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Chapter 2

Decentralization and Entrepreneurial Planning

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In the last two decades the concept of state decentralization has been used to justify contradictory processes and decisions. While advocates stress decentralization of state responsibilities and decision making so that inclusive decision making and participatory planning can advance democratization, critics view state decentralization as a Trojan horse that brings the power of private sector interests into public decision making. The critique points to the outright privatization of public utilities as well as the invasion of the public sector partnerships with private corporations.

Clearly state decentralization is a complex and dynamic process. It may entail opposing outcomes. To use it in the interest of public good, planning professionals need to critically examine the links between state decentralization processes and planning practice, and then rethink the planners' role and responsibilities in that new context. They should be alert to the conditions under which the decentralization processes meant to empower localities to work more closely with constituents in inclusive planning may in fact, through an emphasis on entrepreneurial planning, introduce exclusive terms for urban citizenship.

Entrepreneurial planning refers to strategies that draw on □ and also facilitate □ the neoliberal policy framework known as entrepreneurial governance. Increasingly adopted by local governments around the world, entrepreneurial governance follows the New Public Management (NPM) guidelines, which embrace principles of the for-profits private sector. To address public sector inefficiencies, advocates of NPM counsel public administrators to adopt the management techniques and competitiveness of private businesses, market-based organizational structures and mechanisms, and performance measures and management by results (see Osborne and Gaebler 1993).

A frequent dilemma created by state restructuring processes occurs when more responsibilities are passed to local governments, but without adequate financial resources to carry them out. Local governments then turn for relief to the NPM prescription for operating as a private sector entity i.e., as a business. Short of outright privatization and sale of public assets, decentralizing local states often enter partnerships with private business to reap entrepreneurial profits. Their assumption is that doing so promotes a win-win situation benefiting the citizens and the municipality's coffers as well as the local businesses.

In what follows I interrogate a specific case of such a partnership in Cape Town, South Africa that joined the decentralizing municipal government with private-sector business and commerce. The partnership created Improvement Districts, a strategy for local economic development through urban revitalization. Inspired by NPM's vision of entrepreneurial governance, the Cape Town municipality entered this partnership to benefit from the private sector's entrepreneurialism and thus improve its own financial ability to perform its responsibilities. Considering that the overarching agenda of the post-apartheid state restructuring process in South Africa has been to achieve urban integration and inclusive citizenship, I ask: Does the entrepreneurial urban strategy adopted by the decentralizing local state deliver the inclusive urban citizenship promised by the post-apartheid state restructuring?

I examine the Cape Town Partnership and the spread of City Improvement Districts (CIDs) across affluent areas of the city from inception in 2000 to 2006. First, background information is provided, on Cape Town municipal government and the state restructuring context. Then more details are given on CIDs' operation as an entrepreneurial strategy for urban economic development.

I analyze in this case study how the decentralizing local government's emphasis on urban entrepreneurship subordinates its political agenda for redistribution. Under contradictory pressures, the decentralizing local state in Cape Town moved from its initial post-apartheid

objective of inclusive city and urban integration to creation of privileged urban zones like CIDs intended to attract new and foreign investments. In contrast to the political aspiration of decentralization □for inclusive citizenship, an entrepreneurial partnership risks continual social and spatial urban fragmentation.

For understanding the relationship between planning and decentralization the South African experience is significant but not unique. Its importance lies in the fact that state restructuring had held out explicit promises for the post-apartheid social objectives of integration and equality; and also is seen in the planning profession's key role in both the making and the unmaking of apartheid's social and spatial inequalities. The South African experience, moreover, has global relevance. The decentralizing local government of Cape Town, caught between its mandate for economic growth on the one hand and its mandate to achieve inclusive urban citizenship on the other, faced a conundrum shared by many municipalities around the world. The planning implications of these contradictory pressures on Cape Town as in many other cities have brought officials to adopt entrepreneurial planning.

The Municipal Government and State Restructuring

The paradox of South Africa's post-apartheid state is its simultaneous political liberation and economic neoliberalization, a condition that is the key to understanding the

challenging relationship there between decentralization and planning. The paradox of neoliberal economics and political liberation illuminates many aspects of the contradictory pressures shaping South Africa's decentralization as it pursues the ambitious goal of inclusive citizenship and urban integration through entrepreneurial governance and planning.

In 1996, two years after the negotiated political settlement that brought ANC to power, the ANC's redistributive platform, RDP, was replaced by a homegrown neoliberal policy package, GEAR (Growth, Employment and Redistribution). While RDP had called for economic growth through redistribution, GEAR asserts that distribution will happen through the economic growth to be achieved through liberalization of trade and market-led development. In 1996, when the shift to GEAR took place, South Africa also adopted a new constitution. This progressive document establishes a series of substantive citizenship rights, including housing and basic services, as universal rights for all citizens.¹

Two aspects of the new constitution are important for our discussion: (a) the constitutional call for deracialized citizenship, which expanded the responsibilities of the South African state and mandated for social and spatial integration; and (b) the constitutional mandate for state decentralization comprising national, provincial and local governments, and the transfer of responsibility for delivering public services to the local governments. The goal of inclusive citizenship was to be achieved through state decentralization, facilitated by

processes of Integrated Development Planning within municipalities and district councils. In actuality, however, the Integrated Development Plans (IDPs) received little political or financial backing for their implementation (see Harrison 2006; Parnell and Pieterse 2002). South Africa's state restructuring transferred functions to local governments, but not financial power.² (For more detailed documentation of this disjuncture see contributions to a superb edited volume by Pillay Tomilson and DuToit (2006) titled *Democracy and Delivery*).

In the absence of adequate transferred funding for their expanded responsibilities, and within growth-oriented policy framework favoring entrepreneurial governance, local governments hasten to shed responsibilities and their costs, and improve their revenues by participating in private sector and market –based strategies. Indeed, specific institutions such as MUII (Municipal Infrastructure Investment Unit) were created to help municipalities to private business sector's principles of operation with the aim of cost efficiency, and to establish partnerships with private businesses (see Pillay and Tomilson 2006).

To cut their costs, local governments have turned to privatizing or contracting out basic public services to private companies, or have created public-private partnerships for developing infrastructure and providing public services. But the strategy's relief for costs depends on full cost recovery by the private or partnership businesses □ from the citizens'

user fees.³ The new system then is ‘no fee, no basic service.’ The chapter by Patrick Bond in this volume explains this system well. I refer readers to his chapter for a detailed discussion of the pricing system for water services and its implications for exclusive citizenship in the context of South Africa’s state decentralization. In a further move to increase their revenue and income bases, municipal governments have prioritized, making the city or selected zones of it more marketable for investment and attractive to lucrative consumption. The adoption of City Improvement Districts (CIDs) has been one such urban strategy promising to improve revenues by bringing in foreign investment and lucrative tourism.

The CIDs, by giving private stakeholders a bigger hand in shaping and managing urban space, facilitate a shift from political to market-based steering mechanisms. In South Africa, this shift and the emergence of entrepreneurial enthusiasm in local government can be traced to some of the same ideologies, pundits and institutions of knowledge production that have influenced state restructuring in the US and the global North (Bond 2000; Harison 2006; Pieterse 2005). For example, the guide to “reinventing government” published in the US by Osborne and Gaebler (1993) influenced South Africa’s New Public Management approach, which assumes bureaucracy to be the root of problems in local government (see Harison 2006). In my interviews with city officials about efforts to bring in the private sector, they often referred to Osborne and Gaebler’s analogy of the state steering rather than rowing.

CIDs embody the rise of “urban entrepreneurialism” or “entrepreneurial governance” (Hall and Hubbard 1996) in which, to survive, financially strapped cities decide that their only option is to think and act like private sector entities, turning themselves into some sort of “Municipality Incorporated.” Municipality Incs. Aim to be not only fiscally disciplined and market savvy, but also to participate in efforts to dissolve the public realm (Clark 2004; Brown 2003; Harvey 2005).

Clearly the story of CIDs in Cape Town is closely related to the many stories from other parts of the world about market-led, local economic projects; contradictory pressures are experienced globally between political citizenship, or formal rights, and substantive citizenship, or economic rights. (I have elaborated on those pressures at length elsewhere [see Miraftab and Wills 2005; Miraftab 2006]).

The Cape Town Partnership-- CTP

In 1997, the city government of Cape Town, facing expanded responsibilities but with no increase in material resources, considered the proposal made by an agglomeration of commercial property and business owners in the city center. The proposal was to establish a public-private partnership to fund and manage an example of the urban revitalization strategy known as City Improvement Districts or CIDs. Popularized by Mayor Giuliani for

New York City in the 1980s and widely adopted in the US and Europe, these are known elsewhere as BIDs (Business Improvement districts).

In 2000 the City of Cape Town approved establishing a partnership with the city's private sector to support CIDs, with the expectation that they would create employment and relieve the City's financial distress both by bringing in new investment and by preventing the flight of businesses located in the Improvement Districts. The Cape Town Partnership (hereafter CTP) was created to manage the first CIDs established in the city, located in the central business district (CBD) and in three adjacent areas (Cape Town central; Green Point, Sea Point, and Oranjekloof). CTP, a non-profit, private entity, comprises partnerships of the local government with business and commerce organizations to oversee services within the CIDs both by the municipality and by private subcontractors.⁴ The CTP Board of Directors comprises members from both the public and private sectors.⁵ CTP is active in the reformulation and enforcement of city bylaws about the use of the public spaces in its territory, with particular attention to informal traders, parking attendants, street children, the homeless, and panhandlers. As the managing body of the most powerful CIDs in Cape Town, CTP is subsidized by the Cape Metropolitan Council.⁶

Any area can declare itself an improvement District as long as 51 percent or more of the area's property owners vote to create one and hence have additional fees (close to 13 percent of the property rate) added to their municipal bills, which are collected by the

City.⁷ Neither residential nor commercial tenants have any say about establishment of CIDs; voting is tied to property ownership. Since their inception in Cape Town, the number of CIDs has risen to 14, in affluent areas of the city.

Downtown Extreme Make Over

CTP, using public and private funds, undertook a sort of “extreme makeover” of downtown Cape Town that intended making it “a world class city, . . . with globally competitive product offerings” (Partnership’s CEO, interview 2001). The Partnership’s strategy towards that goal was to create exclusive and disciplined zones that are clean not only of trash, but also of unwanted citizens. The strategies to regulate not only the use but even the users of public space in the improvement districts included policing the public space and also hiring many private security agencies to police it, trying to regulate the use of public space by informal traders and eliminating from the streets not only trash, but also poverty as embodied in street children and the homeless.

Elsewhere I have discussed in detail the strategies applied in such disciplined urban zones and their social sanitation (see Miraftab 2007). Briefly, CIDs’ disciplinary work can be summarized in three areas:

(a) Regulating public space by restricting of informal trade. CTP has tried to limit the presence of informal traders in improvement districts by restricting them to specific

areas and converting markets in the downtown CID to be only upscale, tourist-oriented markets. Those moves have met a fierce resistance by the informal traders, who accuse the City of partnering with formal big business to sacrifice the informal traders. They point out that although not big in the amounts of their capital, they are large in number and thus in aggregate economic impact. The CID controversy has brought into opposition the city's informal and formal business sectors □ both powerful, but constituted by and catering to very different socioeconomic constituencies. While CIDs, representing formal business, try to attend to the interests of the fee-paying property owners in their zone, informal traders cater to the majority poor of the city, and offer as well a major source of livelihood for the city's many unemployed. The struggle between CTP's big business interests and the interests of informal traders and majority citizens is ongoing.

(b) Conferring legibility on the informal parking attendants by incorporating them into privatized parking management. Parking attendants are historically an informal network of unemployed people who steer people and cars in the congested downtown, point drivers to available curbside parking and protect their parked vehicles.⁸ This is a major source of livelihood for unemployed youth in the downtown. In 2001, supported by CTP, the City passed a bylaw that required parking attendants, in the CBD to be employed by a subcontracted, private parking management company; to wear uniforms and name tags, and to issue company receipts for the parking fees collected. The private company was to pay its contracted fee to the City and a fixed wage to formalized parking attendants, called wardens, who would be hired according to specific criteria. That aspect of the plan was upset, however, by the existing informal network of parking attendants, who are

strongly territorial and were not easily pushed aside by the new, uniformed wardens. Nor was there a long line of educated applicants with reference letters, seeking these jobs with the lowest pay. Thus the scheme's recruitment criteria fizzled. For the most part the same parking attendants, uniformed and name-tagged, have returned to work, carrying the companies' receipt booklets.

(c) Surveillance of public space, not only against crime but also against the presence of street children and homeless, who might be perceived as a threat to security. The public space and its users in central city CID are policed by a horde of surveillance: private security officers on foot, bicycle and horses; City and national police forces; and 24-hour, closed-circuit TV cameras. This policing of public space is funded not only by the CIDs' privately raised funds, but by their drawing down a lion's share of Unicity's security enforcement.⁹ That distribution of forces is notably unrelated to need, as the city's areas with the highest crime rates receive no remotely comparable share of its security enforcement. The rationale is strictly economic: to displace crime from affluent areas with lucrative consumption into less lucrative □ and so less privileged areas, whose property owners cannot afford to purchase more safety.¹⁰

The CTP surveillance strategy vis-à-vis the street children and the homeless has undergone some changes. Since 2003 CTP no longer rounds up street children and the homeless into the backs of private security trucks, which happened routinely during the first three years of the partnership. Since late 2003, CTP has relied instead on an NGO-run Assessment

Center's six outreach workers to keep street children and homeless people off CID territory. The multi-service assessment center enters street children into a database when they are brought in by the outreach workers. Those with no criminal charges pending are taken either back to their families or to one of the NGO-run shelters located outside the CIDs.¹¹

The efforts to contain informal traders within designated, privatized market places and to make parking attendants legible goes hand in hand with the surveillance and registration of homeless children and adults. In combination, these strategies socially sanitize and discipline urban public spaces. Their aim is to improve the perception of safety held by visitors, tourists and affluent consumers who frequent CIDs. In a city that as a whole was fragmented and polarized, downtown Cape Town thus posed as a commodity for sale. And indeed, it has become a hot spot for international real estate developers and tourism development companies, who have bought blocks of downtown and turned them into luxury apartments and lofts, predominantly for foreign tourism.

Between 2000-2003 the real estate redevelopments in downtown had an accumulated value of R8.2 bl, equivalent to US\$1.6 bl¹² (*The Saturday Argus* July 5, 2003). In 2003 alone this investment was R3.4 billion (US\$0.68 bl) <http://www.capetownpartnership.co.za>. Accessed July 2005). These developments, which brought major economic currency to the city's business district, also made the private-sector-dominated CTP an extremely powerful

actor in the city's management □ so much so that its entrepreneurial CEO, Michael Farr, was referred to by many Cape Townians as the city's unofficial mayor.

In 2003, however, an important turning point occurred in the development of CTP and of the CIDs in Cape Town's center city. Several conditions, discussed below, exacerbated tensions both within CTP and between CTP and the City, and brought CTP to crisis.

Under the city government's threat to pull out of the partnership, the political posturing within the CTP swiftly changed. The shrewdly entrepreneurial CEO, Farr, stepped down. A charismatic, anti-apartheid activist and former city manager, Andrew Boraine, stepped in to lead the CT partnership. To distance CTP from the positions of the previous CEO, he announced, "We can't create an island of prosperity in a sea of poverty;" his public speeches stated that "poverty is not a crime."

Partnership as a Terrain of Power Struggle

In 2004 the political composition of CTP and its discourse, practices and methodology were transformed. The private sector to a certain degree lost its dominance of the partnership as the former city manager was brought in to lead it. Some may say the CIDs became victims of their own success; their large and rapid encroachments on the urban landscape brought law suits against them in which rental residents and even property owners sought redress for the CIDs pushing them out; the CIDs' elitist practices with respect to the homeless, the street children and the informal traders sharpened the conflicts within the municipality

between the more socially minded and the more growth-minded fractions, and between the municipality and the business-dominated Partnership.

Other factors dampened the enthusiasm for CIDs, as well. The ANC gained the city council and Cape Town's mayorship in 2003. Social movements arose that opposed the evictions, privatization and service cut-offs sweeping across the townships and poor neighborhoods. These movements, claiming citizenship rights and the right to a just city, gained strength and legitimacy. It should be remembered that it has been the cities that have been the core of the citizenship struggle in the apartheid and the post-apartheid eras.

A unique factor in the change in the Partnership's balance of power was the tragic murder of two street children in downtown CIDs by white business owners. One murder was recorded on the city's CCTV. A public outcry arose, as most South Africans were reminded of apartheid's brutality against blacks unwanted in the Cape Town's white downtown spaces (*Cape Argus* May 17, 2004). Soon after the murders, the ANC mayor of Cape Town, Nomaindia Mfeketo, launched the Smile-A-Child Campaign, which pledged "there will be no more street children within a year" (*Cape Towner* June 10, 2004). The mayor announced funding for NGOs to eradicate this problem (though one would hope not the children).¹³ Cape Town Partnership launched a social development program, helping to finance an NGO-run Center and a staff of social workers to work with street children. Through these NGOs, CTP keeps street children out of its zones: outreach workers register

and create records for street children brought into the center. If they are not wanted by the judicial system they are sent to the appropriate service agencies and to their families if they can be located, or to shelters the NGO runs in townships outside the CBD. This system differs markedly from the previous CTP practice of regularly rounding up homeless and street children into the backs of private security trucks.

We must not, however, exaggerate the nature and extent of the 2004 changes. Despite the Cape Town Partnership's changed composition and new rhetoric, it cannot be said to have resolved the tension between the goal of social integration and that of entrepreneurial governance. Unless a way is found to address the structural basis of inequalities and poverty, Boraine's limited social service interventions in Cape Town may displace, but are unlikely to resolve the problems of crime, homelessness and drug abuse harming children as well as adults. For CBD's business sector, the children on its streets mean simply an economic liability for its image of the city for tourism, for global investment and for the 2010 World Cup in Cape Town, as an NGO staff pointed out in an interview (2006). That perspective makes the financial tie between NGOs and the business sector dubious and casts a cold light on the CTP's narrow territorial concern.

Boraine's pro-poor statements certainly help to humanize the CIDs □ and also, it should be noted, help to justify resistance to the practices of law enforcement officers by traders, homeless, street children and others in a refusal of the exclusionary project of urban

revitalization. But it is not clear how far he can move CIDs from exclusionary outcomes and practices. Boraine himself recognizes the limitations he faces; he argues the necessity of a nationally coordinated policy so that “investors cannot leave one city [whose policies protect the poor] for another with more favorable conditions” (interview 2004).

In the context of South Africa’s deep socio-spatial inequalities, CIDs’ territorial focus does risk displacing crime to areas that cannot afford to purchase better safety, and displacing street children to areas where no NGOs are paid to do outreach. The territorial focus also increases the urban fragmentation of apartheid city. It defeats social and spatial integration, the stated goal of both urban and regional development policies. Improvement Districts, by tying extra services, whether waste collection, safety or social outreach work, to property owners’ ability to pay more in fees, perpetuate the infamous urban spatial inequalities of apartheid. Urban scholars have documented such fragmentation and polarization of the post-apartheid cities (Watson 2002; Harrison Huchzermeyer and Mayekiso 2003), whereby the privileged areas continue as before to receive better services (McDonald and Smith 2004), and to enjoy a disproportionate share not only of private business investments but also of public resources (Turok 2001). The basis of exclusion may have shifted from race to class, but the citizen’s relationship to the state is still tied to urban location— a prominent feature of apartheid spatiality.

Articulation of Decentralization and Planning

The creation of Improvement Districts and their management through a public-private partnership highlights the entrepreneurial planning that has arisen with the global trend towards neoliberal governance. Entrepreneurial planning subordinates decentralization's political agenda to an economic one. The post-apartheid objectives of state restructuring were defined initially as inclusive citizenship and participatory planning to ensure more voice and control for disadvantaged groups. Subsequently, however, the turn toward decentralization guided by neoliberal economics has validated entrepreneurial planning that yields control to privileged corporations and private sector developers. That process is often disguised by the language of "partnership" and "power sharing," which celebrates with undifferentiated terminology the state's sharing of power with a spectrum of actors — all wrapped in the guise of "non-state actors." Collapsing actors with sharply conflicting interests into one all-encompassing category is one of the factors leading to the contradictory outcomes that have been seen for decentralization.¹⁴

Studying the dynamics of the Cape Town Partnership during the first six years of its operation reveals important insights about the articulation of decentralization and planning and about its expected outcomes.

First: public private partnerships, though often celebrated as an achievement of decentralization and power sharing or cooperative governance, often fail to foster social inclusion. The political context and environment of a partnership matters greatly as to

whether it does or does not achieve a public good — in this case, social and spatial integration. When the political logic of state restructuring is conflated with its economic logic, decentralization, in actuality has exclusionary outcomes. This case study reveals, however, the contentious nature of partnerships as a terrain of power; their outcomes are thus inherently not predetermined, but rather responsive to the power dynamics among the differing actors /partners. In the changing dynamics of the Cape Town Partnership the approach, methodology and rhetoric of the partnership was observed to be subject to change from a combination of local resistance within and outside the partnership structure. It is deceptive, therefore, to consider partnerships as fixed or static arrangements and therefore to assume decentralization leads to a predictable outcome such as democratization or inclusive planning.

Second: decentralization may pose a critical danger of setting up “local traps” — i.e., limiting the realm of action and change to spatially bounded, politically and economically isolated territories (Purcell 2006). Assuming that the problems of inequality and injustice can *necessarily* be fixed at the local level through local governments or district governments or communities without taking into account the dynamics of specific contexts —what Mohan and Stokke (2000) call localism— is a danger in uncritically advocating decentralization. As seen in this case of CIDs’ implementation, spatially bounded strategies for local economic development face unavoidable tensions within both the public and private structures, among citizens, city officials and planners. Tensions arise between market-driven local economic development aimed at growth and global competitiveness,

and socially aspired agendas for social equity through regional and metropolitan integration. The work of Iris Young (1990) has effectively exposed the danger that local participation can indeed generate greater injustice from the inequality among local communities. She therefore calls for regional planning and the coordination of local or community-based initiatives at the regional level. Young warns against celebrating local decision-making without being alert to the inequalities embodied by and across communities. Similarly, Janet Abu-Lughod (1998) cautions against uncritically romanticizing local communities and decentralized decision-making, and reminds us of such reactionary agglomerations as KKKs and elitist homeowner associations.

Third: transnational models of urban economic development, like CIDs do not simply roll out over a smoothed global space. Their implementation involves a contentious process of responding to local conditions. Conceptualizing CIDs as part of a global mode of neoliberal governance is useful and illuminating, but may assign too much power to the global agenda for capital accumulation and overlook how local specifics change the process and outcomes of such partnerships. I argue here that the practices the Cape Town Partnership has foregone in response to pressures it faced on the ground must analytically be taken into account. A combination of residents' resistance and the scheme's irrelevance to the local context brought Cape Town Partnership face-to-face with local specifics of global neoliberalization. The disjunction had an important impact on how the Partnership managed CIDs. Just as the parking attendants' recruitment criteria were abandoned; so too the earlier, heavy-handed treatment of the homeless was defeated by the recognition that

police and their pickup trucks could not simply “clean up” poverty from the streets of downtown, nor would NGO social workers consent to do so.

While concluding that decentralization is not a static model that necessarily achieves democratization and inclusive planning, I now call attention to certain conditions that can improve their democratic potential: all administrative levels of the state and coordinated, regional decision-making bodies, if they have appropriate tools and implementation powers, can help to eliminate the “local trap” lurking in decentralization. Strong social movements and civil society groups rooted in the struggle of the disadvantaged citizens can launch incursions into decentralization’s terrain of power and prevent its domination by private sector interests through entrepreneurial planning. In that paradoxical way decentralized planning might indeed produce a more inclusive and egalitarian decision-making and outcomes. It need not inevitably be taken over by interests of the stronger localities and narrowly focused local decision-making bodies (e.g., such area-based partnerships as CIDs). Clearly, a strong governing body to oversee the at-large interests of cities and regions would be useful. Even though social and spatial fragmentation is a corollary of contemporary neoliberal capitalism, a centralized state power responsive to vigilant social movements of disadvantaged groups could counter the splintering affects of decentralization.

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¹ Article 26 of the 1996 constitution states: "everyone has the right to access to adequate housing ... No one may be evicted from their homes, or have their homes demolished, without an order of court made after considering all the relevant circumstances. No legislation may permit arbitrary evictions." Article 27 states: "every one has the right to have access to ... sufficient food and water and social security, including, if they are unable to support themselves and their dependants, appropriate social assistance."

² For example, in the case of Cape Town ninety percent of the Cape Town Unicity's budget 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). Even the devolution of political power has been limited. That may be explained by the nature of the negotiated political settlement in South Africa, which required

local government structures to inherit officials of the former white local authorities, often reluctant and sometimes hostile to changed policies.

³. This strategy is also referred to as ‘cost reflective pricing’ or full recovery of service costs, ‘wherein the entire cost of service delivery, including infrastructure maintenance and replacement, is structured into rates’ (see Bond in this volume). In this system, black areas with inferior infrastructure incur higher service delivery costs, whereas white suburbs, historically subsidized by the apartheid state for their infrastructure development, enjoy lower service delivery costs. Such ‘cost reflective pricing’ of services does not allow for cross-subsidy between the areas; hence, residents in black townships pay more than do those in affluent white areas for identical services. High unemployment, intense poverty and greater service delivery costs burden the black townships; nevertheless, impoverished residents who cannot afford their service payments have increasingly had service disconnected.

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 has its own managing company.

⁵ 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 comprises 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>).

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

⁷ This is a unique feature of South African CIDs. Elsewhere the public sector does not bear the burden of fee collection and property confiscation should rate payers fail to pay the additional levies for CID privatized services and management.

⁸ Laurie Scott (2003:31) cites a survey conducted by the Catholic Welfare Development that was conducted 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.

⁹ 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 assigned to the CBD and Seapoint (interview 2006).

¹⁰ There is of course an additional economic rationale for the discourse of safety and security: one that extends beyond individuals' bodily safety to the collective economic security of the city. Rationalizing the policing of public space, CTP's founding CEO argues that "expenditure on policemen is not consumptive. It is investment expenditure. Because if crime is addressed, more investment is brought in" (interview 2001).

¹¹ The Mayor's Campaign made some funds available to the local NGOs in the CBD that had for decades worked with the center city street children, 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 children specifically.

¹² Based on the exchange rate in July 2004 US\$1=R5. Cumulative investment in the Central City since 2000, measured in terms of the capital value of current leases, new developments, investment purchases, upgrades and renewals, is R11bn (CTP website accessed June 2007).

¹³ There is no precise estimate of the number of street children in Cape Town. In the CBD alone, NGOs estimate about 300 street children. In the city as a whole, a 2000 survey estimated there were 800 street children.

¹⁴ The PPP literature indeed collapses efficiency, effectiveness and equity and indeed does not engage with the question of equity and social justice (e.g., USAID 1997; Fiszbein and Lowden 1999; DFID 1999; Bennett 1998). Dominated by mechanistic accounts of the PPPs — i.e., the logistics and typology, the forms of contracts and the terms of concessions, it has little to say about the power relations and the importance of the environment within which partnerships are implemented. Topics such as the political, economic, social, and cultural environments of the public-private partnerships and how they influence the ability of partnerships to serve the goal of public good are thinly treated (Osbourne 2000; Payne 1999). This literature often falls short in examining whether and how these Partnerships could replace the public sector's responsibility to serve the public good. (For a fuller discussion of that issue, see Miraftab 2004.)