CITY IMPROVEMENT DISTRICTS (CIDs) AND THE PRODUCTION OF URBAN SPACE IN JOHANNESBURG:

URBAN REGENERATION, CHANGING FORMS OF GOVERNANCE AND NEW MEANING OF PLACES

Abstract
Since the democratic transition of 1994, City Improvement Districts (CIDs) have been implemented in Johannesburg to revitalise the declining inner city and support economic and business development in the suburban nodes. The paper analyses how a concept of urban revitalisation imported from North America and driven by neoliberal principles articulates with the changing economy, the emergence of new forms of governance and urban restructuring processes in post-apartheid Johannesburg.

CIDs emerged and developed in Johannesburg in a context of shifting economic bases that turn the former mining and industrial city into a financial and business services metropolitan centre. CIDs fit into the new neoliberal economic paradigm adopted by the public authorities and driven by the vision of Johannesburg as a “World-Class African City”. Like in Europe and in North America South Africa has adopted a more proactive and entrepreneurial approach to urban management that tends to subordinate social issues to the search for competitiveness. The analysis points out that CIDs are tailor made tools that rationalize urban management and disconnect social issues from wider political and economical debates. Like large-scale Urban Development Projects in Europe, CIDs are associated with new forms of “governing urban interventions” that bear
the risks of developing “corporate decision-making” instead of community empowerment and grass-roots initiatives and “stakeholder urban governance” instead of “representative urban governance” (Swyngedouw, Moulaert, Rodríguez 2002: 561). The paper also emphasizes potential risks regarding the impact of BIDs on socio-spatial structure, in particular the accentuating of intra-urban inequalities between the useful, economically productive, attractive and competitive areas and the areas with no or little economical value and potential.
CITY IMPROVEMENT DISTRICTS (CIDs) AND THE PRODUCTION OF URBAN SPACE IN JOHANNESBURG:

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Since the democratic transition of 1994, City Improvement Districts (CIDs) have been implemented in Johannesburg to revitalise the declining inner city and boost economic and business development in the suburban nodes. Whilst there is no standard definition of CIDs, these organisations are mostly defined as self-taxing, self-help public private partnership organisations set up by business and property owners to maintain, promote and develop public areas within a perimeter, specifically through the enhancement of public services (Houstoun 1997, Gross 2005). CIDs are often associated with the diffusion of neoliberalism worldwide (Didier, Peyroux, forthcoming). They represent the transfer of publicly owned space to private interests, a form of “shadow privatisation” (Lofland 1998: 211), which is emblematic of the “entrepreneurial city” and the search for competitiveness in a context of increased competition between cities (Harvey 1992, Hall and Hubbard 1996, Ward 2006).

This paper focuses on the implementation of CIDs in Johannesburg in a context of both particular and similar urban conditions compared to other southern and northern cities. It analyses how a concept of urban revitalisation imported from North America and driven by neoliberal principles fits into economic change, new governance forms and urban restructuring processes in post-apartheid Johannesburg.

Johannesburg displays indeed specific features: the economic and financial centre of South Africa has contrasted economic bases which position Johannesburg between the developed and the developing world; there are distinct socio-economic patterns inherited from the apartheid regime and urban spaces remain strongly marked by the past segregation; lastly, urban and political restructuring at national and local scale face tremendous challenges with regard to removing or redressing past inequalities.

But Johannesburg is confronted to problems of business and residential vitality common to many cities (Kresl 2007): a declining inner city affected by the deindustrialisation, the development of suburban shopping malls, the decentralisation of office parks, and the “white flight” out of the inner residential areas linked to rising rates of crime; high levels of unemployment and poverty and the growth of economic informality (Beall et al. 2002, Beavon 2004).

The first section of the paper explores the urban conditions and the challenges of regeneration in Johannesburg’s inner city and suburban nodes. It emphasizes the shifting economic bases of the city and the consequences of the demise of the apartheid regime. The second section investigates the importation and the adaptation of the CID concept in Johannesburg in the context of the neoliberal turn in South African policies. CIDs fit into the new economic paradigm for growth that links urban regeneration with the search for economic growth and competitive restructuring. The third section investigates how economic and social issues are conceptualised and examines the way
CIDs interventions produce new meaning of places and new identities. The analysis points out that CIDs are taylor-made tools that rationalize urban management and disconnect social issues from wider political and economical debates. The third section also critically investigates potential risks regarding the impact of BIDs on socio-spatial structure in order to point out specific challenges in the context of Johannesburg.

1 Urban conditions and the challenges of regeneration in Johannesburg

1.1 A shift towards a “professional, private sector city”¹ with contrasted economic bases

From a mining centre and an industrial city to a financial and business services metropolitan centre, Johannesburg has undergone many changes over the past decades (Rogerson 1997, 2005, Beavon 2004). This city of more than 3 million inhabitants is the economic core of South Africa and a major economic centre in the sub-region. Johannesburg’s gross geographic product amounted to US $ 15.5 billion in 2002, which represents 16.4% of the gross national product as against 7.2% share of national population. The average annual growth rate over the last decade grew from 2% per annum to over 4%, whilst that of the country averaged 1.8% per annum (South African Cities Network 2004).

Johannesburg concentrates a large share of business: there are 290,000 formal sector business enterprises which employ about 840,000 people; 74% of national corporate head offices are located in Johannesburg, using 55% of the total office space in the country; 70% of banks headquarters and 45% of travel agencies are based in Johannesburg. In addition Johannesburg is the main site of foreign business in the country and in the wider region (this includes banks, financial services, business services, and a large range of international companies), and the site of most foreign media representation (Mabin 2004). Looking at the continued shift towards the financial and servicing sectors experts point out that that these changes have made Johannesburg “South Africa’s quintessential professional, private sector city” (Bernstein and McCarthy 2002: 19).

While Johannesburg displays some key characteristics of a well-developed and attractive city its economic bases are double-sided, with some aspects close to northern cities and other similar to southern cities. There has been a contrasting growth of informal activity on the one hand and the development of more and more sophisticated financial and other services on the other, with little direct integration between formal and informal activities (Mabin 2004). Between 1996 and 1999 the informal sector grew from 9.6% to 16% of total employment (City of Johannesburg 2002). At the same time employment growth only rose by 1% per annum, whilst unemployment has risen from 27 to 37 % between 1996 and 2001 as a result of migration from other parts of South Africa and from the sub-continent (Tomlinson 1999). Growth in the culture, tourism and Information and Technology sectors is part of the current economic shifts that are turning Johannesburg into a creative city (Dirsuweit 1999).

¹ Expression borrowed from Bernstein and McCarthy 2002: 19.
The city enjoys connections with global business and inter-linkages with the rest of the
world but on a restrictive and elite basis: “The connection with global business and
broader society is particularly striking in Johannesburg. But that connection involves,
directly, only a minority – symbolised by the mingling of business tourists and local high-
income people in the most expensive shopping centres in the northern suburbs” (Mabin
2004: 18). While this north-south interaction might also be found in other cities in
emergent countries, Johannesburg has connections with other economies via African
migrants from Southern Africa, but also from Eastern and Western Africa. Diversified
forms of south-south connections are emerging in Johannesburg and translate into the
local economy through formal or informal trading, among others (Mabin 2004).

1.2 General shabbiness and decay in the inner city

Johannesburg has been in a persistent, slow decline throughout the 1980’s and the early
1990’s with a drop in gross geographic product and a drop of formal employment mostly
as a result of the declining manufacturing sector (Tomlinson 1999). Like in many other
cities Johannesburg’s inner city² has experienced a general shabbiness and decay
(Bremner 2000). The Central Business District (CBD) has been affected by the capital
flight to the northern suburbs that started in the 1970’s with the decentralisation of offices
and shopping centres, resulting into a drop of office occupancy rates (Larsen 2004).
Residential influx of impoverished African people in the early 1990’s contributed to the
changing social geography of the inner city while opening the way for the informal
occupation of vacant and vacated office space. Property invasions also took place in the
inner-city residential zone where several apartments, no longer connected to services,
had been vacated (Beavon 2004). One should point out that contrary to North American
inner cities, which are associated with low-income, largely minority neighbourhoods, the
central city of Johannesburg was reserved for Whites under the apartheid regime while
the Blacks were forcibly consigned to the townships and the settlements of the periphery
where poverty is still concentrated. However, although the new residents of the inner city
were poorer than those they replaced, they were relatively well-off (Tomlinson 1999).

The inner city was gradually affected by physical blight as the landlord-tenants
relationships collapsed and the maintenance levels declined. Partial boycotts of rental to
landlords were organised and payment of water and electricity were suspended.
Informalisation of the inner city started to develop through the construction of shacks in
the yards of buildings, on the pavement in areas near the main taxi ranks, in some of the
parks in the CBD, and on vacant stands. Crime and grime escalated, ranging from petty
crime to serious crime, hijacking and drug-related crime. The streets of the CBD became
deserted after dark. The massive volume of legal and illegal taxis and traffic congestion
also contributed to crime and the degradation of the city centre, and to the demise or
migration of high-order shops (Beavon 2004).

² The Inner City forms part of the former Region 8 administrative area of the City of Johannesburg. It
comprises the City Centre or Central Business District (CBD); the office satellite centre of Braamfontein; the
lower density, predominantly residential suburbs to the east of the City Centre of Yeoville, Bertrams,
Troyeville and Jeppesdbe; the higher density residential areas of Berea and Hillbrow; City Deep; and
Newtown, Fordsburg, Pageview and Vrededorp in the west. In 2006 the administrative regions of the
metropolitan area have been restructured into seven regions. The Region 8 has been amalgamated with the
Region 9, the south-eastern corner of the metropolitan area that includes Johannesburg South, City Deep,
Aerotine and South Gate (http://www.joburg.org.za/unicity/index_regions.htm)
1.3 Concerns over business vitality and office vacancy rates in the suburban economic nodes

When dealing with suburban nodes, the political and economic meaning of suburbanisation in Johannesburg should be pointed out. The phenomenon, that encompasses residential and capital flight out of the inner city, has far-reaching implications: “Suburbanisation in Johannesburg is not just a temporary kink, a kind of collective tic in the face of change. It entails a massive relocation of material and political power towards specific city zones, where the middle classes recongregate and regroup” (Marais 2000 quoted in Mabin 2004: 13). Reference is made to the development of fortified suburbs and gated communities, mainly in the northern areas of Johannesburg (Landman 2002). According to Beavon (2000) these suburbs are becoming a “neo-apartheid city” with new forms of exclusion through property prices. The “relocation of material and political power” also means that the centrality of the city has been fragmented over time with the emergence of business centres in the northern suburbs such as Sandton and Rosebank (Mabin 2004).

These suburban centres, located in the North South Development Corridor, also experience economic problems that motivated urban regeneration initiatives. Sandton, which accommodates three Improvement Districts, is a dominant business and banking node and the largest decentralised office node in Johannesburg. It hosts the Johannesburg Stock Exchange, previously established in the CBD. Sandton is predominantly a high-level office node and an upmarket retail centre with some townhouses and high-rise residential accommodation. It grew during the 1980’s and the 1990’s as retailers and businesses left the inner city in search for a safer and more practical location (availability of office and parking spaces, presence of the targeted market and customers) (Larsen 2004, KUM 2005).

The Sandton Central performance monitoring report 2005 point towards “peaks and troughs” in terms of property performance over the past five years due to either the consolidation of companies within the node or movement of a number of large corporate offices to new head-office accommodation outside the area. In addition to concerns over vacancy rates competition from other areas and the obsolescence and image problems (although to a lesser extent than in the CBD) are identified as key issues. The perception survey that was conducted before the launching of the CID (as the case for most of the CIDs) also shows that the residents consider drugs and prostitution as social problems and that litter and cleanliness emerged as areas for management improvement (KUM 2005). The Business Plan of the Sandton Business Improvement District indicates crime and traffic flow are two further dominant areas of concern that need intervention (PUR 2000a).

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3 The North South Development Corridor is one of the two major corridor initiatives that have been developed by the City of Johannesburg to facilitate the social and economic restructuring of strategic sections of the city. It extends from Orange Farm north via Lenasia and Soweto to the central anchor point of the CBD. From the CBD it continues north through Sandton to Midrand. The development of the corridor aims at facilitating private investment through strategic public spending (Gautrain stations at Rosebank and Sandton, Gautrain being the rapid rail link between Johannesburg, Pretoria and Joburg International Airport).
Rosebank, which was Johannesburg’s first decentralised office node and a premier retail and business node, is a well-known commercial and entertainment area. It faced competition with Sandton during the 1990’s as a number of tenants and some of the top-end retailers vacated the area. Lower Rosebank was in decline due to high vacancies, buildings in need of refurbishments and a rapidly increasing night scene which contributed to the disinvestment. Upper Rosebank did not experience the same type of decline although vacancies rose and rentals stayed flat. As the case in Sandton, crime and grime were identified as concerns for the residents, tenants and shoppers (The Rosebank Management District, 2006). The Business Plan of the Rosebank Management District indicates that the major issues identified through the perception survey were security, cleaning, informal trading and traffic flow (PUR 2000b).

Based on these diagnoses, CIDs have been implemented in the inner city and the suburbs as a tool of urban regeneration inspired by the successful North American examples, as was the case in Cape Town and in other parts of the world (Hoyt 2003, Didier and Morange 2006).

2 The importation and adaptation of the North American concept of CIDs

2.1 A flexible and adaptive tool imported by the private sector

The transposition of the CID model in Johannesburg is the result of an efficient lobbying by business and property owners of the inner city belonging to the Central Johannesburg Partnership (CJP) that started before the 1994 transition. These powerful economic elite took the lead in initiating voluntary CIDs, encouraging public authorities to engage in partnerships for regeneration and set up legislation for CID. The forerunner of South African CIDs was established in the inner city of Johannesburg by business and property owners as soon as 1993 on a pilot basis. It is said to have been very successful in its impact on crime levels. The study tour conducted by the CJP in the UK and USA in 1996 with seniors officials of the city and of the provincial government, business and community representatives brought up international experience. The legislation on CID was drafted using CJP legal resources and went through a process of revision at the legal department of Provincial Government. It was approved by provincial legislature at the end of 1997 (City Improvement District Act n°12 of 1997) and became effective in November 1999.

Following the first experiment in the CBD, CIDs have spread to other parts of the CBD, the adjacent mixed areas of the inner city and to the decentralised nodes in the northern suburbs (see details on the formation and operation of a CIDs in box 1).

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4 The CJP is a private, non-profit Section 21 company which manages CIDs in the inner city. It was established in 1992 as a trilateral structure - business, the City of Johannesburg and the community – before concentrating on the sole representation of inner city business in 1995. It became a private, non-profit company focusing on the revitalisation of the city in 1998.

5 Interview with the former executive director of the CJP, Johannesburg, March 2005.
Box 1: Formation and operation of CIDs in Johannesburg

The geographic extent and boundaries of the District have to be established. All property owners and major tenants within the defined area must be identified and exposed to the proposed intervention. A referendum has to be held and a pre-determined majority must be achieved in order to legally establish a District. Whilst the application to the local authority to establish a District may be made by 25% of property owners, final approval will not be considered unless more than 50% of relevant property owners are in agreement, representing 51% of more of the total property valuation of the area ultimately are in agreement. Once a District is authorised, 100% of property owners within the area have to contribute financially.

The District is constituted as Section 21 Company with a Board of Directors elected among the contributors. It comprises property owners, business owners, representatives of residents’ organizations (if relevant), and representative of the local authority. According to the legislation, the majority of directors are required to be property owners. The Board appoints a specialist urban management company to manage the day-to-day operations within the district and effectively control the district within the terms of the CID business plan, which may be established over a period of two to five years. Improvement District members may vote for the dissolution of the Improvement District anytime during its lifetime on a similar referendum as is initially used to support the establishment of a CID i.e. in excess of 50% of registered property owners representing excess of 50% of rateable value.

Through legislation, the cost of provision of CID services is spread on an equitable, pre-agreed basis among all property owners within the geographical area. The levy is based on the calculations on rateable property values (costs are borne in proportion to the value of the property).

Source: CJP 2001: 13

The services provided by the CIDs are supplementary to those provided by the local authority and operate exclusively within the boundaries of each of the CID. They usually include security, cleaning and maintenance of public spaces, marketing, physical improvements and special programmes to address aspects such as transportation, access and parking. Some CIDs also include social programmes such as in Rosebank (creation of a Homeless Association, development of income-generating activities and a car guard scheme employing the homeless).

The legal typology of CIDs in Johannesburg includes legislated, voluntary and special projects. In 2006 there were 11 legislated CIDs, seven voluntary CIDs and five special projects (KUM 2006). The category of voluntary CIDs allows setting up an initiative without waiting for the legal process. CIDs developed in different types of areas including retail, commercial, industrial and mixed use nodes. The Gauteng CID Act does not consider applications for residential areas but some initiatives have been taken to apply for Neighbourhood Improvement District (NID) as the Joburg City Council appears to be sympathetic to residential CIDs in inner city areas (Neil Fraser, 2007), as the case in Cape Town (Morange and Didier 2006). A further differentiation within CIDs is made between the inner city and the suburban nodes: Improvement Districts refer to areas of
regeneration that address crime and grime, mainly in the inner city; Management Districts with a focus on place marketing refer to the competitive nodes (KUM 2006).

While CIDs have been initiated by the private sector, they have found a supportive economic and political context. The continuous fiscal crisis of the local government - which became acute in 1997 – could only welcome the private funding of public services. The budgetary crisis was the inheritance of the long-term unpaid debts deriving from the rents and services boycotts during the apartheid struggle. It was also the result of rates boycotts in the former “white only” suburb of Sandton whose residents resisted the decision made by the newly elected local councillors to standardise the rates across the metropolitan area during the 1995-2001 interim phase where the design of local government was being negotiated (Mabin 2004). CID also started to develop while South African government was adopting its neoliberal agenda.

2.2 Urban regeneration and the neo-liberal turn in Johannesburg

Neoliberal ideas have emerged in places marked by distinct inherited socio-cultural formation and political and economical contexts. Challenges and opportunities for neoliberalisation vary greatly as well as the mechanisms of change that are entailed in the process (Leitner et al. 2007). How and to what extent is the post-apartheid city of Johannesburg specific in its neo-liberal development paths compared to western cities and to cities in developing or emergent countries?

The neoliberalism turn as identified in the literature occurred quite late in South Africa compared to other countries. It is linked to the democratic transition of the 1990’s and to the gradual shift in policies by the African National Congress (ANC). The importance of internal factors as opposed to externally imposed structural adjustment policies as was the case in other African countries should also be pointed tout. The militant group of South African Comrades for the Encounter uses the concept of “homegrown structural adjustment” (South African Comrades for the Encounter, 1997). In addition to these particular aspects ANC policies combine neoliberal principles with a “developmental local government” approach in which local governments are required to take a leadership role in the development process in close cooperation with citizens and stakeholders groups, as opposed to the previous top-down approach (Pieterse 2002). The aim of the developmental government is to tackle the dual nature of the cities, in particular issues of social justice and pro-poor development. In that regard, the well-known Reconstruction and Development Programme (RDP) illustrates an ambitious state-centred and equity-driven policy framework in response to the country’s legacy of discrimination and retarded development (ANC 1994). But the shift towards the macroeconomic Growth, Employment and Redistribution (GEAR) programme in 1996, a more efficiency-driven process of development based on public private partnership, marked the commitment of the ANC to a neoliberal economic agenda in line with worldwide trends. This policy lays the basis for market-driven economic expansion and growth with the role of the state being reduced to that of a facilitator (Beall et al. 2002).

At that time, the former boundaries dividing “black” and “white” local authorities were erased and the government of Johannesburg was divided between Greater Johannesburg Transitional Metropolitan council and four municipal sub-structures. The council and the sub-municipalities were merged into a single metropolitan area in 2000.
At the scale of Johannesburg, the controversial “iGoli 2002”, a policy and planning process drawing on cost-recovery and business principles, was said to symbolise the rise of neo-liberal tendencies within the council (Beall et al. 2002). It laid the foundation for the adoption of the single unitary metropolitan structure and the shift towards the privatisation and the outsourcing of public services (Mabin 2006). This “corporatist approach” entails some key elements of neoliberal characteristics observed elsewhere such as the bureaucracies replaced by “professionalised quasi-public agencies”, and “decisions (...) increasingly driven by cost-benefit calculations” (Leitner et al. 2007: 4).

This shift was later reflected in the Joburg 2030 strategy initiated by the City of Johannesburg whose aim is to transform Johannesburg into a “world-class city” with a strongly outward-oriented economy, specialised in the service sector (Rogerson 2005). The Joburg 2030 strategy incorporates economic and urban regeneration actions such as marketing of the metropolitan area, privatisation, infrastructural redevelopment and inner city renewal. Apartheid legacy and poverty-related issues are addressed by a range of key projects including the development of the “Bara-link” economic and transport corridor linking the centre of Johannesburg to Soweto and a series of other projects targeted to township tourism and support to Small and Medium Enterprises (City of Johannesburg 2002). The inner city is also targeted with the development of precincts in partnership with the private sector (Bremner 2000).

According to Malbert and Kain (2004) Joburg 2030 favours interventions directly supporting economic development and business interests. Social issues such as poverty, health, crime and insufficient services are regarded as obstacles for economic growth: “(...) the Joburg 2030 vision can be questioned as being too narrowly focused on economic growth without making clear the necessary interrelations with other dimensions of sustainable development, such as the environment and the needs of the urban poor” (15). The authors also point out that the 2030 strategy was conceived by a restricted number of experts with little or no input from a wider range of inhabitants (Malbert and Kain, 2004).

2.3 CIDs and the changing forms of governance

A unitary state since 1910, South Africa has three spheres of government: national, provincial and local since the constitutional negotiation of 1991-1993. The 1997 constitution established much greater degree of equality in the relations between the three spheres of government (see the White Paper on Local Government in 1998) (Mabin 2004). Johannesburg went through different steps regarding local government reform: a multiplication of small racially-based municipalities under the apartheid regime; a federation of four councils in the interim arrangement, which brought together previously divided black and white areas; a Unicity in 2000 with the local government elections that saw Johannesburg emerge as a unified metropolitan council led by an executive mayor (Mabin 2004).

The delivery of urban services – water, electricity, waste disposal, road building and maintenance – used to be, and remains, the prime duties of the local government. It has limited functions in health, safety and policing and no responsibility for education (which is dealt with by provincial government with substantial national involvement). The main financial bases of local government are property taxes - historically charged on land
values alone - and charges for services particularly electricity delivered by the city (Mabin 2004).

CIDs embody new forms of public-private partnership in the delivery of services. The CJP and Kagiso Urban Management (KUM)\(^7\) are managing the relationships between the city and the CIDs board on a wide range of items: by-laws and legislation (law enforcement, informal trade management, taxi management, land use change), but also urban design, town planning and transportation in the case of precinct development plans. In the case of Sandton Business Improvement District, KUM acts as “Agent of Council” since it was given the mandate by the City of Johannesburg to collect the district levies directly from the property owners.

CIDs display a wide range of institutional and financial arrangements between public and private stakeholders. In Braamfontein, an education district adjacent to the Witwatersrand University, corporate property owners approached the CJP in 2003 to assist in co-ordinating funding for the upgrading of the public environment. The property owners secured a funding of some R12 million.\(^8\) After some negotiations through the Johannesburg Development Agency (JDA)\(^9\), the City Council agreed to provide an additional R28 million for further public environment upgrading. A CID was established by the CJP in the upgraded area in 2004.\(^10\) Gandhi Square, a “special project” managed as a Safe and Clean Precinct within the Central Improvement District, is the result of an individual initiative that led to another type of arrangement. The CJP was approached by the owner of a property bordering on the Square who wanted to address issues such as homeless people, street children, petty crime because of their negative impact on the viability of the surrounding buildings. The CJP establishes a consortium consisting of the majority of property owners contiguous to the Square. A lease agreement over the Square was negotiated with the Council which required the consortium to upgrade the Square and maintain it at their cost. The Consortium named the Square after Gandhi in recognition of the significant role that Mahatma Gandhi played in Johannesburg. When the project was completed in 1999 the CJP kept the responsibility on behalf of the Consortium to maintain and manage the Square.\(^11\)

Other examples of governance and financing arrangement include the appointment of the CJP for the co-ordination of a voluntary project in Main Street (see also below) in 2003 with seed capital supplied by the City Council via the JDA while major funding was raised from the property owners. The CJP managed the public space via a CID under the name of Main Street Mall. In Yeoville, a neighbourhood of various African cultures with exotic restaurants and markets, the JDA launched and funded an initiative to

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\(^7\) KUM is a private multi-disciplinary advisory and management company that manages CIDs in the suburbs. It is 70% owned by a 100% Black Economic Empowerment (BEE) compliant organisation, namely Kagiso Property Holdings. The CJP operates within the framework of KUM.

\(^8\) 1 South Africa rand was approximately equivalent to 0,10 euro in May 2007.

\(^9\) The JDA was established in 2001 as an agency of the City of Johannesburg (a limited liability company) to stimulate and support area-based economic development initiatives throughout the Johannesburg metropolitan area in support of Joburg 2030 - Johannesburg's economic development strategy for the next three decades. The JDA is also an implementing agent of three Blue IQ projects. Blue IQ is the Gauteng Provincial Government's Plan for a Smart Province.


\(^11\) [http://www.cjp.co.za/awards.php](http://www.cjp.co.za/awards.php). Gandhi Square was awarded the Concrete Manufacturing Association Awards for Excellence 2000 ‘Premier Award’ in the category of ‘Paving - Commercial and Community.'
introduce the concept of CID by the means of a pilot clean up project that was managed by the CJP.\textsuperscript{12}

Beyond practical arrangements, CIDs represent alliances between private and public interests around key issues, in particular in the inner city, where the stakeholders are working in closer relationships. The alliances between business and property owners and the metropolitan council can be explained by a convergence of interests as far as the maintenance, improvement and control of urban space are concerned. CIDs contribute to enhancing the city’s economic value through the strengthening of the property market: the appreciation of property values and business activities in the nodes generates more tax revenues for the local government (Spiropoulos and Fraser 2003).

Surveillance and control of crime, one of the most urgent issues to tackle, involve the cooperation of the police and private security forces within CIDs with weekly meetings being organised between the South African Police Service (SAPS), the managing bodies of the CIDs and the security organisations operating in the district. The regulation of informal street trade represents an additional area of agreement. The council, in cooperation with business, had the by-laws changed in 2001 in order to prevent unregulated street-vending or remove street vendors in circumscribed markets. This was also the case in Rosebank where an African craft market has been financed by business as a way of controlling street trade and formalising the respective relationships. This demonstrates the exclusionary tendencies of financial, retail and property interests who do not tolerate competition or attempt to regulate it. This also illustrates the “porous boundaries” between formal business and the local authorities that agree upon such measures (Beall et al. 2002).

3 Urban regeneration and the new meaning of places

3.1 Controlling urban space: The environment must be “competitive”, “understandable” and “predictable”\textsuperscript{13}

There are common characteristics between the public and the private stakeholders with regard to the way they conceptualise economic problems and related social issues. The focus is on controlling urban space to support private investment.

In the Johannesburg Inner City Regeneration Strategy and Business Plan 2004 – 2007 developed by the City of Johannesburg in line with the Joburg 2030 strategy and the Vision for the City (see below) the situation of the inner city is analysed through the lens of the economic change and the lack of proper urban management: “« Change began in the late 1970s with the suburbanisation of retail and commerce. Through the 1980s and early 1990s this was exacerbated by poor urban management, increasing population pressure, informalisation, and deregulation. The manifestation of this in bad buildings, increase in slums, increase in crime and shoddy urban environment propelled disinvestment and flight to the suburbs » (City of Johannesburg 2004: 6). The external factors that are pointed out relate to perceptions: “These aspects are exacerbated by a complex nexus of external factors, including market perceptions, risk-aversion and red-lining. Understanding this complexity is the key to making productive interventions, and

\textsuperscript{12} http://www.joburgcentral.co.za/news.php#34
\textsuperscript{13} City of Johannesburg 2004: 8.
more attention needs to be paid to gathering and acting on market intelligence”. Social issues are taken into consideration in connection with urban blight: “Maintaining and developing this economic potential must be accompanied by addressing the social conditions leading to urban blight, increasing the intensity of urban management and redressing shortfalls in service delivery and physical infrastructure” (City of Johannesburg 2004).

Following this analysis, the goal of the regeneration effort in the Inner City is to “raise and sustain private investment leading to a steady rise in property values” (City of Johannesburg 2004: 11). Known as the ‘five pillar strategy’ it focuses on addressing sinkholes, undertaking intensive urban management, maintaining and upgrading infrastructure, promoting ripple pond investments and supporting economic sectors. The policy is oriented towards enabling and supporting investment with a vocabulary borrowed from economic analysis: the environment must be “competitive”, “understandable”, “predictable” (City of Johannesburg 2004: 8). An Inner City Task Force, made up of four units (infrastructure, law enforcement, building control or land use and environmental clean-up) has been established, with already considerable success in by-law enforcement and closing down crime-ridden buildings (City of Johannesburg 2004).

While CID s are mainly private initiatives, they are included into the Inner City Strategy under the objective “Undertake intensive urban management”. This objective includes efforts to ensure effective by-law enforcement, management of informal trading, regular or improved delivery of services and utilities, and maintenance of the public realm. CIDs (as well as other private projects such as Close Circuit Television) are to be supported as part of the control of the urban environment.

The private companies in charge of CID s management in Johannesburg, the CJP and KUM, formulate a diagnosis based on the impact of high urbanisation rates and influx of people and the related increase in the requirements of services. The general explanations given for economic and social problems briefly mention the political context: “As in the case in almost all South Africa’s urban conurbations, the effect of rapid urbanisation following the decades of apartheid control mechanisms, has taken its toll and the older, more established areas in particular, are subject to urban blight, increasing criminal activities and the presence of urban poor” (CJP 2001:5). In the case of the Central Improvement District, they emphasise different areas of concern: crime, grime, informal trade, mini-bus taxis, and the flight of business away from the city Centre. They point to the inadequacy or urban spaces and facilities with regard to the changing conditions since 1994: “The democratic process over the past five years in particular has resulted in an influx of informal traders, mini-bus taxis, etc. The city was not previously physically designed to accommodate the needs of these sectors” (CJP 2000: 19).

Reference is also made to the poor conditions and degradation of the physical environment (litter, needs for paving repairs, street lighting). The lack of proper urban management is also pointed out as well as the restricted means of the local authorities to address the needs: « City services and infrastructures stretched to the limit within « feasible » tax regime and governmental delivery capacity; Property owners realised the need to mobilise local resources/tax/levies for supplementary municipal services » (KUM 2006: 2). In the Kramerville Improvement District Business Plan reference is made to the “imbalances of the past”: “Clearly the imbalances of the past in relation to
infrastructure and services to disadvantaged areas must be addressed as priority issues by local government. It is therefore up to commercial/industrial property owners to provide for higher levels of service in their areas than can be provided by the local authority if they wish to maintain and improve property values” (CJP 2005: 21). In Sandton, Rosebank and Illovo the rhetoric about the CIDs is based on the defence and protection of property owner interests and housing values: this is a straightforward discourse that clearly indicates whose interests it serves. Taking into consideration the socio-economic homogeneity of these suburbs (which accommodate middle and upper social groups as residents and customers) social issues are minor concerns in the districts although the CIDs annual reports tend to emphasize actions about crime prevention.

3.2 Branding and marketing: Reshaping local identities

CIDs interventions are based on the promotion of new positive identities in order to contribute reversing negative perceptions of the areas that are considered detrimental to investment and business activities. The identities are supported by powerful “Visions” positioning the areas and indicating the way forward. The visions for the inner city and the vision for Sandton share some similarities and show how the two areas compete with each other for the status of the “heart of Johannesburg” and even the heart of Africa.

The Vision for the Inner City as “the Golden Heartbeat of Africa” was launched by President Thabo Mbeki (then Deputy President) in July 1997, following an intensive process involving provincial and local government, the private sector, community and organised labour. This vision articulates powerful images about economic features: “A dynamic city that works...”, “A truly global city”, “The trading hub of Africa, thriving through participation, partnerships and the spirit of Ubuntu”, “A vibrant 24-hour city”, “A city for residents, workers, tourist, entrepreneurs and learners”, “Focused on the 21st Century”. Human and social aspects are also emphasized: “Liveable, safe, well-managed and welcoming”, “People-centred, accessible and celebrating cultural diversity”, “Respecting its heritage and capitalising on its position in South Africa, “Africa and the whole world”.

Following this statement, there has been a massive public investment in the renewal of the CBD by the City of Johannesburg and the provincial government through its Blue IQ, a multi-billion rand project targeted to the support of technology, manufacturing and tourism activities. Because of the strategic importance of the inner city for the economy of Johannesburg the Inner City Regeneration has been one of the Mayoral Priorities for the term 2000-2005 (It is estimated that the former Region 8, the greater part of which is the Inner City, contributes roughly 23% to Johannesburg’s gross geographic product, which is the largest contribution of any region) (City of Johannesburg 2004).

In her analysis of the changing images of Johannesburg’s inner city Bremner (2000) points out that for the first time this vision of Johannesburg as the “Heartbeat of Africa” acknowledges the location of the city in Africa instead of at the edge (this refers to the former use of the word “Gateway”) and that it seeks to incorporate the “African-ness” into

15 “Ubuntu” is a shortened version of a South African saying that comes from the Xhosa culture and refers to the spirit of the community.
the image (189). The “local upliftment” rather than the attraction of foreign investment is the primary focus of the development while the search for the global status is reemphasized (Bremner 2000: 189).

It is striking to see how the discourse about Sandton produced by KUM is close to the public discourse about the inner city. In the Sandton Central performance monitoring report 2005 Sandton central is described as “the vibrant, high energy cluster of global trade and thought”; “the thinking, enterprising, socialising centre of Africa”; “South Africa’s cosmopolitan centre of trade and ideas”. The economic and commercial centrality is put forward as well as the connection with the rest of the world: “It is central to finance, fashion, smart new global idea and smart new global people” (KUM 2005: 4). The difference with the vision of the inner city lays in a more restrictive and elite way of positioning the area.

While CID's mainly focus on security and cleaning services they also developed a wide range of interventions to provide a distinctive identity and market the districts. In the inner city these interventions include the transformation and the upgrading of space through capital improvement, landscaping and pedestrianisation. Main Street is an example of a re-design and re-construction project aiming at attracting people back into the streets. This major redevelopment project, managed by the CJP after it was appointed as co-ordinator in 2003, covers six city blocks between McClaren and Rissik Streets. With the re-design of the street vehicular access has been limited, pavements have been extended to allow for open-air coffee shops and restaurants and trees have been planted along the street. Attention has been paid to the historical identity of the area: a mining theme has been developed with new lighting based on 19th century city light standards and heritage artifacts that relate to the mining industry. This complements the concentration of mining houses and associations that still operate in the buildings that line the street.16

Braamfontain is being developed as a mixed use comprising corporate head offices, commercial, retail, cultural, hotel and residential accommodation particularly for students and has now a permeable border with the Witwatersrand University Campus. The corporate area delimited by the CID was upgrading and the Civic Theater park and the National Ballet School was developed in joint venture with the JDA. A public square was created and urban designers and professional consulting teams created distinctive street lighting designed to cater for pedestrians and distinctive paving patterns and street furniture to give the area a unique identity. Future plans in Braamfontein include a new reception centre for the council offices, pedestrian linkages through to Constitution Hill (a cultural and historical precinct), public art, the re-opening of the historic Alexander Theater as well as social facilities (a health care clinic), residential apartments and more pavement coffee shops.17

Constitutional Hill, home of the Constitutional Court, the highest in the country, and situated on the site of Johannesburg’s 19th Century Fort (a former prison), between Braamfontein and Hillbrow, is meant to be a major cultural attraction for South African, overseas visitors and scholars with among other historical features a museum and a constitutional law library. Newtown, a previously neglected western sector of the Inner city, is being developed as a mixed-used cultural precinct in the manner of Soho in

16 http://www.cjp.co.za/catalyst.php
17 http://www.cjp.co.za/catalyst.php
London or Greenwich Village in New York, as part of the Cultural Arc\textsuperscript{18} and focuses on the creative industries. It has benefited from the financial support of the provincial government through its development agency Blue IQ. This shows that promoting art and culture and history is also part of the regeneration strategy (CJP, JDA 2004).

In addition, precincts are developed by the JDA with a large share of public funding. They are areas where a large concentration of people or specialized attractions exist or are developing within the inner city CIDs or in their surroundings. They act as a concentration focus for investment, re-development and enhancement in various sectors: health (Hillbrow Health precinct), fashion (Inner city fashion project), jewel industry (Jewel City), specific culture (Chinatown), shopping (Fordsburg and the Oriental Plaza), sport (Ellis Park), legal activity (High Court Precinct), finance (Financial District) and administration (Provincial Government precinct) (CJP, JDA 2004).

The northern suburbs (Rosebank, Sandton, Illovo, Randburg) are less affected by serious crime and urban degradation. Branding, landscaping and promoting cultural entertainment are among the main complementary services provided by the CIDs along with security and maintenance as suburban nodes seek to become prominent business, service or tourism centres and compete between each other. The territorial strategies of the suburban CIDs are intimately connected to the various ways of “place-making” and “place-promoting” that features in the urban policy discourses in Europe today (Jensen 1997). Strategies have been developed to turn a satellite city business district into a cosmopolitan ‘village’ (the Rosebank Management District); rezoning has been implemented in a residential area to develop a predominantly high profile corporate business node (Illovo Boulevard); an edge city and a secluded sub-urban node is the object of efforts to turn it into a sophisticated and open “Enterprising Global Hub” (Sandton Central).

In Sandton branding activities developed within the district focus on the development of a corporate identity through an urban art programme and clear demarcation of the boundaries. The interventions and activities are actively diffused through the website and newsletters (Sandton Central 2004). Interventions in Sandton also encompass the preparation of a planning strategy and an integrated Urban Design Framework to take further steps into landscaping (street furniture, signage and banners in the public space), change in architecture, improvement in pedestrian and traffic flows, improvement in road infrastructure and services infrastructures, consideration of the effect of the Gautrain on the flow of the area, implementation of an urban management and municipal services plan.\textsuperscript{19} By embarking upon such ambitious restructuring programmes, CIDs in the suburbs tend to supplant local authorities in urban planning and urban design in these specific areas.

\textsuperscript{18} The Cultural Arc is a concept identified by a Professor at Wits University and taken forward by the Johannesburg Development Agency. It links Constitutional Hill through Braamfontein to Wits University’s new Cultural Precinct, and across the Nelson Mandela Bridge to the Newtown Precinct. Investment in physical infrastructure along the Arc is being complemented by policy and programming interventions. The Arc itself is beginning to extend towards Joubert Park and into the CBD (CJP, JDA 2004: 30).

\textsuperscript{19} Interview with one of the former directors of KUM, Johannesburg, March 2005.
3.3 Assessing the socio-spatial implications of CIDs

While CIDs have been widely acknowledged as an efficient regeneration tool based on international successful examples the impact on urban patterns should be explored (Peyroux 2006).

The risks and implications of CIDs as pointed out in the northern cities in terms of “fiscal exclusivity” and “splintering” management and privatisation of streets (Graham 2001) have a highly political signification in South Africa. By creating distinctive fiscal and service enclaves, CIDs give birth to concerns about the risk of reinforcing spatial inequalities like those between the wealthy suburbs where businesses and property owners have the ability to pay for additional taxes and the low-income townships whose commercial and economic bases remains poor. It is acknowledged that CIDs tend to be run largely by the “blue-chip corporations” as small property owners in areas affected by decay cannot afford extra expenses.\(^\text{20}\) The fact that a transposition of the CID concept in low-income areas is currently being explored by the City of Johannesburg shows that this potential shortcoming has already been taken into consideration (in Lenasia for instance). On the other hand, proponents of CIDs see them as a way to provide opportunities for upgrading and enhancing public spaces without burdening the state. By doing so, they also see a benefit for the public authority. As stated by the former CJP director, in an urban context characterised by strong structural inequalities, “CID areas should maximise the income that a city council produces in that area in order to provide the excess to be spent in previously disadvantaged areas”.\(^\text{21}\) Whether this form of cross-subsidising will become effective remains to be researched.

The risk of “protection for profit” and “sanitisation” of public places (Zukin 1995) within CIDs - highlighted in the northern cities (Dinges and Sack 2000, Eick 2006) - also raise concerns in South Africa. While the crime prevention component of CIDs might work towards a safer environment more conducive to social life, enforcing more control and surveillance of public space according to profit-driven strategies is seen as a potential source of discrimination and exclusion for certain segments of the population, in particular marginal social groups – street vendors, sex workers, the homeless - who rely on public space for their material maintenance (Gulik 1998, Eick 2006). The issue of access to public space is highly sensitive in Johannesburg where social and racial mixing within public spaces is one of the main challenges. Scholars working on private policing and gated communities already pointed out the risk of a new urban apartheid based on socio-economic lines (Shearing and Kempa 2001, Landman 2002).

Finally, as CIDs are implemented to defend the interests of property owners and corporate businesses, the main question revolves around the way private and public interests are balanced in the issues raised and dealt with by these organisations (Briffault 1999). As pointed out in the analysis of Urban Development Projects (UDPs) in Europe, one might question how and to what extent these new forms of private governance are characterised by “less democratic and more elite-driven priorities” (Swyngedouw, Moulaert, Rodriguez 2002: 542). This can be linked to the debate on the

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\(^{20}\) http://www.joburg.org.za/business/partnerships.stm

\(^{21}\) Personal correspondence with the former executive director of the CJP, July 2005.
decline of the public sphere raised in the current American system, which suggests that issues are invented and defined by organised interest groups and that the role of ordinary citizens is reduced (Light and Smith 1998). In South Africa, CIDs foster new forms of local participation and community empowerment - two major issues in the political agenda associated with community development. But this form of “shareholders democracy” (Glazse 2003) might not be the best option to fulfil these political expectations. Scholars have suggested that CIDs might lead to a perversion of the concept of community development as interests of owners, tenants and users are not identical, and property owners and businessmen who detain vote powers might not be from the community themselves (Gross 2005).

Conclusion

The paper sought to examine the way CIDs as a vehicle of neoliberalism articulate with the changing economy, the emergence of new forms of governance and urban restructuring processes in post-apartheid Johannesburg.

CIDs emerged and developed in Johannesburg in a context of shifting economic bases that turn the former mining and industrial city into a financial and business services metropolitan centre. CIDs fit into the new economic paradigm that links urban renewal with the search for economic growth and competitive restructuring driven by the vision of Johannesburg as a “World-Class African City”. This takes place within a neoliberal turn impulsed by the ANC through a macro-economic programme focusing on market-driven economic expansion. As pointed out for Urban Development Projects (UDPs) in the European Cities, CIDs embody “the gradual shift away from distributive policies, welfare considerations, and direct service provision towards more market-oriented and market-dependant approaches” (Swyngedouw, Moulaert, Rodriguez 2002: 548). Like in Europe and North America South Africa has adopted a more proactive and entrepreneurial approach to urban management that tends to subordinate social issues to the search for competitiveness.

Like large-scale UDPs in Europe, CIDs are associated with new forms of “governing urban interventions”, characterized by “less democratic and more elite-driven priorities” (Swyngedouw, Moulaert, Rodriguez 2002: 542). Experts and consultants are playing a growing role in diagnosing local urban problems and designing solutions that go beyond supplementing cleaning and security public services. CIDs bear the risks of developing “corporate decision-making” instead of community empowerment and grass-roots initiatives and “stakeholder urban governance” instead of “representative urban governance” (Swyngedouw, Moulaert, Rodriguez 2002: 561). In the CIDs’ suburbs the board of directors and the managing agency tend to supersede local authorities as initiators and managers of more ambitious urban design and planning projects. As the case in UDPs the relation of CIDs to existing planning instruments and regulations has become a central issue.

The implementation of CIDs also raises issues with regard to the goals of redistribution and the fight against the inequalities. CIDs bear the risk of accentuating intra-urban inequalities and social polarization through interventions targeted to improve land and housing values and projects prioritizing economic objectives over social issues. Through the rationalisation of urban management CIDs allow to disconnect local issues from broader framework of analysis. Again this is very similar to one the key critics made
against the New Urban Policy in Europe cities: “(…) the limited and spatially targeted interventions associated with project based urban restructuring policies prevent (neighbourhood) movements from transcending the localized issues associated with a project’s implementation and from translating these social demands into more generalised policies models at higher spatial scales” (Swyngedouw, Moulaert, Rodriguez 2002: 575).

CIDs might therefore have far-reaching implications regarding the transformation of urban patterns and urban practices. The main risk consist of drawing a new map of the city with on the one hand the useful, economically productive, attractive and competitive areas, and on the other hand the “dark corners” of the city with no or little economical value and potential.22

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