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The remaking of local government in the Eastern Cape: economic, demographic and political challenges

Summary

This paper focuses on the problems and prospects of urban local government in the Eastern Cape region of South Africa. It commences with an overview of the institutional framework of local government in South Africa. Secondly, it assesses the 1995 local government elections in the province, and the nature and extent of party political competition at the local level. Thirdly, likely demographic trends are reviewed, along with their implications in terms of service provision. This is followed by a consideration of the revenue and planning crises confronting local authorities in the region. This issue is located within the context of specific patterns of urbanisation and economic readjustment. It is concluded that, while the deracialisation of local government represents a significant extension of South Africa's new democracy, fiscal, demographic and political realities militate against any meaningful and sustainable devolution of power over the medium and long term.

Die herskikking van plaaslike bestuur in die Oos-Kaap: ekonomiese, demografiese en politieke uitdagings

Hierdie artikel fokus op die probleme en vooruitsigte van plaaslike bestuur in die Oos-Kaapstreek van Suid-Afrika. Daar word begin met 'n oorsig van die institusionele raamwerk van plaaslike bestuur. Tweedens word die 1995-verkiezing van die plaaslike bestuur in die streek beoordeel, en die aard en omvang van partypolitieke wedywing bespreek. Derdens word waarskynlike demografiese ontwikkelinge bespreek en die implikasies daarvan vir diensverskaffing. Vervolgens word aandag gegee aan belasting en beplanning in die streek. Die hele kwessie word geplaas binne die raamwerk van die patrone wat verstedeliking en ekonomiese aanpassing vertoon. Die gevolgtrekking word gemaak dat alhoewel die nieraassigheid van plaaslike bestuure 'n belangrike stap voorwaarts in Suid-Afrika se demografiese ontwikkeling is, daar fiskale, demografiese en politieke realiteite is wat volhoubare ontwikkeling oor die medium en lang termyn sterk reenspreek.

On 1 November 1995, South Africa's first democratic local government elections were held, involving the Eastern Cape, Northern Cape, Gauteng, Mpumalanga, Free State, Northern and North-West provinces.¹ These elections represented the culmination of extended negotiations and the re-unification of racially segregated urban areas. There is little doubt that the formal re-unification and democratisation of local government in the Eastern Cape was a commendable achievement, but it also poses certain challenges. Local authorities in the Province have to contend with ongoing urbanisation, endemic revenue shortfalls, and bitter localised political conflicts even among formal allies.

This paper deals specifically with urban local government and the Eastern Cape province, although it should be recognised that rural local government in the province has problems of its own, most notably in terms of endemic disputes between chiefs and civic associations. Furthermore, the particular demographic pressures experienced in the province and the crises of skills, revenue and planning represent only some of the major challenges facing local authorities. *Inter alia*, local authorities also have to develop a symbiotic relationship with district and provincial administrative structures, and deal with the competition for urban space between businesses in the burgeoning informal sector and those in the established formal sector.

1. The institutional context

By the close of the apartheid era, urban space in South Africa reflected the process of over forty years of comprehensive racial segregation. Blacks had been banished to clearly demarcated and generally remote townships, while separate residential areas had been assigned for whites, coloureds (or those of mixed racial origin), and Indians. Indeed, the ill-considered "reforms" of the 1980s included plans to transform the black townships into semi-autonomous city

1. Elections in the Western Cape and KwaZulu-Natal were deferred, as a result of disputes between the African National Congress, the National Party and the Inkhatha Freedom Party.

states linked to often remote rural bantustans (Lodge & Nasson 1991: 34). This scheme never materialised, and it became increasingly apparent that the deracialisation of urban governance could no longer be postponed (Sparks 1994).

At the same time as South Africa's interim national political dispensation was being negotiated, local government structures were being redefined. In terms of the 1990 Interim Measures for Local Government Act, frameworks were established for negotiating the reintegration of South Africa's cities. These negotiations involved representatives from existing town councils, civic associations, and other key stakeholders. In March 1992, it was announced that all local authorities should aim to be converted to the new inclusive structures by early 1993 (SAIRR 1992-3: 41). The 1992 Provincial and Local Authorities Affairs Amendment Bill made provision for provincial administrations to step in, if local authorities did not make satisfactory progress to the new system (SAIRR 1992: 41-2). In response, local negotiating forums were set up, which, in some cases — such as in Port Elizabeth, the Eastern Cape's largest city — assumed overriding powers in the area. The Port Elizabeth Forum involved representatives of the African National Congress (ANC), National Party (NP), Democratic Party (DP), South African Communist Party (SACP), the Congress of South African Trade Unions, businesses, civic associations and other community organisations.

At the national level, a central Local Government Negotiating Forum was established. The forum agreed that local government should be democratised in three phases. The first phase was made possible by the 1993 Local Government Affairs Amendment Act which deleted references to racial "own affairs" from existing local government legislation (SAIRR 1993-4: 563). Instead, the Local Government Transition Act (no 209 of 1993) provided for interim Transitional Local Councils (TLCs), and in metropolitan areas (such as the greater Cape Town and Johannesburg areas) for a two-tier system of TLCs under a Transitional Metropolitan Council (Swilling 1997: 220). During this "pre-interim" period, which lasted until South Africa's first non-racial local government elections were held — in most areas of the country in November 1995 — councillors were appointed. Fifty percent of members of the transitional local

councils were members of the old racially-based councils, while the other fifty percent represented non-statutory organisations such as civic associations. These councils were not initially to be elected; their composition was to be determined by negotiations at the local level. In the case of major metropolitan areas, umbrella metropolitan councils were established in the "pre-interim" phase. Forty percent of members of these councils were to be elected on the basis of proportional representation, the remainder being nominated on a *pro-rata* basis by individual councils falling under the umbrella authority (Cameron 1996: 31). The relative strength of the metropolitan councils *vis-à-vis* individual local authorities was not clearly defined in legislation. This resulted in the various metropolitan negotiating forums reaching different agreements. Consequently, the Western Cape Transitional Metropolitan Council ended up considerably weaker than that of the Central Witwatersrand (Cameron 1996: 30).

In the second phase, South Africa's first non-racial municipal elections were held, replacing nominated TLCs with elected TLCs of "national unity" (SAIRR 1993-4: 564). These elections were originally scheduled for October 1994, although elections were ultimately postponed in some parts of the country. Forty percent of TLC members were elected on the basis of proportional representation, the remainder on a ward (constituency) system. Half of the latter seats were reserved for traditional "white local authority areas" (historically white, coloured and Indian areas), and the other half for African areas. As Cameron (1996: 31) notes, this provision resulted in an over-representation of minority groupings in most areas of the country, with the exception of the Western Cape, where Africans were over-represented in the case of many municipalities. As far as the transitional metropolitan councils were concerned, half of their members were directly elected on the basis of proportional representation, with the remainder being nominated by metropolitan sub-structures (SAIRR 1993-4: 500).

The third phase came into effect in 1998 with the promulgation of the Municipal Structures Act (no 117 of 1998), which deals with the institutional and jurisdictional aspects of local government transformation (*Government Gazette* 1999a: 52; 1999b: 3). This Act established a hierarchy of municipalities, giving the relevant

provincial MEC for Local Government the power to choose which type of municipality would be the most appropriate for a particular area, and the Minister the power to determine the term of office of municipal councils.

In terms of the (final) Constitution of the Republic of South Africa of 1996, all municipalities are ultimately to be elected either on the basis of proportional representation, or in terms of a combination of proportional representation and wards (constituencies). After the forthcoming local government elections, this system will, of course, bring to an end the weighting of representation in favour of formerly white municipal areas. This, in turn, will limit the representation of political parties who rely on the support of minority ethnic groups in most areas. Municipalities are to be entrusted — given their “financial and administrative capacity” — with the tasks of providing democratic and accountable local government for communities; ensuring the sustainable delivery of services; promoting social and economic development, as well as a healthy and safe environment, and encouraging the involvement of communities and community organisations in matters of local government (Constitution of the Republic of South Africa 1996: 63). Mayors are to be elected by councillors, and to chair council meetings. In 1995 the Eastern Cape’s former umbrella Regional Services Councils were replaced by six District Councils. These district councils would be made up of representatives of rural councils, and would be responsible for rural development issues. However, their ultimate political power remains unclear.

Two new Bills dealing specifically with local government were published in 1999. These were the Municipal Systems Bill and the Municipal Structures Amendment Bill. The former focuses primarily on the internal systems and administrative structures of municipalities. It aims to increase accountability to communities, and to institute clearer financial controls and mechanisms for monitoring by provincial government (*Government Gazette* 1999a: 1-2; 52-5). Local residents are entitled to a range of information concerning the internal affairs of councils, but their obligation to pay for services is reiterated. *Inter alia*, municipalities are expected to formulate medium-term financial plans linking expenditure levels

with revenue-raising strategies, while they are also bound to institute proper mechanisms for credit control (*Government Gazette* 1999a: 2-33). The latter Bill, the Local Government: Municipal Structures Amendment Bill, amends the 1998 Local Government: Municipal Structures Act (no 117 of 1998). This Bill was tabled after the Constitutional Court (Case CCT 15 of 1999 and Case 18 of 1999) found certain aspects of the original Act to be invalid. The Bill transfers many of the powers formally vested in the Minister (for example, the establishment of District Management Areas) to the Demarcation Board (*Government Gazette* 1999b: 3).

A further issue is that of the demarcation of municipal boundaries. In the Eastern Cape, most urban areas are surrounded by semi-urban villages, in addition to the usual African township and burgeoning informal settlements. Although the lifestyle of the semi-urban villages is that of an urbanised population, a rural myth is maintained (Bank & Wood 1998). It would be in the interests of the inhabitants of these areas to fall under the aegis of the relevant municipality in order to benefit from the levels of service provision normally associated with an urban area in South Africa. However, in many cases, these areas are in fact excluded. As Bekker *et al* (1997: 50) note, this reflects not only the opposition of representatives of the former white areas, but also that of sections of civic groupings representing townships and informal settlements. The concerns of the latter groupings are that socio-economic development in "their" areas would be prejudiced if even more impoverished "rural" areas were also included. However, while the inclusion of such areas cannot but place further strain on the already overstretched resources of existing municipalities in the province, their status as *de facto* urban areas will sooner or later have to be recognised. The following section provides an overview of the economic problems and challenges facing the Eastern Cape.

2. The Eastern Cape context

The Eastern Cape is South Africa's second largest province, encompassing some 13.9% of the country's land area, and is home to some 15.5% of its population according to the 1996 census (Statistics South Africa 1999). It is currently South Africa's second

poorest region (after the Northern Province). A sizeable proportion of the Eastern Cape is poorly suited to commercial farming, being prone to periodic drought. For much of this century the backbone of the Eastern Cape economy has been the motor industry (Lodge & Nasson 1991: 50). There are two major ports along the coastline, Port Elizabeth and East London. Both have good rail and road links to the interior, and until the 1990s, preferential rail tariffs were available. This led to the establishment of plants assembling motor cars from knock-down kits imported from Europe and the United States. Industry in both East London and Port Elizabeth expanded rapidly during the Second World War. In the post-war years, the gradual implementation of a local content programme led the Eastern Cape motor firms to move away from assembly to the actual manufacture of motor vehicles, and by the 1980s most components were locally sourced. This, in turn, encouraged the emergence and growth of automobile supply firms in Port Elizabeth and East London (for example, manufacturers of tyres, batteries, and car seats) (Wood & Els 2000: 112-8).

The lifting of sanctions, the ending of the drought that had bedevilled the province in the late 1980s and early 1990s, and the somewhat greater political stability which followed the reincorporation of the homelands have all contributed to the partial recovery of the regional economy. At the same time, the commitment of the post-1994 national government to the phasing out of tariff barriers has resulted in many firms in the province facing a crisis in terms of competitiveness. This has had particularly devastating consequences for the region's textile industry and has also affected employment in the motor industry. Indeed, the only area which recorded sustained growth in the 1980s was the service sector (DBSA 1996). Much of this growth was in the public sector, an area due for substantial cutbacks in line with altered state priorities. The decline in manufacturing in the Eastern Cape has continued into the 1990s. Although the planned Spatial Development Initiatives (SDIs) in the province hold considerable promise, it remains unclear whether the resultant development will prove any more sustainable than the ill-fated industrial decentralisation policy of the apartheid era (Maphinda 1998). Most notably, the proposed Coega Port Development outside

Port Elizabeth has been dogged by controversy, and it is unclear if sufficient investment will be attracted to make the project viable (Haines 1997). In any event, economic recovery in the region has been further constrained by ongoing instability in the former homeland regions, a resultant lack of investor confidence (SACCOB 1997), and the perceived incapacity of the regional government (see Southall & Wood 1996; Wood 1999). The long-term economic decline of the Province has, of course, far-reaching consequences for the revenue base of local authorities, and, in turn, for their own service provision. Given prevailing realities, it is likely that extremely high levels of unemployment will persist for the foreseeable future, imposing specific patterns on migrancy and urban settlement. At the same time, given their democratic base, local authorities in the province will have to be considerably more accountable to the needs of their constituents than their predecessors were.

3. Electing local authorities in the Eastern Cape

The first democratic local government elections in the Eastern Cape took place on 1 November 1995. 75.65% of eligible voters in the province registered to vote, 69.79% of that figure being urban and over 80% rural (*Mail & Guardian* 1995). In addition to appearing on the party lists, the ANC contested 282 individual wards in the province, compared to 67 contested by the National Party (NP, now known as the New National Party), 18 by the Democratic Party, 12 by the (white right-wing) Freedom Front and 9 by the Inkhatha Freedom Party (IFP). In addition, 114 seats were contested by independent ratepayer groupings and (in some cases) by smaller political actors. Significantly, the Pan-Africanist Congress contested few seats. In almost all cases, it suffered humiliating defeats. The most hotly contested areas were the non-African wards in the cities of East London and Port Elizabeth, and those in the farming centre of Colesberg.

Mirroring the results of the 1994 national elections, the ANC alliance garnered the bulk of council seats in almost all municipalities. The ANC won 83% of the party vote (proportional representation) in the province, this translating into 180 of the 217 non-constituency seats on the Eastern Cape's 67 urban councils. Its closest

rival, the NP, gained only 23 such seats. Most notably, the ANC won control of both Port Elizabeth and East London, as well as of the provincial capital of Bisho-King Williams Town and most of the smaller urban centres. It was only in urban centres on the western fringes of the province, such as Aberdeen, Graaff-Reinet and Steytlerville — areas where Africans constituted a minority — and in the tiny mountain hamlet of Hogsback that the ANC failed to gain governing majorities. With the exception of Hogsback, where the DP gained a majority, the non-ANC-held councils all fell under NP control. An interesting development was the surprisingly good performance of candidates representing local interest groupings in some areas of the former homelands of Ciskei and Transkei, although they did not gain any governing majority. Such groupings ranged from the “National Development Restoration of Traditional Custom” in Bizana to the “Qumbu Rural Development Forum” in Qumbu.

Several municipal by-elections have been held since the 1995 elections, prompted by the resignations of individual ward councillors. Although the ANC remains dominant, the liberal Democratic Party has made major inroads into National Party support within traditional white areas. These trends were echoed in the 1999 national elections, when the DP garnered almost 10% of the vote and supplanted the New National Party as the principal opposition party (IEC 1999). However, the ANC's grasp remains firm in predominantly African areas.

In 1996, the former military ruler of the Transkei homeland, Bantu Holomisa, was ejected from the ANC “for endangering party unity”. Holomisa soon found an ally in the ousted former National Party secretary-general, Roelf Meyer. In 1997, they launched the United Democratic Movement (UDM). In addition to gaining some white support at the expense of the National Party, the UDM made palpable inroads in the Transkei, attracting the backing of significant numbers of traditional rural leaders and disgruntled homeland civil servants. However, the UDM seems incapable of mobilising significant support in the Eastern Cape outside the former Transkei homeland (Wood 1997: 12-6). In the 1999 elections, the UDM gained 14% of the vote in the former Transkei, but less than 3.5% in

the province as a whole (IEC 1999). Nevertheless, there is little doubt that the emergence of the UDM will have far-reaching implications for civic politics in the region.

The ANC's hegemony across the bulk of the province has resulted in much latent political competition being subsumed within the ANC alliance. There have been particularly intense rivalries, not only between civic association representatives and traditional rural leaders, but also between the civics and other urban interest groupings. This conflict has led to considerable incoherence in the process of policy formulation at the municipal level. All these groupings face specific demands for services from their constituents.

4. Expectations and realities

In terms of the Human Development Index, the Eastern Cape is eighth of the nine provinces. Its literacy index is 0.723, compared to a national average of 0.822; it has a schooling index of 0.443, compared to 0.457 nationally, and an overall human development index of 0.507 versus 0.677 nationally (CSS 1996: 28). Limitations in the provision of education, health care and other basic social services exert particular pressure at the point of delivery. According to a 1995 province-wide survey conducted by Southall & Wood (1996: 25), two respondents particularly expected improved housing and basic services, electricity, water and sanitation, health care and the creation of more jobs through public works. As Southall & Wood (1996: 25) noted:

Many of these areas are often seen as the responsibility of local authorities. Again, it is evident that, even before the elections, local authorities were facing clearly defined expectations from their

2. Sample size represents a product of not only the overall size of the population, but also deviation in responses (Bailey 1987: 84-92). The sample size of 470 was computed after a pilot study was conducted through simple quota sampling. Statistical tests revealed that the final sample was indeed representative of the key regional strata.

constituencies. Demands that basic community services should improve are by no means impossible to fulfil, and are hardly revolutionary. In addition, the installation of electricity and water services is a conspicuous process — even if all do not personally benefit immediately, any progress will not go unseen. Quite clearly, however, some progress in these areas will have to be made fairly soon, if there is not to be widespread popular dissatisfaction.

These sentiments were echoed in a 1998 survey conducted by the author (Wood 1999). However, concerns about delivery do not seem to have translated themselves into a general disillusionment with the political process.

5. Service delivery and infrastructural migrancy

The following table compares the residence patterns for urban and non-urban areas in the province in terms of numbers and average sizes of households.

	No of households		Ave household size	
	Urban	Non-urban	Urban	Non-urban
House/part of house	361135	250298	4.5	5.2
Flat	30521	6375	1.9	3.3
Townhouse/ semi-detached	17242	2343	5	2.5
Traditional	664	459529	5	5.3
Shack	27380	21673	4.1	4.3
Shack on same site as house	3772	4429	3.8	3.5
Other	-	595	-	3.2

(Source: CSS 1996: 31).

The Eastern Cape remains primarily a rural province. From the above table a number of general trends are apparent. Most notably, in the rural areas, relatively large numbers of people dwell in traditional structures which, in comparison to other dwellings, are relatively crowded. This grouping constitutes a major reservoir of potential migrants to the urban areas.

By October 1994, only 28.6% of residents had access to running water in their dwellings, with an additional 14.1% having access to tap water on site (CSS 1995: 39). Meanwhile, only 24.8% had access to publicly-supplied electricity, and 34.4% to flush sanitation. A similar backlog exists in the provision of health services, with 3.3 hospital beds being available per 1000 of the population, compared to a national average of 3.9 (CSS 1995: 61). Although the provision of social services is most limited in the former homelands, even in the major urban centres of Port Elizabeth and East London a significant proportion of the populace lacks access to flush sanitation, electricity and water on site. For example, in 1994, one-third of homes in the greater Port Elizabeth area did not have water-borne sanitation, while only 57.1% of inhabitants had running water in their houses (DBSA 1996: 40). Nonetheless, the higher level of service provision in the urban areas, in comparison to the rural hinterland, is bound to attract additional migration from the rural areas even in the absence of jobs — in other words, urbanisation due to infrastructural considerations, rather than economic reasons (see Bank & Wood 1998). However, given the legacy of the past and current realities, it is unlikely that new migrants will be able — or willing — to pay for services.

6. Paying for services

It is too soon to tell how effective the newly-democratised local government structures are in delivering services and promoting community development. However, it should be noted that, given widespread non-payment for municipal services and the problems of integrating previously racially-separated town councils, it is likely that local authorities will continue to face severe difficulties in generating adequate revenues. On the one hand, it is evident that, as borne out by the 1995 survey (Southall & Wood 1996; cf Wood 1999), 66% of voters in the province believe that users should pay for municipal services. Indeed, 27% of respondents were willing to entertain an increase in service charges if this would result in an improvement in service provision. The Masakhane campaign, aimed at ending rent and service boycotts, aimed to increase payment levels by linking payment with improved accountability and enhanced service provision. This campaign had some initial success in the region (Southall & Wood

1996: 104). Some municipalities, such as Queenstown, have begun to take legal action against chronic debtors, albeit in a piecemeal and not always coherent fashion (*Daily Dispatch* 1997b).

On the other hand, in most areas of the province, informal boycotts remain in force, with massive amounts owing in arrears. Indeed, the campaign has even foundered in those areas initially touted as success stories, such as that of the Butterworth town council (*Daily Dispatch* 1997a). As in many other parts of the province, the campaign's failure in Butterworth resulted in part from tensions between rival ANC factions and community organisations formally aligned to that party. In response to widespread non-payment in predominantly African areas, groupings of white ratepayers have begun boycotts of their own, most notably the notorious Taxpayers' Action Organisation (TAO) in the predominantly white areas. In addition, with South Africa's second democratic local authority elections looming, councillors often seem very reluctant to press for realistic service payments, a good example being the ongoing conflict over service charges in Mdantsane, East London (see Bank & Wood 1998). There is a very real danger of a vicious circle setting in, in terms of which local authorities with very limited revenues will be able to offer very few basic services, and residents will be reluctant to pay service charges when they can apparently receive very little in return (Southall & Wood 1996: 104). The chilling prospect emerges of bankrupt local government institutions offering fewer and fewer services and becoming increasingly isolated from and irrelevant to both central government and society in general.

Moreover, it should be noted that most 1995 survey respondents looked to local government as the primary vehicle for delivering social upliftment schemes. Given the growing dissatisfaction with the provincial government, local authorities can ill afford to be seen as similarly ineffective. It should be recognised that local authorities are financially overstretched, and often, on account of previous duplication and triplication of services on racial grounds, chronically overstuffed (Southall & Wood 1996: 105). Given the high unemployment in the region, as well as demands that the state give more attention to job creation, it is unlikely that widespread staffing cutbacks will take place at the local authority level.

It is thus imperative that some of the additional funding be channelled to local authorities by central government on the condition that strict financial accountability be maintained (Southall & Wood 1996: 105). Municipalities do already receive specific grants for the upgrading of facilities such as water and electricity. Many local authorities have the organisational capacity, given the necessary financial capacity, to co-ordinate developmental initiatives at the community level (Southall & Wood 1996: 106). There is little doubt that, if local authorities are seen to be delivering, it will be very much easier to encourage general payment of municipal service charges. However, any central government assistance should be short-term and project-orientated (Southall & Wood 1996: 106). Long-term fiscal dependence on central government bodes ill for the viability of local authorities as independent entities. It is all too easy for national politicians to use financial assistance to local authorities as a means of channelling patronage to key constituents. By the same token, the dependence of local authorities on central government serves to increase their isolation from their constituents. Meanwhile, central government has repeatedly reiterated its unwillingness to bail out local authorities, despite the latter's increasing indebtedness (*Mail & Guardian* 1998). Finance Minister Trevor Manuel's refusal to "throw a lifeline to ailing municipalities" has resulted in local banks establishing a council to evaluate the consequences of massive debt for future lending policies. Local government's share of national revenue has been pegged at R1.21 million per annum, although further discretionary conditional grants are possible and it seems that some revision is now likely. This, in the end, will necessitate financial cutbacks, which could well impact negatively on the capability of municipalities to fulfil their briefs, particularly given the above-mentioned constraints on staffing reductions. The launch of Project Viability by the Department of Constitutional Development in 1993 represented an attempt by central government to impose some form of accountability on municipalities. The project aims to monitor the liquidity of municipalities, payment levels, arrears, and the effectiveness of credit control measures (Department of Constitutional Development 1998). To date, although some useful information has

been gathered, the project has been hamstrung by poor co-operation from many municipalities.

7. The problems of planning

In addition to the financial crisis, local authorities in the province are beset by a planning crisis, with insufficient information as to the exact nature and size of the constituencies they are meant to serve. Most official demographic statistics represent chronic under- or overcounts. For example, the increase in population of the Eastern Cape's second largest city, East London, over the period 1980 to 1994, based on the Central Statistics Service and statistics derived from the Development Bank, from household surveys and from the municipal election process, is depicted in the following table:

Increases in population in Greater East London 1980-1994

	1980	1991	1994
East London	177 076	240 467	316 354
Mdantsane	192 373	382 426	604 910
Total	369 449	622 893	921 264

(Source: CSS 1996; DBSA 1996; SETPLAN 1997).

There is evidence to suggest that the figure for Mdantsane — South Africa's second-largest township, formerly part of the Ciskei homeland, but now united with East London — is in fact very much lower. For example, according to a report by SETPLAN (1997: 9), which forms the basis for current municipal thinking, the 1997 population may be as few as 216 000 people. However, in a 1996 report, Vista University suggested that it may be some 718 656 people. It seems that the latter figure represents a rough projection based on the data of the official 1994 census.

Dwelling counts and a projected occupancy rate per dwelling probably represent the most feasible method of calculating population size, with further demographic information being obtainable through surveys. The official overcount in East London — and in many other municipalities in the Eastern Cape — is due to the fact that there may be widespread "double occupancy". A significant number of the inhabitants of outlying areas of Mdantsane have taken up residence in informal settlements closer to their places of work.

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However, many return to their dwellings in Mdantsane over weekends, resulting in a potential multiple count. This, in turn, reflects the extent to which the growth of informal settlements in the city — and the province — represents internal migration, or township overflow, in other words. However, this does not diminish municipal responsibility for additional service provision in these rapidly-mushrooming areas.

Given the above, it seems that the most accurate population estimates for East London are those compiled and employed by the municipality's Directorate of Development Planning. These are summarised in the following table:

Area	Population estimate 1997
East London	261 700
Mdantsane	220 000
Total	481 700

These figures are by no means definitive and the huge variation from official census data highlights the uncertainty of the planning environment in which Eastern Cape municipalities operate. The case of East London is by no means unique; most Eastern Cape municipalities are beset by a similar lack of clarity. The controversial 1996 census seems ill-equipped to resolve such anomalies. A different methodology was employed for this census when compared to earlier exercises — basically a departure from the previous demographic models, and employing the PES method of adjustment (Statistics South African 1999). The result was condemned in some circles as an undercount (see, for example, Shell 1998), but the figures seem considerably closer to municipal estimates than those of earlier censuses (see Statistics South Africa 1999).

7. Conclusions

It is evident that local authorities in the Eastern Cape face certain unique challenges. First, the relative lack of political alternatives has resulted in much latent political competition on an intra-party basis rather than between parties, with local authorities becoming a site of

contest between rival grassroots and regional interests, most notably within the camp of the dominant ANC alliance.

Secondly, the operation of extended networks of support results in the most marginalised having limited mobility, with migrancy to the main urban centres in the province being, in many cases, a more feasible option when compared to more prosperous destinations further afield (Wood & Haines 1995: 20). The relative lack of employment opportunities will make much internal migration in the province partially service-driven, as opposed to totally employment-driven. In other words, further migrancy can result from the provision of additional social services and/or housing in the major urban centres, even if such provision were aimed simply at resolving an existing backlog. Coupled with this, there has been increasing internal migrancy as existing urban residents move to informal settlements in response to over-crowding and long commuting distances.

Although South Africa has held its second national democratic elections, informal rent and service boycotts dating back to the apartheid era still remain in force in many Eastern Cape municipal areas. As a result of bitter in-fighting within town councils, municipalities often seem incapable of acting decisively in this regard. Central government has become increasingly reluctant to bail out local authorities, and there is little doubt that future assistance will be subject increasingly stringent conditions.

Despite spatial development initiatives aimed at attracting new investment to the region, it seems unlikely that the decline in the province's industrial base will be reversed in the foreseeable future. This has far-reaching consequences for settlement patterns and the revenue base of local authorities.³

3 A major motor vehicle producer in the province, Volkswagen, has just gained a large export order to Britain, which will, in turn, necessitate a significant increase in capacity. However, another major employer in the province, Mercedes Benz, has recently been retrenching employees.

In poorer regions such as the Eastern Cape, where a career in government has become the easiest path to wealth, the most competent politicians have gravitated to regional and national governmental structures (cf Nafziger 1988: 86). Too often elected municipal office has fallen, by default, into the hands of less skilled individuals representing factional interests (*Daily Dispatch* 1997a). Indeed, in the 1995 survey, the mode of respondents held that the best leaders had already been elected to the national and the provincial parliaments, leaving local authority to the also-rans. The high turnover of municipal officials as a result of the uncertainties of transition has exacerbated this situation (*Daily Dispatch* 1997a).

It is generally accepted that democratic representation at the local level can ensure more genuine representation and flexibility than would be possible with highly centralised governmental structures (Arendt 1984: 260). Indeed, the deracialisation of local government represents a significant extension of South Africa's new democracy. However, as within many other African countries, local government in South Africa remains bedeviled by revenue shortfalls, the pressures of ongoing urbanisation and political infighting. This, in turn, casts a shadow over the prospects for meaningful and sustainable devolution of power over the medium and long term.

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