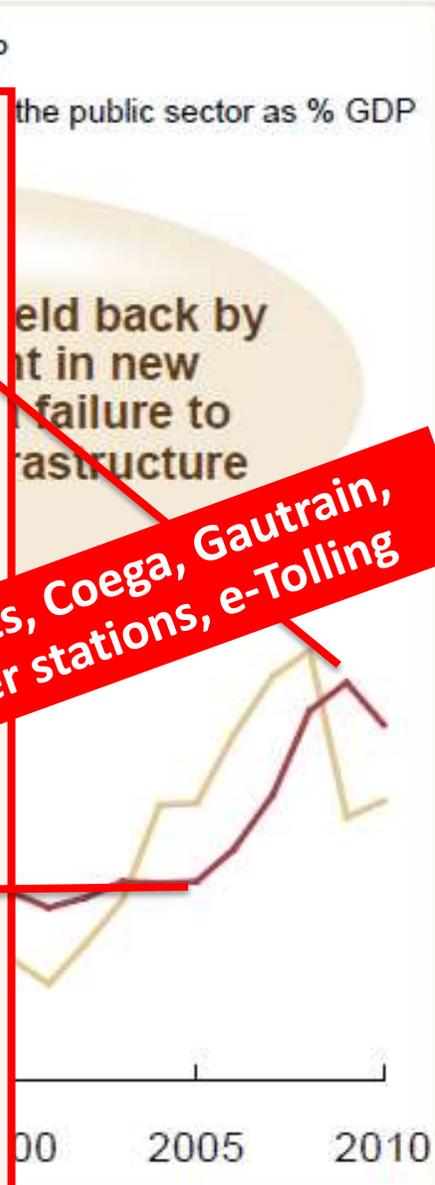


Secret - Embargo until 14:00, 8 June 2011

# 3 We have under-invested in infrastructure for over a generation

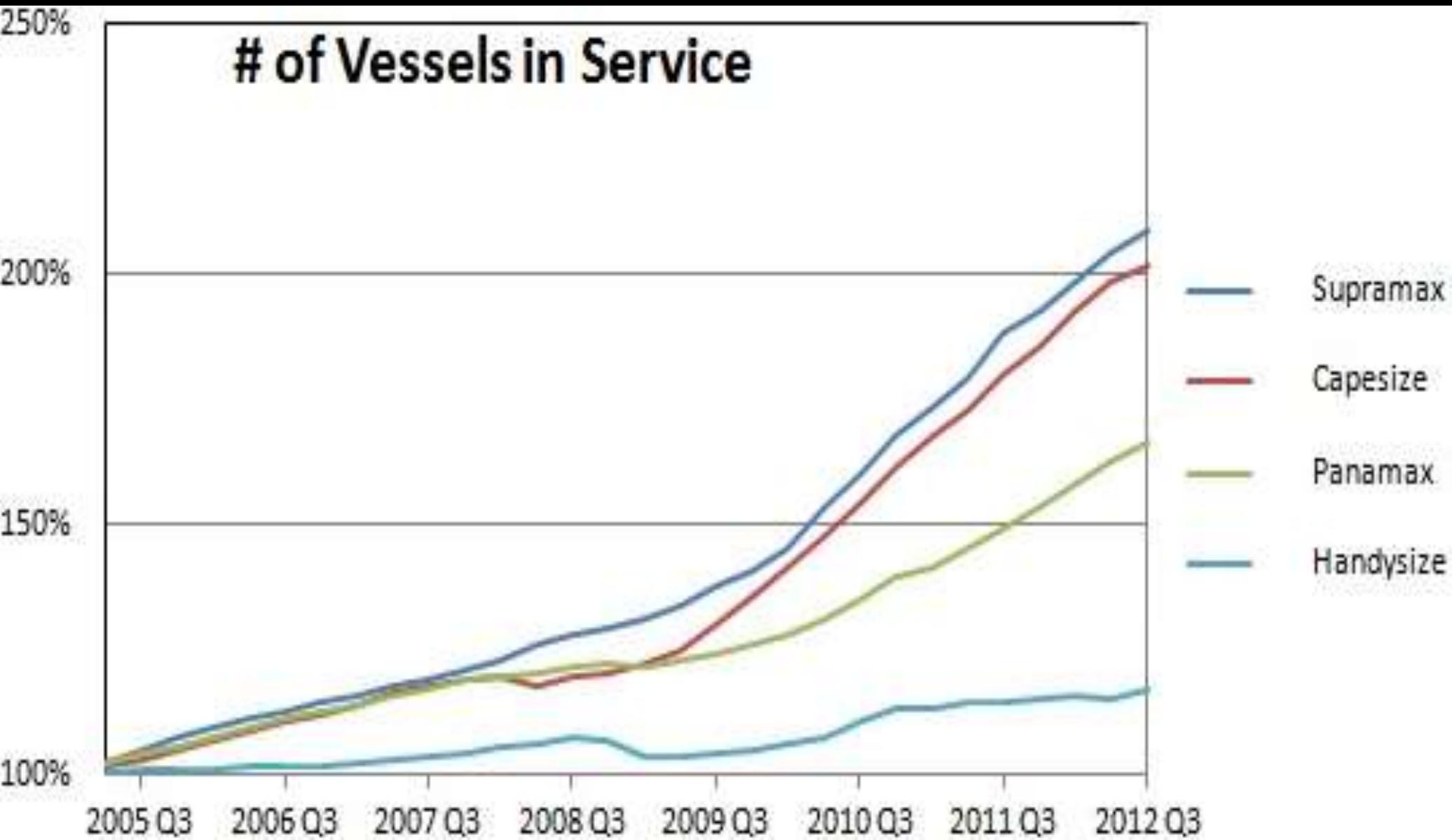


**crucial overinvestment in...**

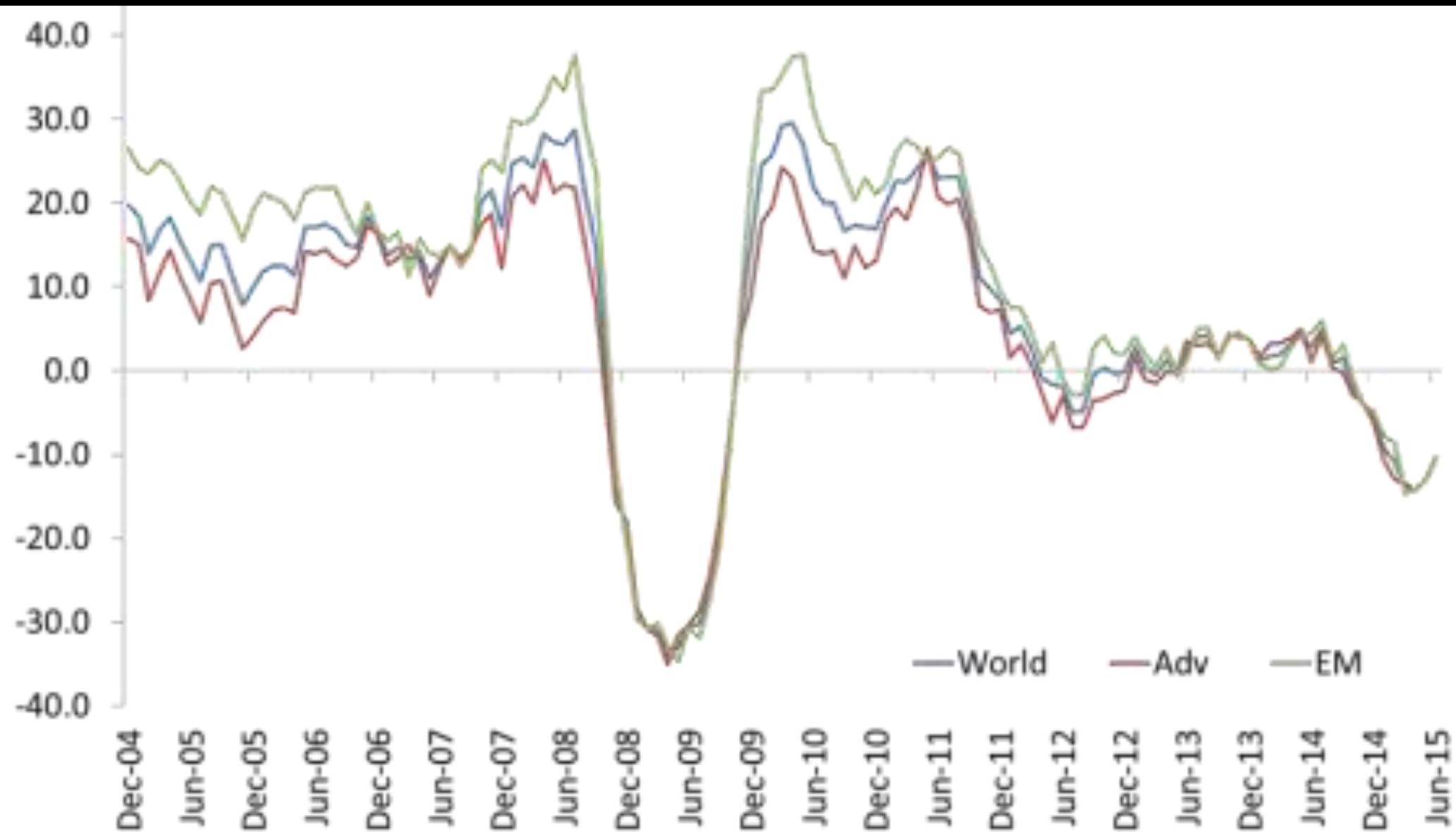


**stadiums, airports, Coega, Gautrain, coal-fired power stations, e-Tolling**

# *overbuilding of ships*



# *global rate of trade (% y-o-y)*



January 14, 2016 4:35 pm

# Shipping's globalisation woes



Gillian Tett

*“the patterns of modern trade and global growth are not behaving in 2016 as western and emerging market financiers might have expected, or as they did during earlier booms.”*

Share ▾



Aut

For signs of how tectonic plates of the global economy are shifting, look at the Baltic Dry Index



NATIONAL DEVELOPMENT PLAN 2018  
Our future -  
make it work



## CHAPTER 4: ECONOMIC INFRASTRUCTURE

### Objectives



national planning  
commission  
Department:  
The Presidency  
REPUBLIC OF SOUTH AFRICA

- Durban port capacity should increase from 3 million containers a year to 20 million by 2040.

### Transport

28. Consolidate and selectively expand transport and logistics infrastructure, with key focus areas being:

- Upgrading the Durban-Gauteng freight corridor, including a new port at the old Durban airport site.

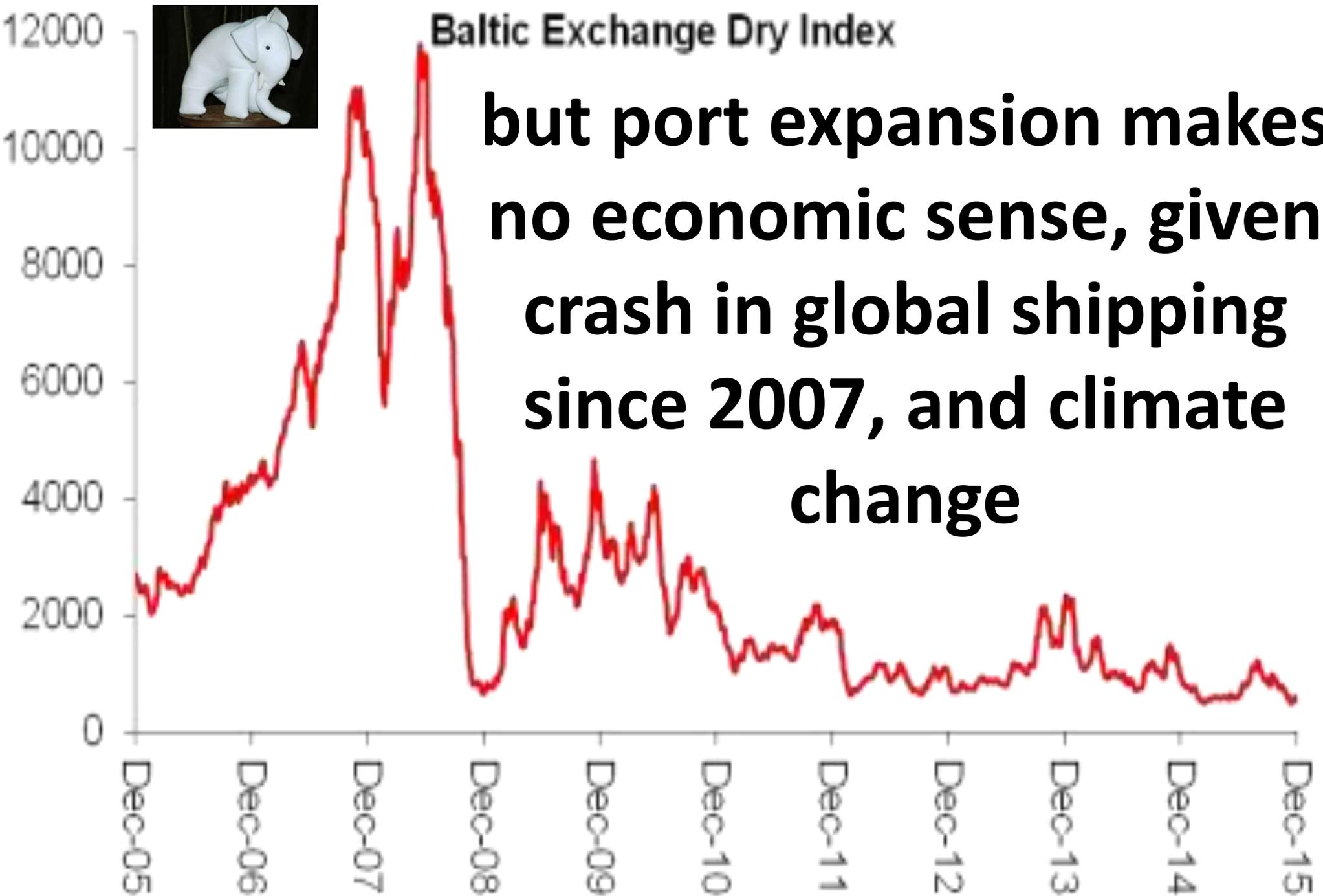
Our future -  
make it work  
NATIONAL  
DEVELOPMENT





## Baltic Exchange Dry Index

**but port expansion makes  
no economic sense, given  
crash in global shipping  
since 2007, and climate  
change**



25-Aug-2015

Open 200.93 High 202.45 Low 185.13 Close 187.66 Chg -14.91 (-7.36%)

\$CRB (Monthly) 187.66



***commodity futures index***

# *Transnet's South Durban Dig-Out Port: ubiquitous image of what we can expect*



***\$25 billion shipping-petrochem makeover:  
1-3) deepening/widening of old port  
4) new roads & dug-out port (old airport)  
5-6) major expansion of old port***



# BAYHEAD BASIN - CONTAINER EXPANSION PROJECT



EDWIN SWALES LINK ROAD

BAYHEAD LOGISTICS PARK

RAIL YARDS

EDWIN SWALES DRIVE

CAR TERMINAL

HERITAGE SITE EXPANSION

BAYHEAD BASIN

CONTAINER TERMINAL

BAYHEAD ROAD TUNNEL

MAYDON WHARF

MAYDON BOULEVARD

KANGELA BRIDGE

**BAYHEAD BASIN**  
**PORT OF DURBAN 2020**



*the world's filthiest transport energy*



# who wins from new infrastructure spending?

- *Johan van Zyl, Toyota SA CEO: 'Durban as a brand is not strong enough to simply say "come and invest in Durban". What it needs to attract investors are big projects. Durban needs to keep ahead of the competition. China is building ports they don't even know when they will use. **If return on investment is the line of thinking we may never see the infrastructure.**' – 6 February 2012*





Durban - Transnet National Ports Authority is forging ahead with massive infrastructure developments at Durban Port to keep pace with competitors on the continent, but it would optimise existing capacity before constructing the controversial new dig-out port south of the city.

TNPA chief executive Richard Vallihu, speaking at a business-to-business breakfast yesterday, said construction of the dig-out port, earlier labelled by activists as a “white elephant”, had been “shifted out a little bit”. But he declined to provide a start date.

“We want to maximise the infrastructure that we have and to optimise it,” Vallihu said.

“We are not saying we are not going through with the Durban dig-out port, but we have just deferred it for a couple of years,” he said.

TNPA strategy general manager, Nico Walters, said the authority would spend about two-thirds of a budgeted R53 billion national spend on port infrastructure in the ports of Durban and Richards Bay over the next 10 years.



*December 2015 announcement:  
a ‘couple of years’ delay but  
competitive-port rationale continues*

Durban Chamber of Commerce and Industry president, Zeph Ndlovu, said despite the positive developments, the economy had taken a knock during the global slowdown.

“We face another challenge: providing capacity ahead of demand. We have to press ahead, and if we are to unseat our competitors up north, we can’t win this battle if we pull back every now and then and look at accounting principles,” he said.

Ndlovu said local ports needed to benchmark services internationally, and there was an urgency to invest to keep pace with competitors which were expanding ports on the continent.

“Nigeria has five active ports and they have two other ports under construction, likely to increase their capacity from one million Twenty-foot Equivalent Units (TEUs) to 3.5 million TEUs. Namibia is also expanding, and in all these examples, China is actively funding and building infrastructure... We postpone the plans at our peril,” he said.

Jul 29 2011 7:43AM

## Jordaan 'sorry' over stadium

Jordaan 'sorry' over stadiums

Source: Gallo Images



**Norman Crews**

Soccer supremo Danny Jordaan has apologised to the cities that built stadiums for the soccer World Cup and admitted not enough thought had gone into their planning to ensure they would be financially viable.

An estimated R13bn was pumped into the building of the stadiums by national and local government, some of which have turned into expensive white elephants.

South Africa built six new stadiums and refurbished four others to meet Fifa's exacting specifications, including the FNB Stadium in Johannesburg, which is now Africa's largest stadium with a capacity of 95000.

Addressing the inaugural Sports & Events Tourism Exchange (SETE) conference in Cape Town, Jordaan, the CEO of SA's Local Organising Committee, warned South Africans against being too hasty in bidding for the Olympics.

*what did we learn from past infrastructure that was expedited too hastily?*

# ***Durban citizens ask: a sensible investment?***

***vast cost escalation:  
began as R2 billion in 2006,  
then came corruption collusion***



***next door to Mabhida: perfectly functional  
52,000-seater Absa Stadium hosting rugby***

# David Harvey (1989) on 'interurban entrepreneurial competition' resulting from

“Deindustrialisation, widespread and seemingly ‘structural’ unemployment, fiscal austerity at both the national and local levels, all coupled with a rising tide of neoconservatism and much stronger appeal (though often more in theory than in practice) to **market rationality and privatisation**, provide a backdrop to understanding why so many urban governments, often of quite **different political persuasions** and armed with very different legal and political powers, have all taken a broadly similar direction.”

# David Harvey (1989) on interurban entrepreneurial competition

“To the degree that interurban competition becomes more potent, it will almost certainly operate as an **‘external coercive power’** over individual cities to bring them closer into line with the **discipline and logic of capitalist development**. It may even force repetitive and serial reproduction of certain patterns of development (such as the serial reproduction of **‘world trade centers’** or of new cultural and entertainment centers, of **waterfront development**, of postmodern shopping malls, and the like).”