Planning Poverty

The NDP and the infrastructure of destruction
Part two of the Peoples' Power series

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The groundWork Report 2014

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Foreword

Bobby Peek

Where we live, work and play is where community is, or should be. The creation of community is a complex process of history and politics. Throughout South Africa our community landscape has been created by the very brutal system of apartheid. Often this meant that where people lived, worked and socialised was not in one geographic area. Where unity once existed, people were forcefully separated, forced from the land of their birth and forced to live in places that were unfamiliar to them. This painful process did not result in people losing hope. On the contrary, people rebuilt and fought for a better future, one that was promised and was expected in April of 1994. From Soweto in Johannesburg to District Six in Cape Town there are numerous examples of how, as a people, we survived the apartheid engineering and onslaught on our dignity.

The land is changing again. A new history is being created by a new politic. A politic that is as brutal as the apartheid capitalist economy. A politic that does not work on the principles of democracy but rather on the principles of the elite who hold political and financial power. A politic that does not work on the principle of justice but on the failed promise of economic growth for all, which really only delivers to a few. In south Durban, people are living through these failed promises. Together with major investors, plans are been concocted in government boardrooms to reshape the landscape of south Durban – a reshaping that will once again force people from their lands and destroy the unity of a diverse community.

This report speaks to how government plans are constructing the destruction of south Durban. These plans are being developed in an undemocratic manner. Government refuses to have a democratic dialogue with people about their future. It fails to respond to the letters of concern, the calls for meetings and the request to engage in a meaningful manner. At the same time, this planned destruction of south Durban is not unique to south Durban. Government's grand dream of a South Africa that is linked into a global world order to produce economic growth is built upon a failing global economic, ecological and energy system. This is something government does not want to admit because admitting this means it would have to change the politics of development. It would have to admit that it is failing the people of South Africa who, in 1994, thought a new South African community would be built on justice and equity. By continuing on this path, the South African political leadership is knowingly betting on an already failed system.

It is not only south Durban that is going to suffer from government's grandiose schemes. Government's Strategic Infrastructure Projects (SIPs) seek to redevelop and recreate a South Africa where the development of infrastructure will facilitate the further impoverishment of people. These projects are to further the extractive model of colonial and apartheid development. This publication interrogates only SIP2, but all must be interrogated with the same rigour. The challenge for civil society is to find the means to do this, and through this process to ensure that democracy is asserted. We need to call for a strong and meaningful engagement with legitimate democratic processes that hear and act on peoples' concerns. It could mean going to the streets, it could mean civil disobedience, it could mean legal action and, above all, it must mean political action by all at a local level.

The National Development Plan (NDP) and the SIPs are unpacked in this report to highlight how government is reproducing environmental injustice. The state of environmental justice in South Africa presently is appalling, and communities have to stand up and make democracy real and, through this, ensure environmental justice. In 2001, groundWork reflected on environmental justice and concluded that environmental justice is about "empowered people in relations of solidarity and equity with each other and in non-degrading and positive relationships with their environments". The NDP and the SIPs do not enable this. They do not operate in this frame. Thus groundWork is of the opinion that the state of environmental justice in South Africa is bleak.

But people are not defeated. They have taken it upon themselves to understand what their struggles are and what they want for the future. The cry that another world is possible, and indeed necessary, remains central to their struggles and to their solidarity with each other. In our deliberations with people throughout South Africa, we have found a unity and solidarity with peoples' struggles in south Durban. For the struggle in south Durban against the proposed dig-out port is a struggle for the future of democracy and environmental justice in South Africa.

Introduction

The concept of people's energy sovereignty is one that responds to the crises of the times. It is linked to food sovereignty defined by the Nyeleni Declaration[1] as:

> … the right of peoples to healthy and culturally appropriate food produced through ecologically sound and sustainable methods, and their right to define their own food and agriculture systems. It puts those who produce, distribute and consume food at the heart of food systems and policies rather than the demands of markets and corporations.

In September 2005, activists from Africa's petroleum frontlines – from the oil fields to the refineries and petrochemical plants – met in opposition to the agenda of the World Petroleum Conference (WPC) in Sandton, Johannesburg. The WPC agenda proclaimed the oil elite's intention to shape the world's energy future. Mindful of the scale of human and environmental atrocity associated with big oil's activities all along the production chain, as well as the consequences of climate change, the activists responded that 'another energy future is necessary'.

In September 2006, member organisations of Friends of the Earth from 51 countries adopted the Abuja Declaration. It took up the theme that 'another energy future is necessary' and linked it with the idea of 'energy sovereignty'. It observed that struggles for economic, social and environmental justice are linked through their common resistance to the elite economic and political order and called for the coordination of "energy struggles around the world by

1 Adopted in February 2007 by organisations of peasants, pastoralists and artisanal fisher-folk, amongst others, from 80 countries meeting in Mali.

adopting a global strategy for resisting environmental degradation, destruction of local livelihoods, and rights abuses associated with corporate controlled energy sourcing and consumption globally". It declared that another energy future must be based on:

- Abandoning the belief in export-led growth in favour of servicing local needs;
- Restructuring the price and production of energy;
- A new approach to restructuring ownership of the energy regimes; and
- Abandoning the mistaken dichotomy between development and environment.

Amongst other things, it called for a global moratorium on new fossil fuel exploration and development and support for decentralised, democratically controlled and sustainable energy systems using clean energy like wind and solar energy.

In November 2013, community groups from the pollution hotspots of the Highveld and the Vaal Triangle joined people from KwaZulu-Natal to create a people's climate camp in Durban. The idea of the camp was to create a democratically organised space to combine an assembly of people debating and defining common positions on climate and energy justice with the occupation of a local site of resistance in the struggle for justice.

The climate camp declaration emphasises people's resistance to the elite agenda founded on dirty energy and producing profits from destructive development. It picks up the call for food and energy sovereignty as part of economic sovereignty on the path to a world where everyone can "live well with each other and with the earth". It concludes, "Where no-one grabs a surfeit, everyone can have enough." The full text of the declaration is included in the conclusion to this report.

South Durban was chosen for the camp both because it is heavily polluted, primarily by petrochemical industries centred on two large oil refineries, and because plans for the expansion of the port and petrochemicals make it the ground on which one of the most significant environmental justice struggles is being fought. These expansion plans are nested within South Africa's national plans for infrastructure development and economic growth. This report looks at these plans in some detail. It opens with a critique of the National Development Plan (NDP) and outlines the infrastructure development plans before zoning in on the plans for south Durban. It argues that these plans represent an assault on people and their environments in the interests of corporate profit.

This report is part two in the People's Power series which sets out to explore paths to energy sovereignty. The series opened with *Talking Energy* in 2013, a report of conversations with people in the Vaal, the Highveld and south Durban about their energy use and lived environments, what they thought of the wider energy system, and their ideas for an alternative system. The report shows something of the distance between where we are now and a world where renewable energy really is people's power.

Talking Energy opens with a discussion of the scale of inequality and poverty in South Africa and of the concentration of power and control in the carbon intensive and polluting economy defined by the minerals-energy complex. *Planning Poverty* does not repeat that discussion but takes it as read. It shows that the NDP will not address poverty and inequality and, contrary to its stated aim, is not really intended to do so. It is rather a plan to deliver cheap labour and natural resources to capital.

The infrastructure projects are central to the New Growth Path as well as the NDP. Building the power stations, dams, pipes, wires, roads, rails and ports is meant to act directly as a stimulant to economic growth in the process of fixing the physical world for private capital to grow. In themselves, they require a massive throughput of materials with attendant emissions and effluent. What they are designed to enable is even more significant. They are designed to fit with a world of ever increasing carbon emissions, a world that is made ever more toxic. Durban's port and petrochemical expansion is a grandiose example of planning for just such a world.

Infrastructure, of course, is laid out in the physical world. It takes up space and redefines the physical world where it is fixed. The climate camp was constructed as part of people's resistance to the destructive transformation of the world in the interests of corporate capital. At the same time, we hoped that making the camp together would help us all think and learn about what it means to live well with each other and with the earth. The camp itself fell short of what we hoped for but what we learnt along the way will be the subject of the next report in this series. It will start with a critique of settlement planning and the assumptions that currently underlie it. It will then go on to think about planning as if people and their environments matter. It will consider energy sovereignty in the context of settlement and settlement in the context of climate change.

Thanks to everyone who participated in the climate camp and the workshops along the way and particularly to the people of south Durban whose resistance to the port and petrochemical expansion has produced a rich flow of information. Desmond D'Sa and the team at the South Durban Community Environmental Alliance (SDCEA) are coordinating that resistance with the same energy and passion which led to the closure of the Bul Bul Road toxic landfill and to Des receiving the Goldman Environmental Prize for grassroots environmental work.

Thanks to the team at groundWork for their support and particularly Siziwe Khanyile who organised the climate camp workshops. Special thanks to Vanessa Black who was my partner in designing and facilitating the workshops and contributed to many of the ideas in this report.

1 National development – never-ending poverty

The stated goals of the NDP are to eliminate poverty and reduce inequality by 2030. At present, it says, 30% of people fall below the poverty line which it puts at R419 a month[2] or about R14 per person per day. That's about US$1.40 a day and well below the World Bank's already miserly $2.00 a day standard but a little above its $1.25 standard. It aims to reduce inequality from 0.69 to 0.60 on the Gini measure.[3] South Africa will thus remain one of the most unequal countries in the world, albeit a little less unequal than it is now. The modesty of these goals is justified by the NDP with the claim that they are realistic.

Economic growth is not a stated goal of the NDP. However, "[t]o eliminate poverty and reduce inequality, the economy must grow faster and in ways that benefit all South Africans" [NDP 24]. The NDP goes on to stipulate that growth must average at least 5.4% a year between 2010 and 2030 to achieve these goals. It gives no alternative.

That being the case, we must assume that if 5.4% growth is not achieved for the period, poverty will not be eliminated and inequality will not be reduced. In 2012, Treasury provided the Department of Energy with a 20 year forecast for three scenarios – low, moderate and high GDP growth – shown in Table 1.

2 In 2009 prices.

3 A Gini measure of 0.0 would indicate absolute equality of income (everyone gets the same income) and 1.0 would indicate absolute inequality (1% takes all income).

Table 1: Forecast GDP growth (%).

	Short term			Medium term	Long term
	2012	2013	2014	2015-2020	2021-2031
Low growth	2.7	3.0	3.3	3.2	3.0
Moderate growth	2.7	3.6	4.2	4.0	4.0
High growth	2.7	3.6	4.2	4.6	5.0

Source: IEP Table 4-4, p.86.

It is striking that the high growth scenario does not reach 5.4% and falls far short of averaging 5.4% for the period since that would require several years of growth at well over 6% to make up for low growth so far. Treasury itself used the moderate growth forecast for its own medium-term projections. However, even the low growth scenario looks optimistic. The actual growth rate in 2012 was 2.5% and falling. By October 2013, Treasury, the Reserve Bank and the International Monetary Fund (IMF) were forecasting 2% or less for the year. In the event, it came in at 1.8%. All these bodies saw rising growth in 2014. But then they have all forecast 'recovery next year' since the financial crash of 2009. Treasury's October projections put growth at 3% in 2014, 3.2% in 2015 and 3.5% in 2016. The Budget Speech on the 26th of February 2014 was already backpedalling, reducing the 2014 forecast to 2.7% but keeping the same figures for 2015 and 2016. The 'moderate' scenario has thus been revised down but is still implausible.

Despite the obvious but unmentioned gap between its own forecast and the NDP's target, Treasury's Medium Term Budget Policy Statement endorses the NDP as the basis for realising South Africa's long-term economic potential. These documents from the technocratic heart of the state thus share an air of unreality. This unreality is not just about South Africa but is symptomatic of a global order that pedals illusion: R14 a day is enough to live on; 'recovery next year' is certain; growth is for the good of all.

Boom and bust

Reading off the script produced by the World Bank, the NDP claims that during the boom years up to the financial crash in 2008, global poverty was reduced albeit at the cost of increased inequality. Reporting growth of 4.4% for 2004, Trevor Manuel, who was then Minister of Finance, said the economy was 'hitting the sweet spot'.[4] It grew sweeter yet as the commodity boom pushed growth to around 5.5% in 2007, seemingly within striking distance of a 6% growth target set for South Africa by the World Bank in the early 1990s. Yet the boom itself etched a corrosive insecurity into the fabric of the economy and particularly into the lives of poor people. In 2007, farm workers in the Western Cape – where the agricultural economy grew fastest – marched on parliament protesting that there had never been such hunger in the land. Their cry was echoed around the world as bread riots broke out in one country after another.

The economic crash exposed the hollow foundations of growth even as it demonstrated the vulnerability to its failure of those made dependent on it. The NDP attributes the crash to the failure of Northern governments to properly regulate the banks. This allows it to congratulate South Africa, amongst others, on its "refusal to abdicate government's responsibilities" [80]. Not everyone agrees that it did in fact 'refuse' but this is in any case a limited analysis that does not ask why regulation was under assault in the global centres of capital.

From around 1980, finance capital unmoored from production because the latter could not provide the return on capital necessary for growth. This was a crisis of over-accumulation: investors had more money than they could safely invest but they nevertheless also wanted higher returns and hence strong economic growth. Consequently, central bankers, led by the US Fed, blew up one bubble after another to absorb surplus capital, pump up Northern (and Southern elite) consumption, and sustain the bullish sentiment on stock markets. It was in this context that the banks clamoured for deregulation

4 The source of this quote is quaintly appropriate: Ian McDonald, 'Hitting the Sweet Spot', ***South Africa: The Good News***.

Box 1: Toxic finance

Derivatives are financial instruments which derive value from an underlying asset. The oldest derivatives are grain futures. Before the harvest, a farmer would contract to sell so much to a miller at a specified price on a particular date after the harvest. The same sort of deals could be made with other commodities such as minerals. A miner could contract to sell tin before it was mined. So the futures contract protected the seller against a falling price and the buyer against a rising price. If the price did rise, of course, the buyer could make a profit so it was not long before speculators started putting bets on futures. They also created increasingly complex derivatives, many of which are not based on physical goods but on the movement of interest rates or share prices.

The trade in derivatives exploded in the 2000s. The finance houses that commanded the world's economy competed with ever more 'innovations' to give higher returns to ever more demanding investors. They took to spinning financial assets based on debt through ever more complex derivatives through which the original debt could be sold off several times over. By 2007, the value of derivatives was estimated at 12 times the value of global GDP. Money begat money. Value became the creation of mathematical algorithms, scarcely understood even by finance house bosses, for calculating tradable risks. So long as the markets were rising, extraordinary profits were conjured this way. When they collapsed, these derivatives could not be traded for fear that they would be shown to have no value. In a market tangled in such complexity that no-one really knew who owned what or who owed who, they came to be known as toxic assets.

and the rules of prudent banking were abandoned. As one financier declared, “What used to be a conflict of interest is now a synergy.”[5]

In short, global finance capital turned itself into a giant Ponzi (or pyramid) scheme. To sustain economic growth through the 1990s and 2000s, ‘the market’ created the illusion of value in the incomprehensible array of derivatives that came to be known as ‘toxic assets’. Financial services took an ever-growing proportion of wealth – officially represented as their ‘contribution’ to Gross Domestic Product (GDP) – globally and in most national economies, starting with the US and including South Africa. Those at the top of the pyramid, including their representatives within the state, thus managed a massive transfer of wealth from poor to rich.

This strategy for sustaining growth was complemented by intensified dispossession and a more aggressive transfer of wealth from poor to rich on a global scale. Northern transnational corporations relocated production to low cost Southern countries which competed for this foreign direct investment (FDI) by lowering labour and environmental standards in a ‘race for the bottom’. Economic growth was thus accompanied by growing inequality of incomes globally and, in most countries both North and South, intensified pollution and carbon emissions and large scale dispossession of those who stood in the way of ‘development’.

In the 1990s, it took US$ 166 worth of growth per person to produce $1 going to poverty alleviation and things have got worse since. The implication is “that ever smaller amounts of poverty reduction amongst the poorest people of the world required ever larger amounts of conspicuous consumption by the rich” [Simms et al, 2010: 18]. But it is doubtful that poverty has been reduced at all. Even where people’s money income improves – rising above the World Bank benchmark of $1.25 a day – the gains are lost to health costs imposed by pollution and appalling working conditions, to the loss of resources starting with land and water, and to the increased cost of access to services and

5 Jack Grubman, Citigroup executive, quoted in Brenner 2003. ‘Towards the precipice’. London Review of Books, Vol. 25, No. 3.

amenities previously provided as public goods. And increasing numbers of poor people are already feeling the harsh impacts of climate change.

China is held up as the leading example of fast economic growth drawing hundreds of millions of people out of poverty. Yet the rural migrants who stream into China's coastal cities looking for work at miserly wages are driven to it because local elites have grabbed their land and extracted multiple rents, fines and taxes while the national elite enacts policies that have the effect of transferring wealth from country to city. The poor journey in desperation, not in hope, and most are left worse off. And if enough workers do not appear at the factory gate, they may be press ganged.[6]

Elsewhere in the world, millions of people are thrown out of work as local industries crumple under the pressure of cheap Chinese imports, leaving much of the rest of the South dependent on resource extraction. The global restructuring of production has thus given rise to a broadly triangular order. Raw materials are extracted from Africa and Latin America at the dirty end of the global economic order. Up the production chain, China's cheap and dirty production is on the back of the dispossession of the peasantry and pitifully low wages. Much of what is 'made in China' is actually only assembled in China. The component parts are shipped in from wherever it is cheapest to make those parts. On the other side of the world, in North America and Europe, cheap goods shipped over the seas are essential to the low inflation rates that were supposedly achieved through the wisdom of Northern central bankers. The 'Walmart economy' was sold on cheap goods and cheap credit even as Northern workers' wages declined in real terms. In almost all countries, North and South, labour's share of national product was cut to the benefit of capital.

This flow of resources is largely managed by Northern transnational corporations which also take most of the profits. Growing inequality is accompanied by the growing concentration of ownership and control. Much of what is made in China is made under supervision by the transnational corporations who own the brand and associated intellectual property rights.

6 For different strands in this analysis, see amongst others, China Labour Watch [2012], Yang Lian [2005], Hung Ho-fung [2009], and John Bellamy Foster and Robert McChesney [2012].

But power is not only about direct control of production. 'The market' – meaning global capital – works through network power and is effectively shaped by just 147 corporations, most of them in the financial sector.[7]

The global financial meltdown revealed that the world's governments and international institutions are driven by an absolute and unconditional priority for capital. To save the banks, they instantly conjured up US$ trillions in bailouts, free loans and guarantees. To save the planet, to save the children, to save the victims of flood or drought, they quibble over costs and conditions or make photo-call pledges which they will not honour. As with the NDP, all claim to act for the poor and all prescribe growth. This is because, in the market system, economic growth constitutes the central organising principle of development. But it is needed to reproduce capital, not to eliminate poverty. As Walden Bello, then of Focus on the Global South, puts it:

> Growthmania … is a cultivated ideological predisposition that serves as a protective shield for global capitalism. Capitalism is an expansive mode of production, and it can only reproduce itself by continually transforming living nature into dead commodities. … This is why ever-increasing consumption is so central to the engine of profitability that drives capitalism.[8]

The illusion that growth is for the benefit of the poor is required precisely because the making of poverty is integral to the process of making extravagant wealth. Following the crash, the costs of saving the banks were displaced onto national states for transfer to the people in the form of austerity programmes and raised taxes. Austerity, of course, is for the poor. So are taxes. What is left to the rich is the direction of politics, as British journalist George Monbiot observes:

> Above all, the neoliberal programme has closed down political choice. If the market is, as the doctrine insists, the only valid determinant

7 See Vitali et al [2011].

8 Walden Bello, ***The Anti-Climate Summit***, posted at truthout, July 15, 2008.

> of how societies evolve, and the market is dominated by giant corporations, then what big business wants is what society gets. You can see this squalid reality at work in [British prime minister] Cameron's speech last week. "We have listened to what business wants and we are delivering on it. Business said, 'we want competitive tax rates', so we are creating the most competitive corporate tax regime in the G20 and the lowest rates of corporation tax in the G7 …" What about the rest of us? Don't we get a say?[9]

In Europe, the crisis was simultaneously displaced from the rich core to the poorer peripheral countries. The banks of Germany and France bankrupted themselves for two main reasons: they were gulled into betting on toxic derivatives by the dealers of New York and London;[10] and they indulged in profitably reckless lending to the Euro periphery with the encouragement of core country governments that wanted to boost demand for products made in the core – mostly in Germany. The people of Ireland, Greece, Portugal, Spain and Italy were then made the scapegoat. The cost of bailing out German and French banks was put to their account irrespective of whether they had borrowed recklessly and even as the capacity to pay was taken from them. Millions have been driven into poverty as they have lost their homes, their jobs and their businesses while their governments were taken over by the bureaucrats of Brussels acting for finance capital. In the process, the banks and hedge funds found new opportunities for profiteering through vulture raids on vulnerable countries.

Greece is the first country to be downgraded from 'developed' to 'developing'. This exposes something of how the discourse of development works. The passage from developing to developed is supposed to be a sequential process. Where the developed world leads, the rest will follow until they catch up. The discourse does not admit the contradiction of 'undeveloping'. Going the wrong way, Greece shows that 'developing' is status, not process, and the relationship of developing to developed is structural, not sequential.

9 George Monbiot, Scorched Earth Economics, The Guardian, London, 31 July 2012.

10 Penny Ciancanelli, Whose Bailout? Whose Responsibility? Guest post at Gaian Economics, 24 June 2012.

'Developing' means subordinate and poor because developing world wealth is made tributary to the wealth of the developed world.

The crisis sent South

The conditions that led to the crash have not been addressed. The impoverishment of Europe's periphery can be taken as the second part of the drama series which started with the meltdown on Wall Street. The third part is now on its way. In May 2013, the Federal Reserve – the US central bank commonly known as 'the Fed' – hinted that its programme of 'quantitative easing' would be 'tapered'. (We'll come to the meaning of these obscurities below). This put most Southern currencies into a tailspin. The biggest losers were Turkey, South Africa, India, Brazil and Indonesia which were then dubbed 'the fragile five' by investment touts and the romance of investing in the BRICS – Brazil, Russia, India, China and South Africa – was instantly reversed for all except China.[11] By this time, the BRICS story was already losing its gloss. Economic growth was slowing even in China and more so in India and had altogether stalled in Brazil and Russia.

In the US, at the centre of global capital, the Fed has reduced interest rates close to zero on money it lends to the big banks. Since it could not reduce rates further, it supplemented this with 'quantitative easing'. This is the digital equivalent of printing money which, in 2013, the Fed was doing at the rate of $85 billion a month. It was thus feeding more money into a bankers' world already awash with it and claimed that this easy money would enable the banks to lend to companies that invest in the 'real economy'. In reality, however, the Fed was, and still is, blowing new bubbles: 'asset prices' – such as for corporate shares – are again inflated, leading to stock markets reaching new record highs while actual economic activity stagnates; newly invented

11 The BRIC acronym was invented by one of Goldman Sachs' senior investment touts as a sales pitch to investors looking for high returns. He did not include South Africa but singled out the original BRIC countries on the basis of rapid GDP growth and large populations providing cheap labour and future demand growth. He did not reflect on the contradiction between cheap labour and demand growth. The BRIC countries themselves then adapted the idea for their own purposes, creating an association of the most influential developing countries. South Africa lobbied hard to gain entry to the group and was admitted as the leading country in sub-Saharan Africa.

derivatives are proliferating; market traders are betting big with borrowed money; the banks are rigging the markets – interest rates, currency exchange, derivatives, oil, commodities – to squeeze out profits and are doing so with the connivance of the central banks.[12]

Quantitative easing also inflated the value of most Southern currencies, including the rand, by feeding the 'carry trade' – the easy money borrowed at zero interest in the US, Europe and Japan is invested in relatively high interest regimes in the South and so makes a guaranteed profit for the banks.[13] This is a species of round tripping symptomatic of financialisation. It is initially paid for by northern taxpayers through the bailouts of the banks but then siphons money out of southern economies through profits on shares and debt. It thus supplements global capital's pyramidal profits.

Speculation about when the Fed would start 'tapering' – phasing out 'quantitative easing' – circulated for much of 2013. In December, the Fed finally said it would start in January 2014 when the rate at which it is printing money would be reduced from $85 to $75 billion a month. It has been reducing this amount by another $10 billion every month since and plans to complete the phase out in October 2014. The ostensible reason for tapering, as economic journalist Ambrose Evans-Pritchard observes, is that the US economy is getting "strong enough to stand on its own feet" but the contrary view is that the Fed is nervous "about the dangers of excess leverage and a fresh asset bubble." The Bank of International Settlements (BIS) – the central bankers' central bank – has warned it of those dangers. In the view of William White, the BIS's former chief economist and now with the Organisation of Economic Cooperation and Development (OECD), "This looks to me like 2007 all over again, but even worse … All the previous imbalances are still there. Total public and private debt levels are 30% higher as a share of GDP in the advanced economies than

12 David Icke, ***Bank of England and Federal Reserve knew about – and encouraged – massive interest rate manipulation by big banks***, posted at http://www.washingtonsblog.com/business-economics, February 24, 2014.

13 In the 1990s, the carry trade was sourced from Japan as it attempted to revive its stagnant economy with near-zero interest rates.

they were then, and we have added a whole new problem with bubbles in emerging markets that are ending in a boom-bust cycle."[14]

China is the preeminent emerging market. It was hailed as the saviour of the global economy following the crash as it launched a massive US$650 billion stimulus programme to build infrastructure and housing and added to this by instructing state banks to give out easy loans. In China during the boom, there was already massive over-investment in productive capacity. After the crash, thousands of factories closed as US and European demand shrank. But there are still more cars, computers, knickers and socks made than there are customers ready to buy them. This is now supplemented by over-investment in infrastructure "evident in sleek but empty airports and bullet trains … highways to nowhere, thousands of colossal new central and provincial government buildings, ghost towns, and brand-new aluminium smelters kept closed to prevent global prices from plunging," in the words of economist Nouriel Roubini [quoted in Foster & McChesney 2012]. The ghost towns include brand new cities built for over a million people and standing empty. Meanwhile, China has developed a shadow banking sector as innovative as any in New York or London with new derivatives that multiply the value of the underlying and already overpriced assets.

The stimulus programme was meant to contribute to 'rebalancing' China's economy, a policy already announced in 2005, to make it less dependent on exports by growing domestic consumption. But, as Foster and McChesney point out, "The rise in wages necessary to yield an increase in consumption as a share of GDP would drive the large foreign-owned assembly plants to countries with lower wages." Low wages are thus intrinsic to China's growth and, far from growing, "household consumption ... dropped around 11 percentage points in a decade, from 45.3 percent of GDP in 2001 to 33.8 percent in 2010" [2012].

14 Ambrose Evans Pritchard, ***Investors euphoric as US margin debt reaches 'danger' levels***, The Telegraph, London, 13 August 2013; and ***BIS veteran says global credit excess worse than pre-Lehman***, The Telegraph, London, 15 September 2013.

South Africa disassembling

Towards the end of 2008, following the crash, the South African government denied that the economy was in recession even as corporate capital cut 20 000 formal jobs in mining and manufacturing. Over a million more jobs followed in 2009. In February that year, Manuel finally admitted that the South African economy would not escape the storm but claimed that the wisdom of past policy had created the resilience to weather it. And he repackaged government's infrastructure programme – notably Eskom's 'new build' and the 2010 Football World Cup spend – as a 'countercyclical' stimulus to the economy.

Past policy, however, made South Africa's economy more dependent on foreign capital and hence more vulnerable rather than more resilient. In the 1990s, Government allowed the biggest South African corporations to move to the global centres of capital. They took large amounts of capital with them and henceforth the profits that they made in South Africa would be paid out to investors in London and New York. Government also 'opened' the market, removing protective measures on the assumption that this would attract investment by transnational corporations in factories and other productive enterprises. This did not materialise as global investors preferred to speculate on the South African economy, putting 'hot money' into shares and bonds which yielded high returns but from which it could be instantly withdrawn.

In the boom years from 2003, the mining bosses talked of a commodity 'super-cycle' as prices of minerals escalated. The hot money flowed in, the profits and interest payments flowed out and more money flowed out to pay for the rising costs of imports, particularly of oil and mining machinery. This created a record deficit and growing inflation. The Reserve Bank then raised interest rates, ostensibly to control inflation but really to attract more hot money to cover the deficit. But more hot money investment would, of course, contribute to more profit and interest flowing out. The hot money also made for a strong rand. This softened the high price of oil imports but came at the cost of manufacturing, assumed to be the major creator of jobs, as South African products were priced out of export markets while cheap imports flooded into the local market.

By 2007, the commodity price boom was being driven by the derailment of global capital. Various commentators blamed the oil-price spike to $145 a barrel on speculators but this was only part of the story. Money flooded into commodities because it looked like the last safe bet for investors. When commodities collapsed in mid-2008, the hot money was taken out and the rand crashed to R11.00 to the dollar. In February 2009, the *Economist* marked South Africa's economy as one of the most vulnerable in the world as its exports dried up, the trade deficit ballooned and the prospects for investment seemed remote. It concluded, 'The rand, which has already fallen sharply, remains one of the most vulnerable emerging-market currencies'.[15]

The rand, however, defied expectations and rose sharply. First, the trade gap shrank as corporate South Africa cut imports of machinery and plant for expansion projects and indebted consumers stopped buying. Next, commodities recovered to around the 2007 levels for two reasons: China's massive stimulus programme substituted for declining Northern demand for commodities including iron ore, platinum and coal; and fund managers were once more buying into commodities as a least worst option to dollars and equities. Finally, the rand was supported by the 'carry trade' – the easy money borrowed at zero interest in the US and used to syphon out profits from relatively high interest rates in South Africa.

When the US Fed first hinted at 'tapering' in May 2013, the rand dropped from R9.00 to R10.00 to the dollar in a single month. Over the full year, it dropped from R8.50 to around R10.50 and carried on down in early 2014. Investors took tapering to mean the end of the easy money that has fed the carry trade and they reversed the hot money flow into South Africa and most other Southern economies. They also fled global equity markets which lost $3 trillion in value in one week. This is what spooked the Fed which has since been at pains to reassure 'the market' that there will not be an end to easy money – the banks will still borrow money for nothing – even if quantitative easing is tapered. It

15 'Where Could Emerging-Market Contagion Spread Next?' ***The Economist***, 26 February 2009.

also says it will interrupt tapering if the US economic data looks weak – never mind what the data from the rest of the world looks like. This may end with the paradoxical effect that signs of recovery will spark a panic of investors. Nevertheless, by June 2014, the carry trade had recovered and the hot money flowing into South Africa pushed the stock exchange to new record highs even as the economy stalled.

Perhaps $3 trillion might be taken as an initial token of the worth of the bubble sustained by the Fed's easy money. It is but a fraction of the trillions of stimulus funding spent since 2008. As the markets were crashing that year, a satirical headline in *The Onion* read, 'Recession-plagued nation demands new bubble to invest in'.[16] The world's leaders have provided it on an unimaginable scale – scaling up on the depleted logic that gave rise to the crisis. The logic of doing so is that there is no other viable basis for growth – which is to say finally that there is no viable basis for growth.

The NDP, however, confirms that GDP growth remains the organising principle of the South African economy. This is the basis for profit but will not serve to eliminate poverty, reduce inequality or preserve the environment. If that is really the aim, the NDP is not so much a plan for the future as a measure of the bankruptcy of this model of economy. In our view, the commitment to growth is rather an assurance given to capital and the NDP is a plan to deliver cheap labour and natural resources to capital. The next section explains why we have come to that conclusion.

The NDP's 'inclusive growth'

According to the NDP:

> The crisis has encouraged the search for sound perspectives on economic policy. The most influential critics are not seeking to replace mainstream economics or eliminate the benefits of globalisation. They focus on the failure in the past few decades of economists and

16 Quoted by Paul Krugman in his op-ed column in ***New York Times***, 18 July 2008.

> governments to apply much of what used to be standard knowledge and practice about market failures. Rather than a policy lurch to another polar position, the call is for efficient market policies that also embrace principles of social justice, empowerment, and a balance between rights and responsibilities. [79]

The NDP does not say who the 'most influential critics' are but they do not appear to include anyone who foresaw the crisis. Judging from the references, they do include the World Bank, IMF and corporate interests, and the NDP reads like something out of that stable. It is a recuperation of the policies and attendant intellectual positions that express the interests of financial and corporate capital. That is what 'efficient market policies' are about and they are unlikely to 'embrace principles of social justice' except to put a knife in the back. In short, the NDP wants the world as if the bust had never happened. It wants the boom back but needs to say the right thing about justice.

Since the benefits of growth have been taken almost exclusively by the richest 10% of people – so increasing poverty and inequality – the NDP says that growth must be 'inclusive'.

This will create a larger domestic market, supplemented by the southern Africa region, to attract investors. In the longer term, the NDP anticipates rising domestic savings and reduced dependence on external investors [127]. This story echoes the Chinese story of growing domestic consumption and heads into the same contradiction: inclusivity will come at the cost of growth because it deters investors who want maximum returns. Inclusive growth is as much a fantasy as high growth. Nevertheless, it is worth looking at the NDP's conception of inclusiveness.

Cheap jobs

The NDP founds inclusiveness on jobs and claims it will produce 11 million more jobs by 2030. But the details do not look inclusive. First, as noted above, the NDP's poverty level is poor indeed. It implies a monthly income of R2 100 for a household of five. Gareth Coleman of the Congress of South African Trade

Unions (Cosatu) observes that the Household Subsistence Level puts "the minimum income a family of five needed to afford basic necessities as around R3 500 per month[17] ..." [2013: 26].

Hunger has not left the Cape farmlands. In late 2012, seasonal farm workers in the Western Cape rebelled against harsh conditions and starvation wages. They were paid as little as R69 a day and demanded R150 a day – about R3 150 a month for the duration of the picking season. A study on the implications of their demand concluded first, that R150 was still not enough for them to feed their families and second, that the farms would go broke if they paid it.[18] The Department of Labour (DoL) eventually increased the minimum wage to just R105 a day (R2 205 a month) but many farmers did not pay it. They sought exemptions from the DoL, pressured workers into signing waivers as a condition of keeping their jobs, or sacked workers. As is now common, the workers' rebellion was met with disproportionate state violence.[19]

Further, Coleman observes, the NDP sets a target of reducing unemployment to 6% from 25%. This is based on the narrow definition of unemployment which excludes some three million 'discouraged' work seekers – all those who have given up looking for work. They are included in the broad definition, which puts unemployment at over 36%. It should be added that everyone who earns money from anything, even begging, are counted as employed.

Cheap labour is at the core of the NDP's strategy for growth and job creation. Export growth remains at the centre of economic policy but, says the NDP, the jobs are in "small, often service-oriented businesses aimed at a market of larger [export oriented] firms and households with income. Rising export earnings and rising investment are prerequisites for these service-oriented jobs to be created. ... Significantly, these firms are often intensive in mid- and low-skilled employment." [115-116]. In effect, these include the jobs that big

17 All figures at 2009 prices.

18 Research by Bureau for Food and Agricultural Policy (BFAP) cited in the Report of the Employment Conditions Commission to the Minister of Labour on the Farmworker Sector in South Africa, 2013.

19 Benjamin Fogel and Jeanne Hefez, ***Farmers strike back against insurgent farmworker movement***, Posted March 6, 2013, at http://groundup.org.za/content/farmers-strike-back-against-insurgent-farmworker-movement

corporations and public institutions now routinely outsource or secure from labour brokers, such as cleaning, catering and maintenance.

"Labour market reforms aimed at promoting employment, particularly of young people" [115] are necessary to improve the competitiveness of both the bigger firms producing for export and of the smaller firms that service them and to 'lower the cost of doing business'. Measures include the youth wage subsidy, which was introduced with the new year in 2014, and relaxing labour laws to make it easier to hire and fire people and particularly first time workers. The NDP emphasises the importance of "labour market services" – that is, labour broking – which it associates with "the rapid expansion of service sectors" [135]. In translation, the strategy for job creation in services relies on the expansion of casualised labour and labour broking. Coleman comments that the NDP carries forward "an old Treasury agenda" aimed at deregulation. The measures proposed will undermine worker rights and create "a new stratum of ultra-low-paid first time workers, earning even less than low-paid workers" earn now [2013: 24].

Acknowledging its reliance on cheap labour, the NDP calls for lowering the cost of living for the poor. It says the "main cost drivers" are food, energy and transport (given the apartheid spatial legacy) [116] and it calls for a cheap food regime, subsidised public transport and an expansion of "free basic services, such as shelter, water, sanitation and energy for poor households", along with improved public health care and education [356]. In so far as this makes a break with cost recovery for public services, it is welcome. The NDP even contemplates universal provision in place of means-tested targeting for social grants and it seems possible that this could be applied to public services, where appropriate, as the first step of a rising block tariff. Given the confusion and administrative difficulties of means testing, this would seem sensible.[20]

The cheap food regime, however, is accompanied by a corporate agriculture agenda. The NDP claims that Africa has "vast untapped agricultural potential" and singles out the Alliance for a Green Revolution in Africa (AGRA) as "working to achieve food security for Africa by promoting sustainable agricultural

20 This is discussed in ***Talking Energy***.

growth through smallholder farmers" [89]. The original green revolution in India pushed agricultural chemicals and mechanisation. It was sold on supporting peasants but in fact enabled corporate agribusiness to colonise peasant agriculture, which then created the dynamics for the concentration of land holdings on the one hand and widespread dispossession on the other. Hundreds of millions were driven off the land and into rural and urban slums.

AGRA is pushing an updated version with genetically modified crops tailor made for branded chemicals and new forms of marketing through establishing small dealer networks. It offers a technical fix which conceals the drive for dominance of ruthless corporations which are represented as helpers. Like the first green revolution, it will push more people into the cities where they will indeed be in need of cheap food but at the mercy of global markets constructed by agribusiness on the one side and supermarket chains on the other. And, in the age of peak oil, the price of food from energy-intensive corporate production will rise further both because of rising oil costs and the diversion of crops from food to fuel. Hitherto, mass famine has been a rural phenomenon. Hunger and malnutrition are common urban experiences and urban poverty is growing more acute and pervasive. The corporate enclosure of food production, with access dictated by the market, raises the spectre of mass famine in the cities of the 21st Century.

The NDP sees none of the grubby history of rural dispossession. Nor does it see dispossession in South Africa now, from the new game farms and golf estates, the expansion of industrial timber and sugar plantations or the widespread destruction of agricultural fertility by mining. Urbanisation just happens. It is an automatic and, if well managed, benign process of development: "Urbanisation not only reduces the number of people engaged in small-scale agriculture; it also facilitates economic diversification" [86]. It is thus held as the cause rather than the consequence of rural depopulation.

Box 2: Doing business

A box headed 'lowering the cost of doing business' emphasises a key theme of the NDP Chapter 3 on Economy and Employment. It purposely echoes the World Bank's annual 'Doing Business' reports. French legal scholar Alain Supiot remarks the influence of these reports which "provide a systematic evaluation of every feature of national legal systems that have a bearing on economic efficiency" [2006: 115]. They provide a supposedly objective benchmark against which international investors and governments can measure competitiveness – or profitability. In respect of labour regulations, "a 'rigidity of employment' index penalizes countries that recognise too many workers' rights: social insurance for part time employees; excessive minimum wages ($20 a month is deemed too high for an African worker); a working week limited to under 66 hours; the requirement to give third parties (e.g. a union) notice of dismissal; programmes to fight racial or sexual discrimination" [116]. *Doing Business* is both a symptom and an instrument of a global economic system in which "it is no longer products that are in competition but the normative [regulatory] systems." The obvious "consequence is a race to the bottom in fiscal, social and environmental deregulation" [119].

Bulldozing environment and people

The NDP notes several binding constraints on growth, identified in both the Accelerated and Shared Growth Initiative for South Africa (AsgiSA), from the Mbeki era, and the more recent New Growth Path. They include "licensing for water, minerals and environmental permits" [119]. Irritation with the Environmental Impact Assessment (EIA) system has been pretty constant since the late 1990s. Revised regulations 'streamlining' EIAs were introduced in 2005 – before the publication of AsgiSA – and a succession of ministers, including Mbeki, continued a verbal barrage to the effect that they were holding up development. Delays were attributed to the constraints of bureaucratic capacity and to 'special interest' groups – read local activist groups concerned about the impact of proposed development on their communities. As the groundWork Report 2006 noted,

> What was not, and is not, acknowledged is that business itself contributes significantly to delays. Brent Johnson observed that environmental and social impacts are peripheral to the concerns of most project developers who "often fail to plan or provide adequate resources" to address them.[21] The EIA is then regarded simply as a regulatory hurdle. [125]

EIA regulations were again streamlined in 2010 and were again targeted for yet more streamlining in 2013. This latest round is specifically linked to the Infrastructure Development Act passed by parliament in March 2014 and signed into law in May. The law gives legal status to the Presidential Infrastructure Coordinating Commission (PICC) and is intended to remove any impediment to any project that the PICC declares a 'strategic infrastructure project' (SIP), including overriding objections from municipalities or local people. It lays down time limits for "processes relating to any approvals, authorisations, licences, permissions and exemptions and processes relating to any consultation and participation" [s.17] and the Department of Environmental Affairs (DEA) has been instructed to amend the EIA regulations accordingly.

The full process, including EIAs, may not take longer than 250 days – irrespective of the need for some EIAs to assess ecological impacts through all seasons and hence over a year. Public consultation is squeezed into two periods, 30 days for initial consultation "on the application and project plan" and 44 days "on the development and mitigation plan and review by the relevant authority". Thus, 'review by the relevant authority' runs parallel with public consultation. The 'relevant authorities' have a further 57 days to come to a decision. While it is not clear what the Act envisages here, it suggests that the 'relevant authorities' will be railroaded into approving the project whatever people say. This suspicion is supported by provisions in the Act which, in the view of the Centre for Environmental Rights (CER), compromise

21 Brent Johnson, ***The idiom's guide to EIAs***, Mail & Guardian, August 18 to 24, 2006.

the independence of the 'relevant authorities' and hence open their decisions to legal challenge. As if anticipating this, the Act appears to insist that projects will start within the timeframe, irrespective of whether any appeals are still to be heard. The CER concludes that this Act is open to Constitutional challenge both in respect of fair administration and access to courts.

It may also be challenged because it makes no reference to the Constitutional requirement that development must be 'ecologically sustainable'. In doing so it ignores "years of legislation, case law, scientific research and international legal developments," notes the CER.[22] And where projects are not sustainable, poor people are most likely to bear the brunt of bad air, foul water and dispossession. We note that several SIPs already presuppose people being pushed aside and, in the list of projects that may qualify as SIPs, the Act arbitrarily includes mines and petrochemical installations which are notoriously associated with dispossession and pollution.

Since the mid-2000s, ministers have habitually reiterated their commitment to environmental integrity even as they subordinate it to development. The NDP does likewise. In the chapters on economy and infrastructure, it occasionally parachutes in a phrase on the environment. Thus, "It is urgent to stimulate mining investment and production in a way that is environmentally sound …" [146] while exploration for gas from coal seam and shale "will continue, taking into account environmental implications" [175]. The relationship is made clear in this passage:

> Since the threat to the world's environment and the challenge of poverty alleviation are closely intertwined, the debate should focus on ensuring that environmental policies are not framed as a choice between growth and mitigating climate change. [91]

Poverty is thus conscripted to defend growth and mitigating climate change must then bend to growth, not growth to mitigation. "In fact", the NDP continues, "the energy-industrial revolution now under way offers exciting

22 Centre for Environmental Rights, ***Comments on the draft Infrastructure Development Bill***, March 27. 2013: p.9. See also ***Follow-up comments on the draft Infrastructure Development Bill***, January 23, 2014.,

opportunities … with huge rewards for pioneers of new models" [91]. It seems regrettable that government wasted nearly two decades and tens of billions on the pebble bed modular nuclear reactor while regarding renewables with disdain. Across several renewable technologies, the rewards of the pioneers are now taken. Moreover, the opportunity to build industrial capacity to make renewables has been delayed if not foregone. The present Renewable Energy Independent Power Producer Programme was initiated in a rush in 2011. Following the prescripts of policy, it privatises renewables while also requiring very large projects. Since there is no local industry, it is effectively reserved for large foreign transnational corporations while 'local content' requirements are satisfied by building access roads, foundations and frames etc. And it seems unlikely that substantial local manufacturing capacity will be built as present plans show the procurement of renewables ending in 2020 – as suddenly as it began.

The 'green growth' theme is taken up in the chapter on environment which says that 'responsible' use of South Africa's minerals can help fund the transition to a low carbon economy. These minerals include coal and, the NDP hopes, shale gas. Further, South Africa must "leverage its solar resource … in parallel with responsible exploitation of fossil fuels" [198]. Effectively, renewables are added to fossil fuels rather than replacing them. Coal is to be given a makeover as 'clean coal' – primarily using the latest technology to burn coal more efficiently and then to bolt on carbon capture and storage (CCS). This line was given prominence at the World Coal Association's so called 'coal and climate summit' held in Warsaw in parallel with the 19th Conference of the Parties (CoP 19) to the United Nations Framework Convention on Climate Change (UNFCCC). However, improving the efficiency of the burn from about 35% to (optimistically) 45% does not make coal clean and CCS more than cancels efficiency gains and is costly and unproven. Gas is assumed to provide a quick and relatively cheap path to CO_2 emission reductions. This will prove illusory. Gas burns cleaner than coal but leaks, particularly from shale gas extraction, cancel the benefit. The USA is claiming substantial reductions based on a shift from coal to gas-fired power stations but the evidence from a series of detailed studies into actual emissions shows that these claims do not hold up.[23]

A further booklet in this series on people's power will return to climate and energy policy in more detail. Here we make four points:

1. There is no 'responsible' exploitation of fossil fuels;
2. The promise of CCS is not to mitigate climate change in the future but to justify coal projects now;
3. Government seems intent on not learning the lessons of the PBMR's opportunity costs – CCS is already using up money at the cost of real solutions.
4. The broader 'green economy' appears as a niche within the conventional economy rather than a change of direction and also provides cover for all sorts of activities that have recently been proclaimed green.

23 See for example, Caulton et al 2014.

2 SIP from a poisoned chalice

South Africa's infrastructure build, like China's, is touted as counter-cyclical although major elements such as Eskom's new build date back to the boom years of the mid-2000s. The NDP discusses infrastructure under four headings: energy, water, transport and information and communication technologies. The underlying assumption is expansion on all fronts. Even for water, although there is a paragraph on reducing the "growth in water demand" [179], it is implied that the supply can be increased without limit including from other countries in the region. Moreover, a commitment to "prevent excessive extraction and pollution" [177] is lost in discrete language whenever it really counts. Thus, in the polluted heart of the Highveld, there must be "careful consideration of the balance between" environmental protection, energy requirements, mining, agriculture and water resources. Acid mine drainage, which has the potential to turn whole regions into a waste land, is nowhere mentioned.

The National Infrastructure Plan outlines 18 strategic infrastructure projects (SIPs). These grand SIPs all contain many individual projects and encompass pretty much all capital spending by the state as well as several projects which are to be funded by private corporations. The streamlined decision making mandated by the Infrastructure Act presumably applies to all SIP projects whether state or private.

Several SIPs are indeed urgently needed. Thus, three 'social infrastructure SIPs' include building or refurbishing hospitals and clinics, schools, universities and libraries. Spatial SIPs include national assistance for poor municipalities to maintain and upgrade water, electricity and sanitation bulk infrastructure (SIP 6) and provision of public transport, linked into settlement planning, in the metros (SIP 7). How these things are in fact done – if indeed they are done – is another issue.

SIP 18 is on water and sanitation. According to the National Infrastructure Plan, “The project will involve provision of sustainable supply of water [sic] to meet social needs and support economic growth.” What is not clear is whether social needs will get equal play with economic growth. In Limpopo, the recently completed De Hoop Dam was built mainly to supply the platinum mines on the eastern horn of the bushveld minerals complex, according to its web-site.[24] It is also to supply “2-million to 3-million people in the domestic sector in the district”.[25] The number seems rather vague, possibly because supplying people was something of an afterthought and meant to compensate for the mines taking less water than they originally said they needed. The De Hoop has also been controversial because it will reduce the flow in the Olifants River through the Kruger Park and on into Mozambique. The real test in the priorities of distribution between mines, people and the downstream river will come in the next big drought.

Two Knowledge SIPs are about expanding ICT broadband cover to all households and building the Square Kilometre Array (SKA) radio telescope which requires high-speed ICT capacity and lots of energy to run it. Three energy SIPs include ‘green energy’ which is composed of the Renewable Energy Independent Power Producer Procurement (REIPP) programme and support for biofuels – more accurately termed agrofuels; Eskom’s new build; and expansion of the grid and local distribution networks.

The infrastructure plan opens with five Geographic SIPs. They are basically about transport infrastructure – road, rail, pipeline and ship – but include projects from other SIPs that are located in the geographic area. Thus SIP 1 – ‘Unlocking the northern mineral belt with Waterberg as the catalyst’ – is about extracting coal and platinum. It extends the heavy-haul coal line to connect the Waterberg to the Mpumalanga power stations and the Richards Bay coal export terminal. It also includes elements from other SIPs: new power plants

24 See http://www.dhcw.co.za/ accessed 10 January 2014.

25 Sue Blaine, De Hoop Dam to provide water ‘by year-end’, Business Day, 8 October 2013.

– thus far, Medupi and the privatised Vedanta project – and associated grid expansions from the energy SIPs; and the Mokolo and Crocodile River Water Augmentation, from SIP 18, to bring in the water needed by these plants.

SIP 5 – the 'Saldanha-Northern Cape development corridor' – is about getting the iron ore out via the heavy-haul line connecting the Sishen mines with Saldanha Bay. It also includes port infrastructure at Saldanha to service the off-shore oil and gas drilling rigs.

Similarly, SIP 3 – 'South-Eastern node & corridor development' – is to put in a heavy-haul manganese line from the Northern Cape to Coega and includes PetroSA's proposed Mthombo refinery also at Coega. At the other end of the Eastern Cape, SIP 3 includes the N2 highway extension through the Wild Coast and throws in a proposed dam and irrigation scheme on the Mzimvubu River. Whatever value these projects 'unlock' for capital, they are more likely to exclude than include the people of the former Transkei.

SIP 2 is the 'Durban-Free State-Gauteng logistics and industrial corridor'. It includes expansion of the road, rail and pipeline links, terminals at the Johannesburg end along with the so called Ekurhuleni Aerotropolis around OR Tambo Airport. A logistics hub in Harrismith is supposed to "integrate Free State Industrial Strategy activities into the corridor". In Durban, SIP 2 includes the port expansion, the Dube Trade Port at King Shaka Airport and the Cornubia housing development. The port expansion, including the proposed 'dig-out' port on the old airport land in south Durban, is the biggest of all SIP projects and we look at it in more detail in the next section.

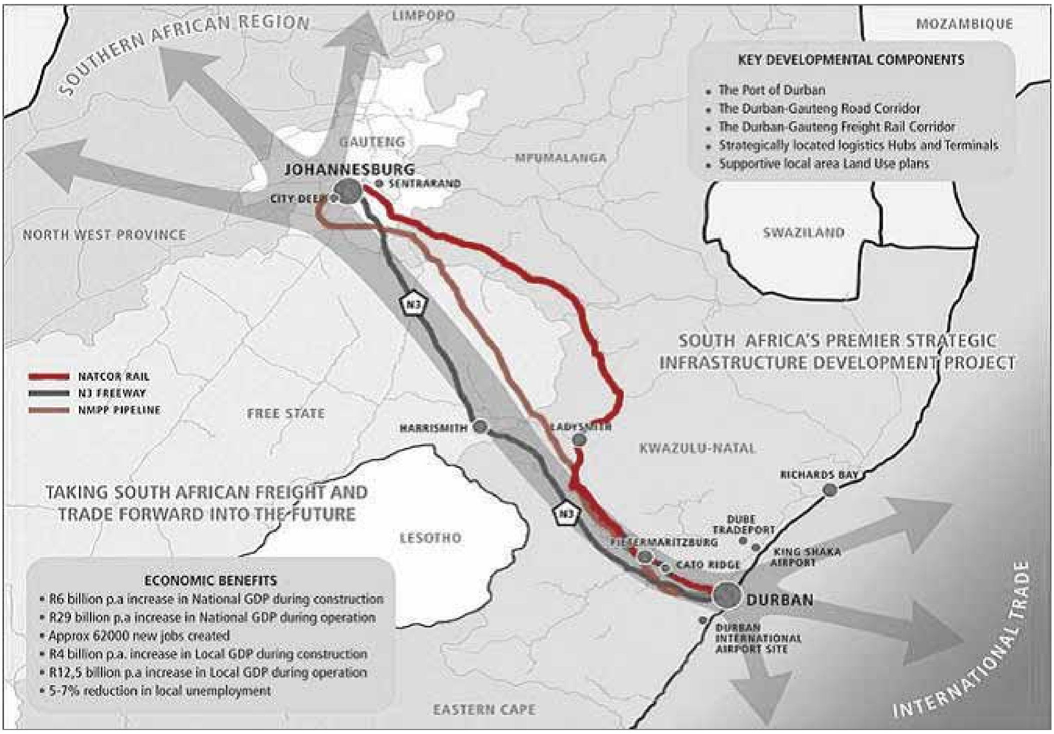

Figure 1: SIP 2 map. Source: Department of Transport

The port and back-of-port expansion

The port expansion follows on from a series of projects which, since 1994, have expanded container and car handling in particular and included the widening and deepening of the harbour mouth. The SIP2 round of port expansion projects include:

- Durban Container Terminal (DCT) and Pier 1 expansions: Deepening and widening berths to take post-Panamax (9 200 TEU[26]) ships – an EIA for berths 203-205 was rejected by the environmental authorities but has been revised and resubmitted; reconstructing and rationalising the

26 Containers come in two standard sizes: twenty foot (six metres) and forty foot (twelve metres). TEU stands for 'twenty-foot equivalent units' and is the measure used for port and shipping statistics – from how much containerised cargo a port handles to the capacity of container ships.

land-side container handling areas; and Pier 1 infill to Salisbury Island with new quay.

- Maydon Wharf: Deepening berths largely for dry bulk (sugar, grains etc.) cargoes.
- Island View: Berth reconstruction for liquid bulk (mainly petrochemicals); and the construction of the coastal terminal of the 'new multi-product pipeline' (NMPP).
- Passenger terminal: proposed construction of new berth outside the harbour mouth.
- The small and dirty coal terminal close to the harbour mouth is not apparently slated for upgrade, expansion or conversion to any other use.

(See Figure 2 for Transnet map of current and short term plans.)

The proposed dig-out port on the old airport site would be an all new deep water port about 20 kilometres south of the existing port. It is planned in four phases and, if completed, will have 16 container berths capable of taking the latest giant ships (18 000 TEU) as well as new vehicle berths conveniently located next to Toyota's Durban factory, and liquid bulk berths for petrochemicals next to the Sapref refinery. The dig out will take the land from under the feet of the 'airport farmers', the last of Durban's market gardeners who have been producing fresh produce for Durban's markets and supermarkets for over a century.

Crude oil is presently unloaded via the 'single buoy mooring' located offshore of the Bluff. The buoy is owned by a consortium of the oil corporations that use it to import oil[27] and is operated by Sapref, Shell and BP's jointly owned refinery in south Durban. Transnet's long-term planning document indicates that the deep water liquid bulk berth may replace this offshore buoy. In November 2013, however, Transnet said the buoy must be moved rather than removed as it is in the way of the future passage into the dugout port. It said the EIA would

27 The consortium is composed of Shell, BP, Engen, Sasol and Total.

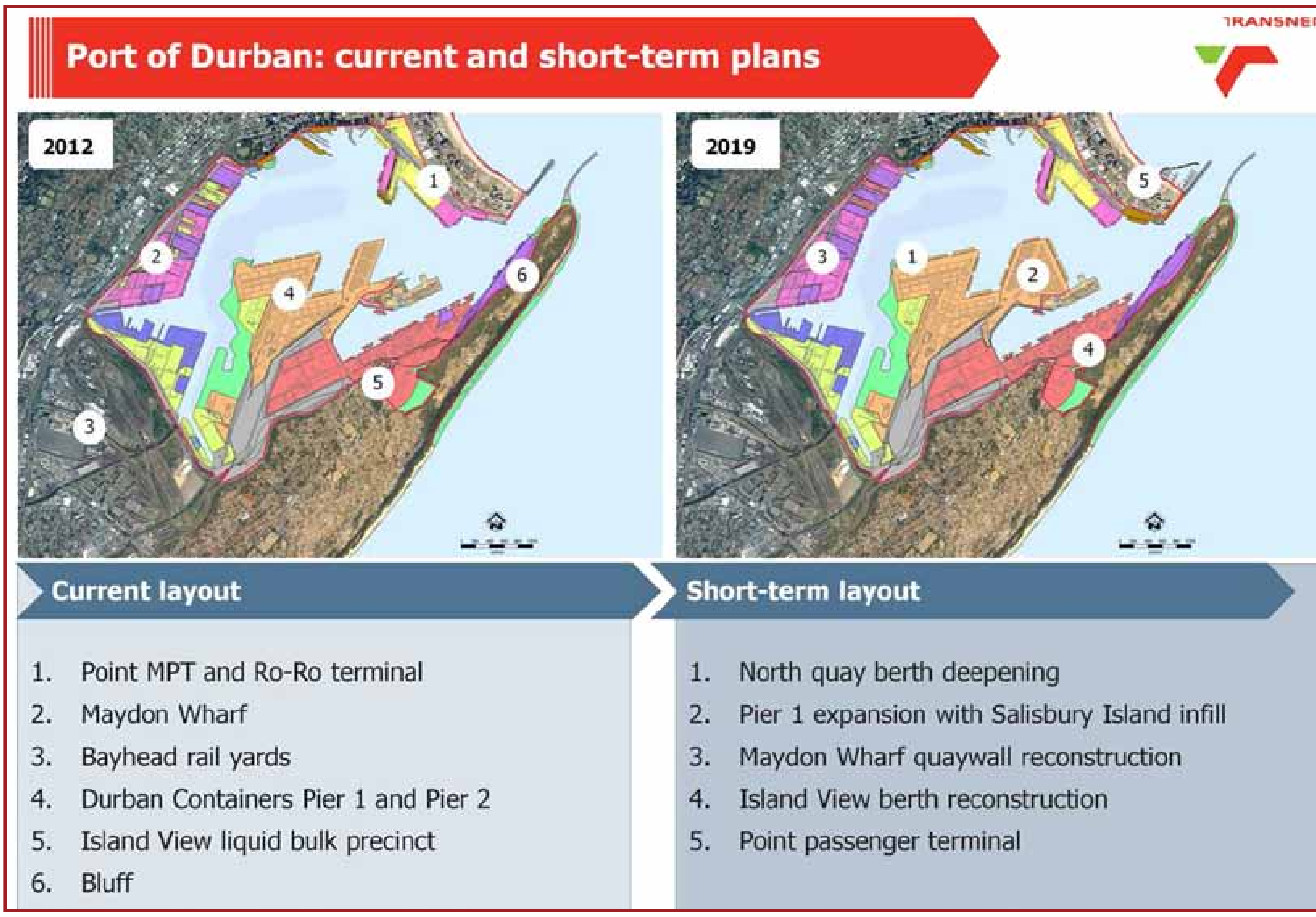

Figure 2: Durban current & short term plans. Source: Transnet 2012d.

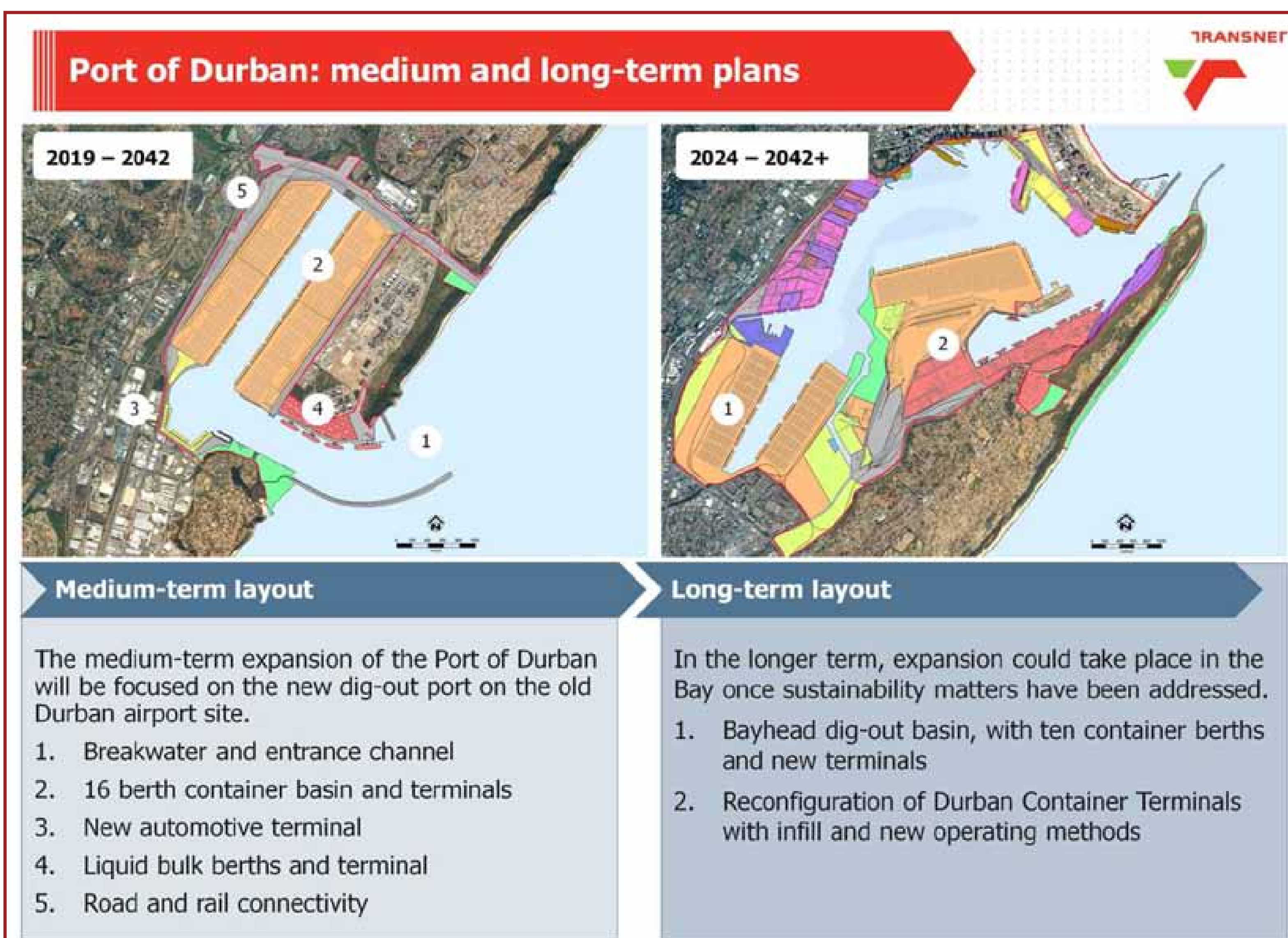

Figure 3: Durban medium & long term plans. Source: Transnet 2012d.

Back of Port Spatial Development Framework

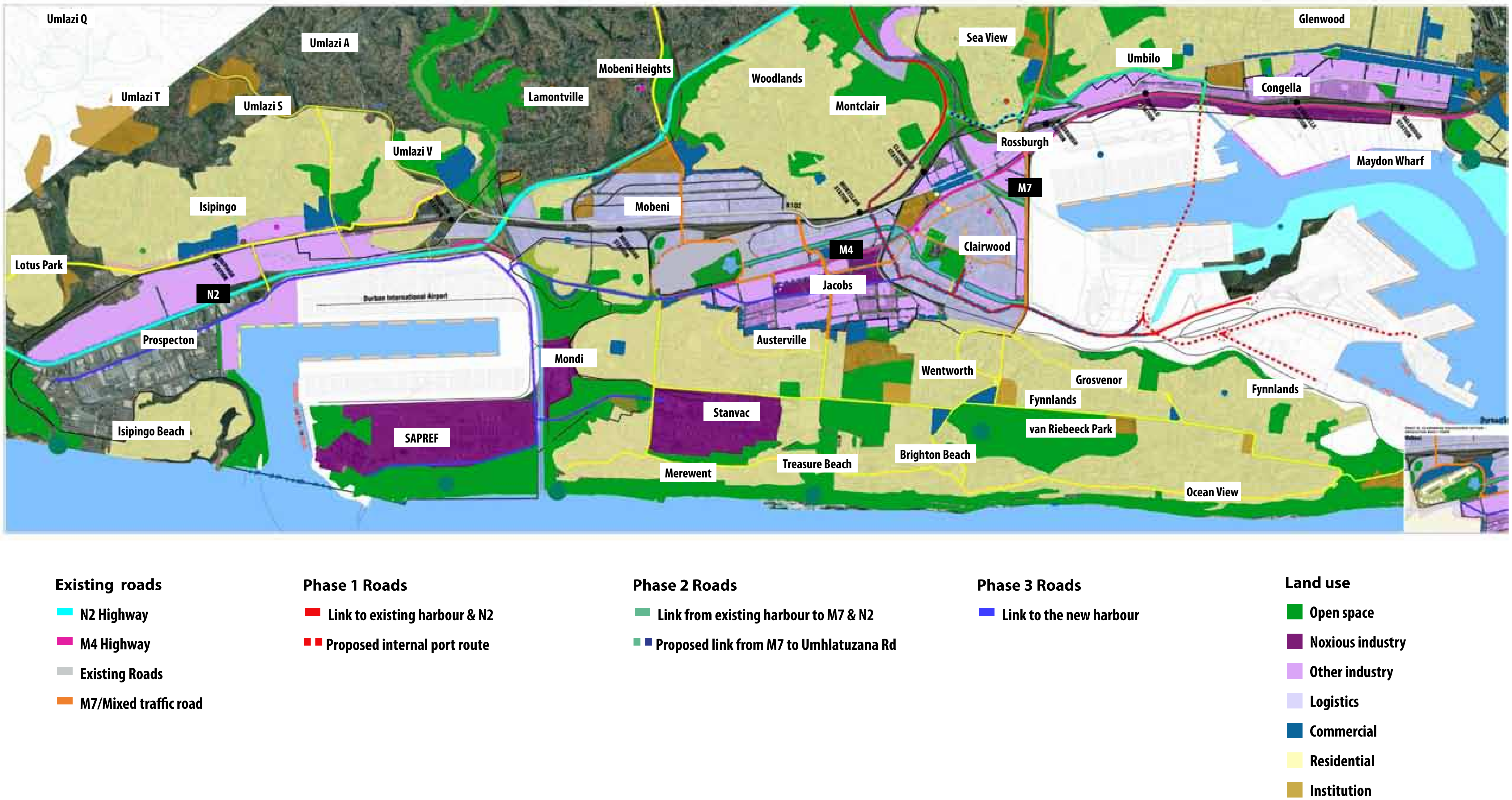

Figure 4: Back of Port Spatial Development Framework. Source: Adapted from eThekwini 2012

start in January 2014 and the buoy must be moved and operational by the end of 2016. A new location is still to be identified and the deadline, according to Sapref, is "a bit tight".[28]

Finally, Transnet proposes a second dig-out at Bayhead in the existing port. This is also intended as a deep water container terminal with 10 berths. Bayhead is the furthest point from the harbour mouth so this project requires deepening and widening the channel with "the inevitable loss of inter-tidal sandbanks" [Transnet 2012d: 48]. That means the ecological death of Durban Bay. (See Figure 3 for Transnet map of medium and long term plans.)

In effect, Transnet is planning to expand the port to the limit of physical possibility – after the Bayhead dig-out, there is nowhere else to go. It wants the lot, which means it also wants a lot of Durban. The expansion of the port after 1994 had already brought Transnet into conflict with the City. This came to a head in 2005 when Transnet developed an early version of its present expansion plan and was partially resolved through the Transnet eThekwini Municipality Planning Initiative (TEMPI). The effect of it is that the City now plans for what Transnet imposes. Hence, much of south Durban from the bay to Amanzimtoti has been redefined as the 'Back of Port' (BoP). BoP plans include turning much of the area over to 'logistics' and constructing new truck routes from the port to the main highways and between the two ports. (See Figure 4 for City Back of Port plans.)

Specifically, the City proposes rezoning the suburb of Clairwood from residential to logistics. In an explanatory note, it says no-one will be "forcibly removed" but rezoning will follow from any sale of land. "However, the current environment in Clairwood lacks normal residential amenity which will continue to decline."[29] This is not the humane alternative to forced removal but the cheap alternative. Clairwood residents will be cleared out by 'the market' – at no cost to the City – as life becomes unbearable. People who own

28 Alan Peat, ***SBM relocation deadline raises industry concern***, Freight and Trading Weekly, 22 November 2013.

29 eThekwini Municipality, Press Release: Misconceptions of draft back of port plan. 8 August 2012.

houses will sell and people who rent, including a substantial number of shack dwellers, will leave with nothing.

Nevertheless, it is difficult to see how conversion by attrition fits with the City's plan to totally reconfigure the area with a different street plan to accommodate large trucks and depots. To do this, the whole area needs to be flattened in one go and it seems unlikely that the City would put its plans on hold because stubborn residents do not willingly get out of the way.

From the suburb of Clairwood through to Clairwood horse racecourse in Mobeni, the City proposes a logistics 'parkway' along what is left of the Amanzimnyama, an already canalised stream that has its source in a wetland at the racecourse. The racecourse itself has already been sold to developers Capital Property which plans to pave it over and convert it to the 'Clairwood Logistics Park'. It is conveniently located next to the proposed dig-out port and between two major highways. At 76 hectares, this is the largest of several open spaces to be turned over to logistics.

The EIA for the logistics park was rejected in January 2014 but is likely to be amended and resubmitted.[30] The rejection is based on four objections from municipal departments: First, the Environmental Planning Department disputed the findings of the wetland assessment which must therefore be sent out for peer review. Only 10% of the site, including the wetland, is set aside for conservation and the department commented that the wetland would be reduced to "a ready-made stormwater attenuation pond".[31] Second, the Transport Authority said that the traffic impact assessment was not acceptable. Third, the Fire and Safety Department raised concerns about the proximity of Transnet's fuel pipeline and Sasol's gas pipeline which were not adequately addressed. Fourth, the Water and Sanitation Department said the existing sewer could not handle the proposed development.

The City also proposes rezoning industrial space in Mobeni for logistics. Unlike the residents of Clairwood, it proposes that industries should be paid

30 KZN Agriculture and Environmental Affairs, letter to Kerry Seppings Environmental Management Specialists, 24 January 2014.

31 Quoted by Tony Carnie, ***Plans for Clairwood rejected***, The Mercury, 25 February 2014.

compensation or given some form of incentive to move to sites elsewhere in the City, preferably to Hammersmith where industrial stands are empty. Whether industries will be keen to move there is another matter.

Transnet operates both port and freight rail. While it expanded the port after 1994, it neglected rail to the extent that the marshalling yards at Bayhead and the line to Gauteng are underutilised. Trucking has thus expanded by more than port capacity and the costs are externalised to local residents, the City and the national road infrastructure. The trucking industry is intensely competitive and poorly regulated. Truckers cut costs by hiring unqualified drivers and cutting driver rest periods and maintenance. In 2011, 70 people were killed in 7 000 crashes involving trucks on the roads around Durban.[32] In September 2013, 23 people were killed in one incident when a truck crashed through a busy intersection after its brakes failed on a steep stretch of highway.

BoP transport projects are intended to decongest the roads around the port and get the trucks out to the highways. First up was the Khangela Bridge in Umbilo, a joint Transnet-City project, to get the trucks over the South Coast highway and railway lines and up to the N2 highway. The project provided big construction corporations with the opportunity for price fixing, which they took, and the price tripled from R70 million to R200 million before the bridge was completed in 2010.[33] The bridge has done little to reduce congestion but has opened new trucking routes through residential Umbilo and Glenwood, according to the Umbilo Action Group [quoted in Bond 2014: 6].

The proposed Clairwood Logistics Park will, according to EIA consultants' reports, generate peak traffic up to 2 262 vehicles an hour – one every two seconds – in and out of the facility. Presumably that includes a high proportion of trucks. Major upgrades are needed to the existing access from the South

32 Bronwyn Fourie, ***7 000 Dbn truck crashes in one year***, The Mercury, 5 July 2012.

33 Routine price fixing on all major projects by the big construction corporations was uncovered in late 2012. It worked this way: the corporations first agreed who would win and at what price; other corporations would then put in losing bids to give the appearance of competitive bidding; the winners would pay out the losers through procurement deals or sub-contracts. It broke down when some winning bidders reneged on the pay out and so proved the adage that there is no honour among thieves. The corporations then rushed to the Competition Commission which offers leniency to the first to confess.

Coast highway. The City also plans to construct a direct link to the N2 highway – although this is excluded from the Clairwood Logistics Park EIA.

Two dedicated truck roads are proposed. The first is to link the existing port to the N2 highway through Clairwood and along the steep and still wild southern slope of the Mhlatuzana valley. The second is to link the two ports using the same route through Clairwood before turning to go through Jacobs and merge with the South Coast highway opposite the proposed Clairwood Logistics Park.

Beyond Durban, various plans to expand the highways are under discussion. They include adding lanes to make ten lane highways and constructing a lengthy by-pass of Pietermaritzburg. Such plans are echoed in the Department of Energy's Integrated Energy Plan which projects a four-fold increase in freight from now to 2050 with all of it going by road. It notes that substantial investment in rail may reduce road and increase rail haulage but clearly finds little evidence of this at present.

Transnet's policy is to shift freight from road to rail by winning market share. In its 2013 Annual Report, it claims to have shifted 4.5 million tonnes from road nationally, including 1.7 mt of container traffic, in one year [Transnet SR 2013: 61]. However, most of this appears to be containerised coal, manganese and chrome rather than general freight [IR 2013: 56][34] and it does not say which lines carried more load. Transnet has invested in locomotives and wagons but 'investment' in lines seems to be about maintenance rather than expansion [IR: 54]. A proposal to create an 'inland port' at Cato Ridge appears to have been quietly shelved. The idea was that an expanded rail link would get containers bound for Gauteng away from the port and from Durban and so reduce congestion.

Transnet's new multi-product pipeline (NMPP) has already been driven through south Durban. The pipeline is to replace the old Durban-Johannesburg pipeline but does not follow the same route through rich and mostly white areas. Instead, it is routed through poor and densely-settled semi-rural areas where little resistance was anticipated. Local people commented: "They are

34 Transnet's annual reporting for 2013 included an Integrated Report (IR), Annual Financial Statements (FS), and a Sustainability Report (SR).

taking the pipeline through our gardens. What will happen when there are leaks and explosions? We are sick already. Why are they taking it through our area? They don't talk to us, they don't care about us, because we are poor" [Quoted in SDCEA 2011: 6].

The main trunk of the pipeline was completed in 2012 and it is running at half capacity in parallel with the old pipeline. The main terminals, at Island View in Durban and Jameson Park in Gauteng, must be completed before the pipeline can run at full capacity. As with South Africa's other big infrastructure projects, the NMPP has suffered serial delays – it was meant to be completed in 2010 but has missed a deadline for December 2013 and is now slated for completion only in April 2015 – and massive price escalations – from R6 billion in 2008 to R23.4 billion and not done yet.

Participation and resistance

The SDCEA is coordinating a wide range of community and environmental groups opposed to the port expansion. They have very many reasons for resistance, starting with the process itself. Transnet's port expansion and the City's BoP plans clearly follow one from the other and it is the City's plans that do the following. In June 2012, the City published what came out of its side of the TEMPI process – the Back of Port Local Area Plans (BoP LAP as the acronym goes) – and in August held a series of local meetings to present the plans for each area. City officials evidently anticipated that this would do for participation but they met fierce and growing opposition at all the meetings.

The community groups denounced the City's approach as an attempt at 'divide and rule'. They protested that the time frames allowed for comment were too short and that documents were not available in isiZulu. They particularly objected to City officials refusing to discuss the port expansion that gave rise to their plans. They noted also that comment is invited on individual EIAs but discussion of the interrelation between projects and their cumulative impact is disallowed. They nevertheless used the process to build a coalition to campaign against the port expansion. At the final meeting held in Clairwood, "the city was met by 500 people who refused to let them speak on what they call the piecemeal projects rather than the development in its entirety and its true consequences”.[35]

The Clairwood and District Residents and Ratepayers Association (CDRRA) followed this with the Clairwood Conference attended by then Finance Minister Pravin Gordhan and eThekwini Mayor James Nxumalo who promised an inclusive and holistic process. This promise was reiterated at a ‘developmental dialogue’ hosted by the mayor in November and again by Malusi Gigaba, Minister of Public Enterprises and responsible for state owned enterprises including Transnet. Then … nothing. The coalition was tasked by the Mayor’s office with drawing up terms of reference for consultation. It did so but got no response. Its letters asking for clarity on the process went unanswered. Finally, the coalition invited a full slate of local, provincial and national office holders to a public meeting on the 20th of April 2013, with the purpose of initiating the holistic process. This invitation was ignored.

Instead, as a SDCEA statement notes, “the ministries of Public Enterprises and Transport hastily organised a ‘community engagement’ on the Strategic Infrastructure Programme-2 (SIP 2) on Saturday 13th April” with the ministers, members of the provincial executive, the eThekwini speaker and Transnet’s Chairperson and CEO.[36] The meeting was evidently tagged onto a SIP 2 ‘engagement’ with business at the last moment. SDCEA was given two days’ notice and no local community groups or organisations campaigning against the port expansion were informed. The meeting itself was delayed for two hours waiting for members of the South African National Civics Organisations (SANCO) to be bussed in from other parts of Durban. The statement continues:

> We fully support the principle of an inclusive community engagement that reaches out to all eThekwini’s people. Nevertheless, the impression was created both that the attendance of these groups was

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35 South Durban Coalition, ***South Durban stands as one: coalition formed to fight port expansion***, Press Release, 22 August 2012.

36 SDCEA supported by Clairwood Residents and Ratepayers Association, Isipingo, Merebank Residents Association, Earthlife Africa eThekwini, Centre For Civil Society, groundWork, Umbilo Action Group, KZN Subsistence Fisherfolks, Airport Farmers Association: ***‘Participation’ is a farce in South Durban***, 24 April 2012.

> organised at the last moment and that, as SANCO members, they were assumed to support the ruling party and the port expansion. However it backfired on government. Members of the audience made plain that this is a charade and not public consultation. And from all sides, whether from SANCO or south Durban, they questioned whether these mega-projects will deliver the promised jobs and development.
>
> Minister Gigaba told the meeting he was honouring his commitment to engage the community. This was the commitment made to the south Durban constituencies on December 5th. We believe that this commitment would have been better honoured by accepting the invitation to address the community meeting on April 20th.
>
> Adrian Peters of the eThekwini Municipality then gave a presentation on SIP 2 and the port expansion. This made clear that the big decisions are already made. The primary purpose of 'consultation' is to get community buy-in. It ignores the enormous opposition that south Durban residents are expressing about the added pollution, the forced displacement of people starting with Clairwood and Merebank, and the likely intensification of real socio-economic problems.

Government and Transnet officials stayed away from the community meeting on the 20th of April. In their absence, participants subjected SIP 2, the port expansion and the back of port plans to withering criticism. They committed themselves "to ensure that the concerns of labour, environment, youth, women and all our neighbourhoods are addressed properly". The statement concludes:

> We have survived in south Durban against all odds, and we will continue to demand that, instead of a destructive mega-project, our people and environment are allowed to develop in the way we want. We need one consultation for one vision for Durban and south Durban in particular.

Nothing more has been heard from government on the promised holistic process. It was thought that they may have been holding off until the Infrastructure Act was passed as it gives them the right to bulldoze regulatory processes.

The rationale

Transnet says its expansion is aligned with the NDP and the New Growth Path which identifies infrastructure development as a significant driver in creating jobs. The underlying rationale, however, is growth taken as an absolute and eternal necessity. More mundanely, perhaps, Transnet's plans represent a claim on rights in the future. It is saying it has the right to expand the port to the limits of physical possibility and may appropriate what is needed to that end. Most immediately, what is needed is more of the bay, the suburb of Clairwood and the airport farmers' land. Its projection of future demand growth gives a supposedly objective justification for that ambition.

Transnet makes it a principle that new infrastructure capacity must be built ahead of expanding demand. Demand projections then create an imperative for expansion. Transnet's projections, however, are scarcely credible. They are essentially based on extrapolating from the demand growth in the 15 years to 2008. This period saw an unprecedented expansion in global trade driven by the global restructuring of production and the Ponzi boom produced by finance capital. And for South Africa, the period opens with the end of apartheid and international isolation. It is not surprising then that trade expanded faster than GDP in this period.

In 2009, the Economic Status Quo Assessment for the BoP plans published Transnet's forecast for container traffic [eThekwini 2009 Ch.1: 90]. It said that the Port of Durban handled 2.5 million containers in 2007 and forecast demand for each subsequent year to 2043 with demand growth at 6% or more for most of the period. Table 2 shows the record to date.

Table 2: Transnet projected and actual container traffic

	Million TEUs		
	Projected	Actual	Difference
2007	2.5	2.51	0.0
2008	2.7	2.56	0.1
2009	2.7	2.44	0.3
2010	2.9	2.55	0.4
2011	3.1	2.71	0.4
2012	3.3	2.59	0.7
2013	3.6	2.63	1.0

Demand in 2043, according to this forecast, would be 22.7 million TEUs, an increase of nine times over 2007 demand, and capacity would be 23.6. In the medium term, it showed that each phase of the airport dig-out would add more than total present demand every four or five years. Overall, it gave the impression that the demand projections followed from Transnet's expansion ambitions rather than the other way round. Be that as it may, it seems curious that the City and its consultants did not question these figures when they drew up the back of port plans.

This degree of non-credibility could not be sustained. Transnet's more recent documents present more moderate forecasts. In 2040, they say, national demand will be about 20 million TEUs. Thus, the figure previously given for Durban alone is now given for the whole country. 2040 demand in Durban is now "expected to exceed 12 million TEUs" [Transnet 2013a: 5]. This is well short of the 14.6 million TEU capacity available on completion of the airport dig-out but it still assumes that demand grows at the improbable rate of 4.6% every year to 2040.

Calculations of the additional capacity created by each project have also been changed. On completion, capacity at the Durban Container Terminal (Pier 1 and 2) was originally put at 4.3 million TEU but, in Transnet's 2012 Long Term Planning Framework, this is increased to 5 million TEU. Planned capacity at the airport dig out is reduced from 11.4 to 9.6 million TEU (2.4 million for each of the four phases) and the Bayhead dig out is reduced from 7.9 to 6 million TEU. Table 3 shows the sequence and timing of projects.

Transnet argues that slower growth may delay projects but will not alter their sequence or final capacity. It nevertheless appears anxious to start on the airport dig-out, hence its demand that the single buoy mooring must be moved forthwith. No doubt it wants to make the dig-out a fait accompli as soon as possible lest political support evaporates and the opportunity slips away. Meanwhile, there is no more reason to believe the revised growth figures than there was to believe the original projections. The coming period is more likely to see the failure of growth than its revival and it would be well to avoid costly 'white elephants' that divert funds from initiatives that speak to the present crises and serve people's needs.

A second set of justifications relate to the size of vessels. The port can accommodate 'Panamax' sized vessels – the largest that can fit through the Panama Canal – with a capacity of 4 500 TEU. Following the widening of the harbour mouth, ships up to 12 000 TEU capacity have docked in Durban but not with a full load. The big shipping lines are now building 'ultra-large' vessels capable of carrying 15 000 or more TEU.

This is accompanied by the ferocious concentration of capacity and power in the shipping industry with the number of shipping lines shrinking by 27%. This will continue. The top three lines with the biggest ships – Maersk, MSC and CMA CGM – have formed an alliance and planned to merge their services on the Asia-Europe route, although this has been blocked by Chinese regulators.[37] Maersk takes the lead on ultra-sized shipping, with a fleet of 20 'Triple E' ships coming into service. These are the biggest ships afloat with a capacity of 18 200 TEU.

Maersk CEO Nils Andersen says smaller lines should not even try to compete: "There is a lot of value destruction at the moment and a number of investors will

37 Terry Hutson, ***As ships get bigger, the lines become fewer – UNCTAD***, Ports and Ships, 19 December 2013; ***Drewery warns of surplus pool of 8,000 – 10,000 TEU ships***, 9 January 2014; and ***China puts a stop to the P3 alliance***, 18 June 2014.

not get their money back," he predicted. "You won't make yourself profitable by expanding these days."[38] In short, there is already a massive surplus of ships – and, indeed, containers – and the new ultra-sized ships will send a whole lot more to the wreckers. Besides, Maersk needs a lot of 'value destruction' if its ultra-sized ships are to sail fully laden and so pay for themselves.

The competition, however, is not backing off. In January 2014, China Shipping Container Lines announced that it had placed orders for five 19 000 TEU ships and, in March, the United Arab Shipping Company ordered six 18 000 TEU ships. As more lines compete on size, the likelihood that the ships will sail fully laden diminishes, cost savings per TEU are whittled away and the advantage is lost.

There is no question of these ships calling at Durban. There are only 15 ports worldwide that can handle them, eight in Asia, seven in Europe, and none in the Americas or in Africa. They are built for the Asia-Europe trade and are 'Suezmax' – the maximum size for the Suez Canal – although we may anticipate that US west coast ports will soon handle them. They nevertheless have an impact on South African ports because lesser ships, in the 8 000 to 10 000 TEU range, are displaced from the premium routes and in turn displace smaller ships on secondary routes and so on down. Terry Hutson of Ports and Ships comments:

> In South Africa, for several reasons, the bigger container ships that have been moved onto these trades simply because there's no place else for them, arrive and sail half empty. While there's talk of the ports not being able to handle fully loaded ships of this size, the reality is that the business simply isn't there to fill 8 000 or 10 000 TEU capacity ships.[39]

The big ships are undoubtedly driving investments in deep water ports. The Panama Canal is also being enlarged – the new 'Panamax' will take 12 000

38 Quoted by Terry Hutson, ***Maersk chief tells smaller carriers to stop ordering new ships***, Ports and Ships, 21 November 2013.

39 Terry Hutson, ***Has South Africa's cruise bubble begun to burst?*** Ports and Ships, 9 January 2014.

TEU – at considerable economic and environmental risk. Even in Europe there is a high risk of over-investment. The JadeWesser Port at Wilhelmshaven is brand new and built as Germany's only deep water port to handle the ultra-large ships. Thus far, it has operated well below capacity. To succeed, it needs to tranship a large share of trade to the Scandinavian and Baltic ports as well as taking more of the direct trade to Germany, for which expanded road and rail links are necessary.

Box 3: Transnet's plans compared with global ports

If and when Transnet completes all the proposed port expansion projects, the total port capacity will add up to 20.6 million TEU a year. Globally, there are just four ports that handled more than 20 million TEU in 2011, all of them in Asia with three in China: Shanghai at 31.7, Singapore at 29.9, Hong Kong at 24.3 and Shenzhen at 22.5.

Europe's largest port is Rotterdam. It handled 11.9 million TEU in 2011, a little less than total capacity in Durban following Phase 3 of the airport dig-out.

In the US, the biggest west and east coast container ports respectively are Los Angeles at 7.9 million and New York at 5.5 million TEU. India's largest port in Mumbai did 4.3 million in 2011. This compares with the planned capacity at the Durban Container Terminal in 2017, before they start any dig out, of 5 million TEU.

Britain's Felixtowe did 3.7 million in 2011 and Brazil's Santos did 3 million which compares with Durban's present capacity of 3 million.

Durban handled 2.7 million TEU in 2011, a little more than the largest container ports in Turkey, Canada and Australia.

Source: The JOC top 50 container ports.

The money

Some estimates have put the cost of port expansion at R250 billion. At the SIP 2 meeting called on the 13th of April 2013 by the Public Enterprises and

Table 3: Projects and cumulative capacity TEU million/year

Completion Date	Project	Added	Cumulative Capacity	Forecast demand
2007	Existing DCT Pier 2		2.3	2.5
2008	DCT Pier 1 Ph.1	0.7	3.0	2.7
2017	DCT Pier 2	0.6	3.6	4.0
2017	DCT Pier 1 Ph.2	1.4	5.0	
2020	Airport dig-out Ph.1	2.4	7.4*	4.5
2028	Airport dig-out Ph.2	2.4	9.8	7.0
2035	Airport dig-out Ph.3	2.4	12.2	9.0
2042	Airport dig-out Ph.4	2.4	14.6	12.0
-	Bayhead dig-out	6.0	20.6	-

Compiled from Transnet 2012d.

* From 2020 to 2025, actual capacity is reduced to 6 million TEUs to allow for further construction at DCT. This project, to infill between Piers 1 and 2, rationalises the container yards but reduces the number of berths and does not increase capacity at DCT.

Transport ministers, Transnet CEO Brian Molefe responded angrily to a question that cited this figure. "Where do you get that from?" he asked. "We have not done the design [of the dug-out port] yet so we can't know the cost." This response was clearly intended to shut down questions on cost.

Two years before, in March 2011, Transnet Chair Mafika Mkwanazi said that phase 1 of the dig-out port would cost about R50 billion and the full project about R100 billion.[40] In 2012, Transnet's Long-term Planning Framework gave new estimates for all port projects except the Bayhead dig-out adding up to R121 billion [2012d: 51]. Short- and medium-term spending on the existing port adds up to R37 billion. The estimate for Phase 1 of the airport dig-out is reduced from Mkwanazi's figure to R40 billion and the full development adds

40 *New harbour to be dug out at old airport*. The Mercury, 15 March 2011.

up to R81 billion. Bayhead is likely to be even more pricey, so something over R200 billion for the full port expansion seems conservative.

Moreover, mega-project costs have a way of escalating. As noted above, the costs of Transnet's own multi-product pipeline quadrupled from R6 billion to R23.4 billion. Cost escalations result from many factors including rising material costs, changes in design, unforeseen hazards on site, construction delays and corruption. But they start from wilful underestimates as project proponents inflate the benefits, deflate the costs and obscure the risks. We can take the figures above as the salesman's pitch.

Transnet plans to spend R300 billion on new infrastructure in the period 2012 to 2019. Molefe is reported as saying R7 billion of this will be spent in Durban.[41] This seems to refer to the Pier 1 expansion which Transnet identifies as a 'key capacity development initiative' [2012g: 15]. This sum is only one third of the R22 billion of short-term investments listed in Transnet's plans for the existing port. A further R15 billion is supposed to follow in the medium term.

The R300 billion does not include capital for the airport dig-out beyond the purchase of the land and feasibility studies. Transnet has repeatedly said that the new port must be funded through 'private sector participation' (PSP) or a 'public-private partnership' (PPP), possibly on a 'build-operate-transfer' (BOT) contract.[42] That is, privatisation by any other acronym.

The obvious candidates are the shipping lines or transnational port operators, possibly including BRICS partners or just Chinese partners. If that is the case, it should be anticipated that they will take the cream of the trade to the new port while the old port becomes a sort of inner city slum port. Indeed, on the present record it would seem doubtful that there would be much trade left for the Durban Container Terminal. However, there is as yet no indication that anyone is interested and it seems likely that Transnet would have to take a very large share of the risk to secure a partner.

41 Chris Makhaye, ***New port fit for a king***, New Age, 20 September 2012.

42 See for example: Nicky Smith, ***Transnet begins study on Durban port***, Business Day, 11 July 2012; Terence Creamer, ***Transnet begins study on Durban port***, Engineering News, 6 December 2012.

Transnet's long term plans show 75% of capital spending will go on rail including R50 billion for the Durban-Gauteng line. Much of this is to compensate for past neglect and substantial early investments will go on the portion of the line that carries coal to Majuba power station and iron ore to ArcelorMittal's Newcastle plant. Overall, investments are not for new lines but to enable "increased axle loading, longer trains and improved train control" [Transnet 2012c: 21].

Additional capital is required for hubs and terminals [2012c: 34ff]. Four Gauteng terminals are estimated to cost R5.8 billion in the short term and R18 billion in the long term. Short- and medium-term investments in the existing Durban rail terminals include R3.8 billion on Bayhead and King's Rest and R3 billion on the Durban Container Terminal. A further R575 million is needed for the logistics park at Clairwood racecourse. Over the medium and long terms, rail terminals at the airport dig-out will cost R4.3 billion. Transnet does not expect to pay for much of this "but assume[s] significant contributions from the private sector and terminal operators" [2012g: 4]. This assumption must be accompanied by considerable uncertainty.

It is not clear if this applies to the Durban port rail terminals where Transnet itself is the terminal operator. But this investment is surely urgent if Transnet is serious about improving port efficiencies or the shift from road to rail. Even so, Transnet's rail plan still lags behind the port plan and reaches only 4 million TEU by the end of the 2030s [2012c: 37].

In the last financial year, Transnet spent R27 billion. It will therefore need to increase spending very considerably to reach R300 billion by 2019. It presents itself as very confident of raising the money from three sources [2012g: 11]:

- Internal funding from cash flow or 'monetising assets' (in other words, selling, renting or pawning wagons, locomotives, lines or stations etc). Its 2013 'value added' statement says it reinvested R16 billion, including nearly R2 billion in 'deferred tax'.
- Borrowing from global capital markets. Transnet has issued a raft of bonds including a rand-denominated bond issued in London for which it pays high interest rates. It has also borrowed from Development

Finance Institutions, including a whopping loan of R50 billion from the Chinese Development Bank. Patrick Bond observes that this loan was "apparently without conditions (and with terms not publicly released)" [2014: 5]. Strings or no strings, however, Transnet has bought a lot of expensive equipment such as locomotives and cranes from China.

- Private sector participation. Transnet proposes that private sector partners can take shares in existing Transnet assets and projects[43] or can fund projects directly. It does not appear that there have been any takers so far. This creates some ambiguity as to how much of the R300 billion Transnet will spend itself and how much it expects from the private sector.

Thus, privatisation is not restricted to the dig-out port. A motley sort of privatisation pervades its plans:

> To meet the country's freight transport needs and share risk with Transnet, it is essential to lower the barriers to entry for the private sector to participate in logistics supply chain infrastructure investments and operations. Transnet is investigating a number of opportunities to achieve this. [IR 2013: 35]

Whatever the form of inducement – that is, of subsidy – Transnet is more likely to double up on risks than share them through this privatising agenda. In the end, private capital can always abscond by one means or another. Typically, it takes the profit while socialising the risk and state-owned Transnet provides a good vehicle for the second part of this strategy.

Some aspects of Transnet's investment plans, particularly the strategy of shifting container freight from road to rail on the Durban Gauteng corridor, are overdue. The neglect of rail started with the turn to neo-liberalism in the 1980s and was entrenched as the first post-apartheid government adopted and deepened neo-liberal economic policies. Thus far, however, it appears that the heavy-haul coal and ore lines are taking priority over the container line.

43 Shares in projects did not work for Eskom when it tried to elicit private funding for shares in Kusile.

Overall, Transnet is risking heavy over-investment and will then be faced with a debt it cannot repay. This is so even where the corporation is not the investor – as it says will be the case for the airport dig-out. If there is over-capacity in the two ports, the new port will take the traffic for containers, motor cars and possibly for liquid bulk, while the old port suffers the loss of revenues. Typically what follows is the failure of maintenance and, given that many toxic goods are traded out of the port, increasing environmental and safety hazards. This outcome becomes more likely since Transnet seems blinded by its own vision. The new port shown in the artist's impression, with clean engineered lines unimpeded by disorderly nature, is so much the object of desire that the corporation will not see mundane reality.

An aspect of mundane reality is that the port operations are notoriously inefficient and it must be questioned whether the bright new port does not compensate for Transnet's failure to manage what it has. Durban is also excessively expensive, charging more than double the global average for docking a ship and handling the cargo. Since capital investments are a major cost driver, it must be anticipated that the port expansion will increase these costs.

Finally, Transnet is betting on the rapid growth of the global economy and associated trade at a time when that seems least likely. Without such growth, it will not be able to pay the high capital costs which will then be transferred to the state. Further, a high proportion of these costs are for imported capital goods and add to foreign debt at a time when global capital has shown its teeth. Government claims that the new infrastructure will facilitate the export of high-value manufactured goods which would increase the capacity to pay off foreign debt. To date, however, manufactured imports have grown faster than exports and there is little reason to think that the new infrastructure will not serve to widen the gap. With Transnet's debt added to Eskom's debt, it is more likely that South Africa is walking into a debt trap of its own making.

Jobs and homes

In contrast to Molefe's refusal to talk about costs, government and Transnet are keen to put numbers to new jobs. As with container projections, these promises are highly varied. The airport dig-out will, they say, create 6 400 construction jobs. Once complete, the new port will create 28 000 direct operational jobs and 64 000 indirect jobs, according to Gigaba.[44]

SIP 2 as a whole, according to the Department of Transport's presentation in April 2013, will create 62 000 jobs. The National Infrastructure Plan, posted on government's information website about the same time, is more ambitious. It estimates 135 000 construction jobs on SIP 2 projects and 85 000 jobs "created by those businesses that use the new facilities" [SAG 2013].

Transnet's Long Term Planning Framework 'anticipates' that the corporation will hire 13 658 extra people – a remarkably precise number – over the seven years from 2012. Over the medium term, it says, the "economy-wide jobs" impact of its expansion programme will rise "from about 100 000 to about 250 000" [2012g: 13]. The Discussion Document on the airport dig-out increases this to 288 000 [2013a: 5]. This figure includes direct jobs, indirect jobs in firms that supply Transnet and 'induced jobs' created by workers spending their wages. These numbers are highly speculative and it is part of the salesman's pitch to talk jobs up even as costs are talked down.

Construction on infrastructure projects is certainly creating jobs. Government says it is monitoring about 44% of projects and there are 145 000 jobs on these projects. And the Department of Transport claims large additions to local GDP where project construction is already under way. Jobs and GDP growth are pretty much the beginning and end of the argument on social benefits. The impact of mega projects on local economies, however, is not necessarily benign.

The construction of Eskom's Medupi power station, for example, has created a short term boom. Jobs peaked at around 17 000 but oppressive working

44 Nompumelelo Magwaza, ***Durban dig-out port 'vital for growth'***, Independent Newspapers, 10 December 2012.

conditions led to repeated strikes. A National Union of Metal Workers of South Africa (NUMSA) memo to Eskom[45] complains of racism, militarised security, low pay, no training, conditions conducive to alcohol abuse and the failure to deliver on corporate social responsibility undertakings. With so many, mostly male, workers and many more work seekers coming into the area, the project tears into the local social fabric. The boom has highly uneven results, for example raising rents to the benefit of landlords and the cost of tenants, enriching the rich, impoverishing the poor and entrenching brutally unequal gender relations. The bust that follows will compound many of the ill effects.

As noted above, government's jobs claims were treated with scepticism at the April 2013 'community engagement' in south Durban. Participants thought the jobs numbers exaggerated. They anticipated that construction at the airport dig-out would be capital-intensive, with large machines and skilled operators brought in from elsewhere and little for local workers. Given the scale and cost of the SIP 2 projects, it is most likely that speed of construction will be favoured over labour-intensive methods.

Permanent jobs created by the expansion are even more uncertain, particularly where operations are privatised. Globally, ports are being automated. Rotterdam container terminal is known as the ghost terminal because there is no-one there. The private partners in the airport dig-out will most certainly embed the latest automation technology from the start. If the new port takes the business of the old port, as argued above, this investment will destroy more port jobs than it creates.

The non-port jobs that it destroys are not counted because, as Sarah Bracking observes, "[o]ne sign of a disadvantaged community is that they are never counted."[46] Besides, it does not do to value what you are about to destroy. The first to go will be the 16 airport farmers and up to 150 farm workers according to season. Following the logic of numbering job creation, we should add the

45 NUMSA and alliance partners memorandum of demands handed to Eskom on the 19th October 2012 in Lephalale

46 Sarah Bracking, ***Durban port's poverty, consumerism, enoughness***, The Africa Report, 29 April 2013.

indirect jobs of those who supply the farmers, the food markets they supply and the induced jobs created by how farmers and workers spend their income.

Yet the impact is more profound than this. The farmers are the last of a long tradition of market gardening. The land of south Durban was developed for settlement and farming by families released from indentured labour on the colonial sugar plantations and they supplied others who made a living by selling from stalls at the food markets. They thus created a network connecting market gardeners, food markets and consumers to make a local food economy in Durban. The farmers and their forebears have been cleared out of the way of industrial modernisation several times already. The airport dig-out, if it is allowed, will be the end of that history and will leave Durban more dependent on food trucked or shipped in from further and further away.

Next to go is Clairwood, situated on what was once the southern edge of the bay where families made their living from fishing its rich waters as well as from farming and trading. Clairwood was marked for destruction from the 1930s when City planners first drew up the plans for industrialising south Durban. This agenda gathered force after World War II, but plans to rezone the suburb met with increasingly fierce resistance led by the CDRRA. The City has since used a tactic of purposeful neglect while allowing industry to encroach and cutting through the area with major road works. By the 1970s, up to 40 000 people had been elbowed out and the land area was much reduced. There are now between 5 000 and 6 000 people living there.

People expected that, with the end of apartheid, they would find relief. Instead, as the port expanded and rail contracted, Clairwood's narrow streets were invaded by truckers looking for cheap overnight stops. On the morning of the 31st of October 2013, a woman who was walking to work was crushed by a truck that climbed the pavement. She was the eleventh pedestrian killed in the last few years, according to CDRRA.[47] The invasion of trucks is illegal but the law is not enforced. The City similarly turns a blind eye to illegal waste dumping and to noisy workshops operating in contravention of zoning regulations. In the environment created by neglect, crime thrives.

47 Mervyn Reddy, CDRRA Secretary, Statement, 31st October 2013.

The purposeful neglect of Clairwood had the intention of devaluing the area and the people. It now allows the planners "to frame the community as dysfunctional," argues Bracking, "a cruel twist where a place and its people can be pathologised and their forced poverty made into a reason for their ultimate destruction."[48] Rezoning Clairwood for logistics is the death warrant. Execution of the warrant will meet with a wall of resistance.

It is not just the jobs and livelihoods that will be lost. The Social Impact Assessment for the City's Back of Port study [eThekwini 2009 Ch.5] finds that, as one of Durban's oldest suburbs, Clairwood has a rich history and retains a dense network of social relations. The heritage is not only about temples, mosques and churches. It is there also in numerous community organisations and in the shared history of struggle in defence of the neighbourhood. Despite problems, including inequality and crime, Clairwood is a functioning community and this is the heart of what will be destroyed.

The social problems will not be cleared away with the suburb. Inequality will be played out in the destruction. Property owners will get some form of compensation, adequate or not, whether they are bought out by logistics companies or expropriated by government. Presumably they will then be left to the mercies of the property market. Tenants, many of whom live in shack settlements with as many as 30 households crammed onto the back yard of a suburban property, will likely leave with nothing.

The City identifies 12 shack settlements with a total of 764 households to be moved from Clairwood and neighbouring areas. This does not include the 'backyard' settlements which are still to be counted. The City identifies five options for rehousing them. Two options are not feasible and two appear speculative. The remaining option is for a transit camp "until specific projects are earmarked if not available within the next 3 years" [from 2012].[49]

Transit camps are widely derided as 'government shacks' and, whereas facilities are makeshift, the settlements tend to become permanent. In south

48 Sarah Bracking, ***Durban port's poverty, consumerism, enoughness***, The Africa Report, 29 April 2013..

49 Letter from the head of the eThekwini Housing Unit to the Chairperson of the Economic Development Committee (ECOD), 22 May 2012.

Durban, about 700 families are living in the Isipingo transit camp served by six mobile toilets and two taps. It is located on a flood plain and was duly flooded in October 2013. The people say they were promised permanent housing but it never materialised. In April 2012, the death of a young woman who had lived there for three years was attributed to the unhealthy environment.[50]

Most of the other south Durban suburbs – Wentworth, Austerville, Merewent, Lamontville and Isipingo – were built in the 1950s as labour reserves for the industries planned for the area and were segregated according to apartheid racial classifications. The Bluff, an already-settled white working class area, also supplied labour to the south Durban factories. Extraordinarily high levels of pollution were allowed under apartheid and were made a focus of community struggle with the formation first of the South Durban Environmental Forum and then SDCEA in the 1990s. Modernising investment in industry, particularly in chemicals, has led to job shedding rather than job creation. Levels of unemployment are consequently high.

These suburbs are not being re-zoned. Nevertheless, people believe that if Clairwood goes the rest will follow. They see the same kind of tactics of neglect and everyone complains about trucks on residential streets and industrial encroachment. The BoP plans promise to get the trucks out of the suburbs but, given the City's failure to enforce the law up to now, people are sceptical that it will act in future as the pressure from ever more container traffic builds up. In Umbilo and Glenwood, the new Khangela Bridge has already opened up new routes for the invasion of truckers. In Merewent, the Clairwood Logistics Park was generating traffic even before the EIA decision as containers were allegedly stored illegally. More broadly, the failure to defend people reflects a broader pattern of a preference for industry. Indeed, the BoP plans are symptomatic of that preference. They put the whole of south Durban in a vice, squeezed between the old and new ports.

Like Clairwood, and despite social problems relating to unemployment, housing and pollution, these are functioning communities. As the social assessment for the BoP framework report observes, people "have lived [here]

50 Gugu Mbonambi, ***Filthy transit camp poses health risk***, The Mercury, April 30 2012.

for a long time [and] have strong social connections with friends and family … residents indicate that almost all of their needs are met in this area – they live, work and play in this area or in areas immediately adjacent to it and this has a significant impact on their quality of life …" [eThekwini 2012, Addendum A: not paginated].

While these communities are put under intense pressure, the City is trying to create a functioning community from scratch on the other side of Durban. Cornubia is a brand new suburb under construction to the north of Durban. It was suggested, as one of the options, that the people from the 12 south Durban shack settlements might be resettled here. This was not viable because Cornubia was already oversubscribed. It will have 12 000 houses but, in 2012, there were already 30 000 households from across the city "identified for relocation to Cornubia".[51] Cornubia is a SIP 2 project and intended to house workers for the Dube Trade Port and other developments associated with the new airport. This development is supposed to embody government's 'breaking new ground' policy for making sustainable settlements rather than just putting up rows of houses. We will take a closer look at Cornubia in the next report which will focus on settlement.

The environment

In the period of political transition, the lid was taken off environmental struggles. In south Durban, the struggle has been sustained for more than two decades and has won a reduction in air pollution, particularly of criteria pollutants such as sulphur dioxide from the oil refineries. South Durban nevertheless remains heavily polluted and, as reported in Talking Energy (Part One of this series), the City has abandoned the air quality monitoring system installed in the 2000s. The routine pollution of normal operating is interspersed with periodic explosions, fires or flaring events which blanket the area in toxic smoke. Spills, if not outright dumping, also result in frequent spikes of water and ground pollution.

51 Letter from the head of the eThekwini Housing Unit to the Chairperson of the Economic Development Committee (ECOD), 22 May 2012.

Transnet's new pipeline is the most obvious petrochemical expansion in Durban at present. Refinery upgrades aimed at meeting stricter fuel standards also have local environmental implications since pollutants that do not go into fuel go somewhere else, including into ships bunker oil. Less visible, off-shore oil and gas exploration blocks have been defined all along the coast. Exploration using seismic blasting through the water has a severe impact on marine life. Actually discovering oil will increase the risks from spills, blow-outs or the negligent disposal of toxic production water or drilling muds to the sea.

Betting on destroying the bay

The expansion of the existing port will likely be devastating for Durban Bay. The pre-colonial bay was the centre of an extraordinary ecological system of interlinked rivers, wetlands and estuaries stretching from the Umgeni in the north to the Isipingo in the south. The surface at high tide covered two or three times the present area. Much of it was exposed as sand banks or tidal flats at low tide and there were extensive mangroves around the southern and western fringes. Only 14% of the tidal flats and a mere 3% of the mangroves survive while sea grass beds are lost. Along with this loss of habitat, the bay and the rivers that flow into it are polluted by industrial effluent, chemical spills and sewage leaks. Biodiversity is much reduced with the loss of 70% of bird species, including flamingos, and an unknown number of estuarine and marine species.

The bay nevertheless survives as a functioning eco-system. It is one of only three estuarine bays on our coast – the others are Knysna and Richards Bay – and of great significance for the coastal region from the Thukela to Port Edward. Even now, it remains the most important nursery for various marine fish that depend on estuaries at some stage of their life cycle and is critical to reproducing the web of life connecting 65 river estuaries along this coast. It "still constitutes some 60% of the total estuarine habitat … has the widest variety of estuarine habitats in the region and supports a disproportionately much higher proportion, arguably as much as 80% of the total estuarine biodiversity and biomass in the region. The abundance of the sand prawn or cracker is arguably also several orders of magnitude greater than in any other estuary in the region" [Mander quoted in Mather and Reddy 2008: 8]. Sacrificing the bay may then be to sacrifice the ecological health of the other estuaries and the economies of the coastal towns located on them.

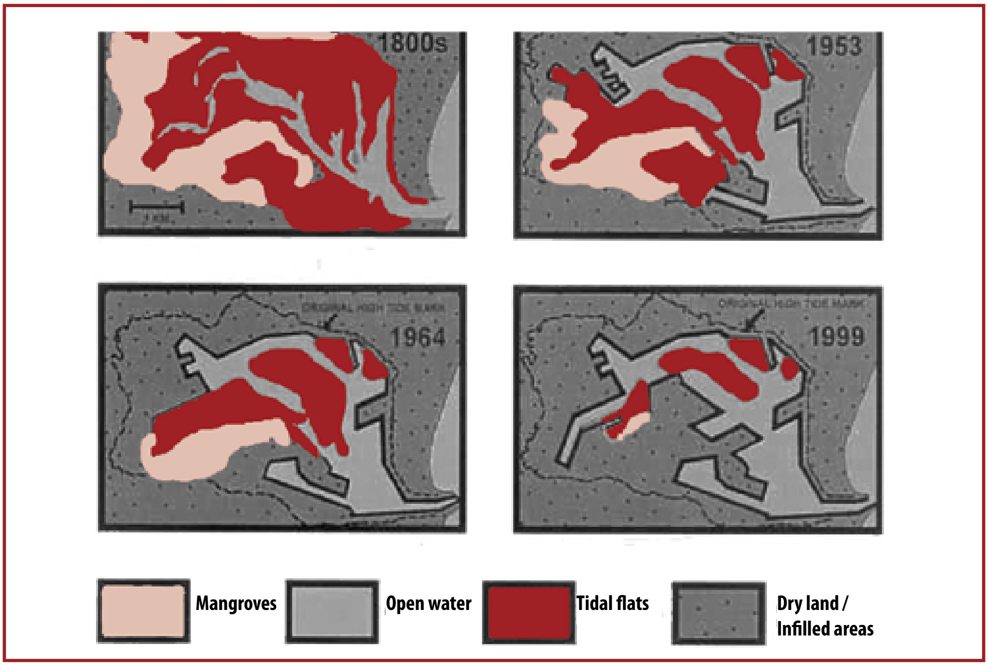

Figure 5: Changes to Durban bay between the 1800's and 1999.

Source: Mather and Reddy 2008.

Durban also relies on the ecological functioning of the bay to clean up after it. The chemicals and sewage carelessly spilt by industry, the City and the port, are filtered out by the abundance of organisms. If this biological filtration is destroyed, the water quality will deteriorate rapidly and possibly irreversibly to the point where the bay is little more than an open cesspool and will smell like it. The bay also serves to absorb flood surges from sea and land. As the channels are deepened, this function is becoming less effective and the city centre is made more vulnerable to flooding.[52]

An assessment of the bay commissioned by KwaZulu-Natal Province, the City and Transnet concludes: "Several analysts have suggested that the Bay is at a tipping point and could be thrown off balance by a relatively minor 'push'" such as a major pollution incident or further "loss in area" resulting from port development. Even without such incidents or development, the bay is in decline. Not only should we not do more harm to the bay but the "legal requirement to preserve the functioning of the ecosystem requires … active measures" to support its recovery [MER/ERM 2012: xv].

The project for widening and deepening Berths 203-205 requires dredging out along the central sandbank in the bay. The EIA was rejected in October 2013, one reason being that it did not adequately assess the risks to the sandbank and hence also could not describe mitigation measures. The revised EIA was finally submitted in June 2014. It detailed measures to protect and extend the sandbank and argued that its ecological functioning would not be reduced and could be enhanced. Be that as it may, the perception remains that Transnet is ready to risk the ecological death of the bay with each project and, with the combination of projects, is betting on it.

Airport dig-out

Transnet says that the new port will be a green port. But it starts with an act of total destruction. The airport dig-out removes the farms, the land and the remaining habitat of several endangered species some of which are not found anywhere else. The very long breakwater will divert ocean currents and likely result in the erosion of the Bluff beaches. The deep water entry channel is cut through the southern end of the Bluff and introduces a large body of water 18 metres deep on land that is very close to sea level. And millions of cubic metres of earth will be dumped at sea.

52 Thanks to Arnia van Vuuren of Birdlife Port Natal for insights on the ecology of the bay.

The objectives of the Sustainable Port Development Framework include protection of "sensitive natural environmental and local communities" [2013: 9]. Given the opening act of destruction, this is unreal. And it gets more so. Transnet says it will consider 'relocating' dwarf chameleons which are found only on this site. It presumes that a single species with a specialised ecological niche can be divorced from its habitat or, perhaps, that the habitat itself can be relocated – as if there were an empty space ready to receive it. Transnet is also considering biodiversity 'off-sets'. This is the idea that it is possible to compensate for the ecological ruin of one place by investing in a promise not to ruin another. This is even more absurd than it sounds. Off-sets are tradable which means that the promise to preserve can be sold. So the promise is worth whatever the market will pay for it at any time in the future. Meanwhile, in other parts of the world, off-sets are already financing the dispossession of indigenous people and the takeover, particularly of forests, by corporatised conservation outfits.

Earthlife Africa (ELA) observes that Transnet does not say what it means by a green port.[53] Besides, it is now the corporate fashion to declare whatever it does to be green. Yet, even if Transnet is able to impose high standards on the privatised port operators, emissions from ships at the new port will add significantly to the already high levels of pollution in south Durban. The reason for this is that bunker fuel – the heavy fuel oil supplied to ships – is cheap and nasty. The introduction of tighter sulphur emission standards – due for implementation in 2015 – in the seas off Europe and North America has met resistance from the shipping industry as low sulphur fuels increase costs. The rest of the world will get on with dirty fuels at least to 2020, and probably beyond, and the global standard will be well below the standard in emission control areas.

53 Earthlife Africa eThekwini, ***Comments on the "Proposed Durban dig out port discussion document"***, 8 April 2013.

Port and climate change

The EIA for Berths 203-205 did not adequately assess the risks of climate change impacts such as sea level rise and storm surges. This is the second reason why it was rejected by the environmental authority. The revised EIA claims that the project represents an adaptation to climate change in that it raises the height of the quay. The City, the Port Authority and every other authority are conservative in their estimation of sea level rise. This appeared to be justified by the timid estimations of the International Panel on Climate Change (IPCC) Fourth Assessment Report (AR4). The Fifth Assessment Report (AR5) increases the estimates of sea level rise by about 60% but is still as conservative as it can be without losing credibility. With unmitigated emissions, it projects sea levels rising by between 52 and 98 centimetres during this century. With strenuous mitigation, sea levels rise by between 28 and 61 centimetres. These figures are for average sea level rise but the level at Durban will be higher due to the warming Agulhas current.

The revised EIA gets these figures wrong. For the worst case scenario, it says, AR5 predicts "a likely range of 0.45m to 0.82m … by 2100".[54] This range is in fact for the "mean sea level rise for 2081–2100 relative to 1986–2005", 16 centimetres short of the top of the range projection for 2100. Further, AR5 says that "several tenths of a metre" can be added to this if the West Antarctic ice sheet begins to collapse.[55] The implication is that AR5's upper limit for 2100 lies between 1.2 and 1.5 metres.[56] This now looks more likely since research published by NASA in May 2014 shows that the collapse of the West Antarctic ice sheet has indeed begun.[57]

54 *Amended EIR – Proposed Deepening, Lengthening and Widening of Berth 203 to 205, Pier 2, DCT, Port of Durban*, prepared by NEMA Consulting on behalf of Transnet, 3 June 2014. Page 54.

55 IPCC AR5, *Climate Change 2013: The Physical Science Basis*, Summary for Policymakers. Page 18.

56 Stefan Rahmstorf, *Sea-level in the 5th IPCC Report,* posted at RealClimate, 15 October 2013.

57 Eric Rignot, *Global warming: it's a point of no return in West Antarctica. What happens next?* The Observer, 17 May 2014.

The AR5 projections are well behind expert opinion.[58] Commenting on a survey of leading climate scientists focused on sea level, Stefan Rahmstorf, of the Potsdam Institute for Climate Impact Research in Germany, says: "For the red scenario [unmitigated emissions], about half of the experts (51%) gave 1.5 meters or higher … a quarter (27%) … 2 meters or higher … for the increase from 2000 to 2100."[59] Most experts expect sea levels to rise faster than they previously thought and their projections are likely to rise further. Commenting on the original EIA for Berths 203-205 and on the BoP LAP, SDCEA and ELA observe:[60]

> Hansen and Sato [2012] use the Paleoclimate record to show that even [1 to 2 metres] underestimates the likely rate of acceleration of ice loss from land. They show an exponential rather than a linear curve putting sea level rise at 5 metres by 2100. We note that the impacts of climate change are arriving ahead of the schedule outlined by most climate models. Arctic summer sea ice is likely to be gone in the next 5 or 10 years and several Antarctic ice shelves have collapsed in the last decade. This removes the buttressing of ice anchored on land. Combined with accelerated surface melting, this creates conditions for sudden and rapid collapse of the ice sheets.

In the most extreme case, Hansen believes the rapid collapse of the West Antarctic ice sheet could result in several metres sea level rise in one year.[61] ELA and SDCEA continue:

> General sea level rise is one thing, but storm surge incidents are of even greater concern. In recent years we have experienced

58 Horton, B.P., et al., Expert assessment of sea-level rise by AD 2100 and AD 2300, Quaternary Science Reviews (2013), http://dx.doi.org/10.1016/j.quascirev.2013.11.002

59 Stefan Rahmstorf, ***Sea-level rise: What the experts expect***, posted at RealClimate, 23 November 2013.

60 South Durban Community Environmental Alliance (SDCEA) and Earthlife Africa eThekwini (ELA), not dated: ***Submission on the Back of Port Local Area Plan***. P.8. ELA also makes these points in its comment on the EIA for Berths 203-205.

61 ILR News Centre, "We Have a Planetary Emergency": Hansen, leading NASA climate scientist, urges unions to act, 23 October 2012.

> increasingly frequent extreme weather events that have brought flooding and high onshore water levels. The 2007 storm surge will prove a very gentle warning of what is to come.

The 2007 storm surge created waves over 10 metres high and wrecked billions of rands worth of coastal infrastructure. Dredging out the channels for big ships is also dredging out the bay's capacity to absorb the impact of extreme weather events and storm surges in particular. Nevertheless, the bay is naturally open to the sea and must be affected by sea level rise. The airport dig-out, by contrast, cuts through the protective barrier of the Bluff. Even if serious mitigation limits sea level rise to 0.3 metres, the lowest AR5 projection, the new port and surrounding area will be made vulnerable to a major storm surge. Without mitigation, the new port will be drowned before the end of this century.

There is, of course, no sense in digging out the new port in a world that is serious about mitigation so the dig-out port is the harbinger of its own ruin. As ELA and SDCEA's comment put it:

> Globally, to avoid going over 2 degrees, we need a 6% or more annual cut in CO_2 emissions if we start now (2012). If overall reductions are left to 2020, we will then need to cut at 6% a year to avoid going over 4 degrees. Such reductions are not compatible with the kind of global economic and material expansion assumed by the port expansion project. Even if the North comes in with reductions of over 11%, the South will still have to cut emissions by 6% from 2020. And if the North seriously does cut emissions, even if by less than it should, Transnet's projected expansion in trade will not materialise.[62]

Transnet's (and its EIA consultants') response ignores the role of trade in the expansion of the system as a whole. So it ignores its own reason for expanding the port. Its response is limited to two points. First, it argues that marine and

62 The dates for peak emissions and the subsequent rates of reduction follow Anderson and Bows' [2011] C+1 scenario pathway. Note that SDCEA and ELA do not endorse the two degree target adopted by the UNFCCC at Cancun. They regard one degree as already dangerous.

aviation emissions are not covered by the Kyoto Protocol and are similarly excluded from South Africa's emissions inventory and reduction commitment. Therefore, it need not think about it. Second, it claims the port expansion allows bigger ships to dock and these ships are more energy efficient and therefore emit less CO_2 per TEU. Further, the full port development results in a 0.2% reduction in emissions when compared with no development because "increased trade is independent of the proposed expansion. Therefore, container ships will travel to Coega instead of Port of Durban and greater emissions will result from longer road freight routes."[63]

Leaving aside the possible alternative of Maputo, this statement exemplifies the refusal to contemplate a reduction in trade – expansion is taken as absolute. It follows the logic of the international shipping industry analysed by Anderson and Bows [2012]. The industry insists that it should not be subject to any national regime but will make a "fair and proportionate contribution" to emissions reduction under the authority of the International Maritime Organisation (IMO). In other words, shipping should be treated as if it were a sovereign state. Nevertheless, the IMO took until 2011 to adopt any measures to mitigate emissions. These measures came into force in 2013 and apply only to new ships.

The measures are concerned with energy efficiency in ship design and operation – the bigger, better ships that Transnet says will dock in Durban – and the IMO has modelled their effect on future shipping emissions under a high growth and a low growth scenario. They start from a base of 468 million tonnes of carbon dioxide (Mt CO_2) emitted in 1990 and nearly doubled to 866 Mt CO_2 by 2010. In the IMO's high growth scenario, emissions rise to 1 895 Mt CO_2 in 2050 – four times what they were in 1990 and more than twice what they were in 2010. In the low growth scenario, emissions rise to 1 308 Mt CO_2 in 2050 – 2.8 times what they were in 1990 and 1.5 times what they were in 2010. In contrast, if the world and the shipping industry were serious about the 2°C target, shipping emissions should have peaked already

63 Deepening, lengthening and widening of Berth 203 to 205, Pier 2 Container Terminal, Port of Durban: Environmental Impact Assessment (EIA): Comments and response report. p.77.

and, by 2050, should be around 90 Mt CO_2 – one fifth of the 1990 level, one tenth of the 2010 level and one twentieth of the 2050 high growth level. Figure 6 shows the gap between the emissions pathways that the IMO thinks is fair and what is actually needed to have a ghost's chance of avoiding 2°C.

Finally, Anderson and Bows note the perversion of language in the IMO's assessment of its mitigation measures:

> Within the 61-page report, the reduction in shipping CO_2 emissions is referred to on 53 pages, with the word 'reduction' used in excess of 300 occasions to describe the industry's rapidly rising emissions. In contrast, the report makes brief reference on just four occasions to how "none of the scenarios will achieve a reduction in absolute total CO_2 level from shipping relative to year 2010". [Anderson & Bows 2012: 622]

This observation might apply equally to Transnet and its consultants, to every business and industry lobby in South Africa and globally, and to every government they lobby. In the Bush era, denial was about saying climate change is not happening. Using 'reduction' to describe 'rapidly rising emissions' is the language of denial for the Obama era. It is the language of the green economy endorsed at the Rio+20 conference in 2012. Corporations express deep concern about climate change and the environment and claim to be green whatever their business. Coal is green. Oil is green. Gas is green. Plastic and waste are green. Incinerators and dumps are green. Cement kilns burning toxic waste are green. Big dams are green. Industrial timber plantations, sugar plantations, mono-crop agriculture and genetically modified organisms are green. Turning food into fuel is green. Green is the colour of money.

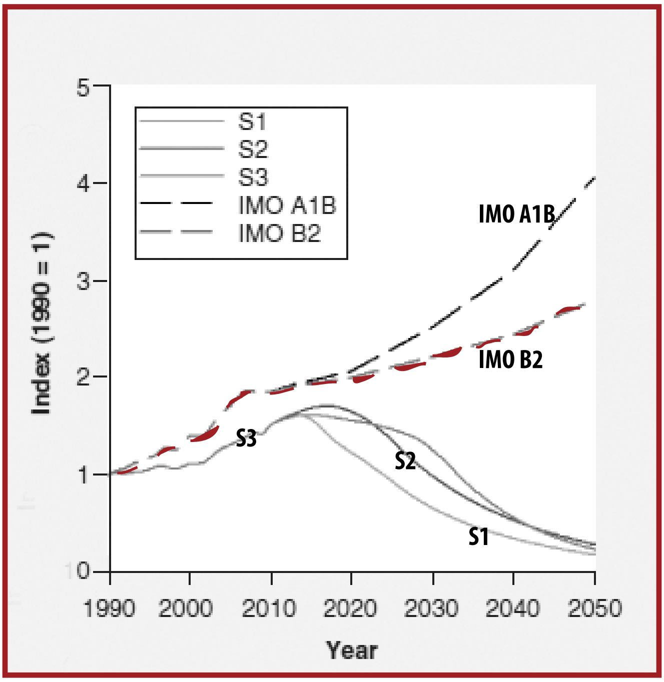

Figure 6: Shipping emissions pathways. Source: Anderson and Bows 2012.

IMO A1B and IMO B2 are the IMO's own projections of future emissions for high and low growth assuming that its new climate mitigation measures are implemented. S1 shows the emission pathway needed for a 60% chance of avoiding a 2˚C rise in global temperatures. S2 and S3 show the emission pathways needed for a 50% chance. S2 peaks later than S3 and must therefore decline more rapidly after peaking.

Box 4: Bigger better ships?

The Maersk Triple E class is the embodiment of the efficiencies that constitute the IMO's response to climate change. The E's are for 'Economy of scale, Energy efficient and Environmentally improved' according to its promotions material. It is powered by two massive engines with a capacity of 32 MW each and designed for 'slow sailing' – or perhaps one should say 'slowish' sailing – at 19 knots. Maersk claims close to 50% reductions in CO_2 emissions per TEU. Providing that it has a full load, the emissions are more or less equivalent to a 9 000 TEU ship that is not slow sailing.

Until 2008, the ships were built for speed. The Emma Maersk, built in 2006 and then the biggest ship in the world with a capacity of 15 000 containers, cruised at 25 knots and could be pushed to go faster. When the markets crashed and the oil price spiked to $145 a barrel, fast delivery was suddenly less urgent. Thousands of ships were laid up and, for those that stayed in service, cost savings became more important than speed. They therefore started 'slow sailing', reducing speeds to 12 or 14 knots to save fuel but, because the ship engines were built for speed, Maersk had to have them adapted to go slow.

The Triple E ships are built as part of the brutal competition for trade on the primary shipping routes in a context of slow growth in trade. Should trade recover in the manner anticipated by the IMF, the World Bank, the South African Treasury, the global shipping industry and Transnet, then we may well see the new engines re-engineered for fast sailing.

Being so big, the new ships have an impact on the whole shipping system. They displace the previous generation of 8 000 to 12 000 TEU ships on the primary routes so these ships are pushed onto secondary routes. These ships are not fully laden because, as in Durban, the ports are not deep enough and the demand does not justify it. Thus emissions and costs per TEU rise on the secondary routes, so what is saved on the primary routes is lost on the secondary routes. Moreover, emission savings on the primary routes will also evaporate as more shipping lines order bigger ships and more big ships sail with less than a full load.

Emissions are not just at sea. Building the infrastructure of deeper canals and ports and bigger cranes to handle larger ships is also carbon intensive. And, of course, the bigger ships themselves are built using thousands of tonnes of steel so they have a high embedded carbon content. More carbon is embedded in the containers and finally in the goods carried in the containers. Even if the big shipping lines do reduce emissions per TEU, they rely on the overall expansion of the trading system and rising emissions.

3 Another world is necessary

> The politics of elite power remains inseparable from capitalist growth. As that power begins to fail, it is ever more brutally imposed every day on people and their environments and it will finally cost the earth. Those who are represented as the leaders of the world cannot conceive another way and cannot confront the challenges of the time. [groundWork Report 2007: 177]

There were three reasons for coming to that conclusion in Peak Poison, the 2007 groundWork Report. The first was the political and economic crisis. Peak Poison was written while the economy was still booming but it anticipated the bust that duly arrived in 2008. As this report makes clear, the economic crisis is not done but is still in its early stages. Alongside this, the imperial powers lied to justify going to war. While proclaiming themselves the defenders of human rights, they demonstrated that anyone can be stripped of all rights at any time of their choosing. They kidnapped and tortured people, held them without trial or wrapped them up as tight as a parcel for delivery to regimes who would do the torturing for them. They exempted themselves from any obligations under the Geneva Convention which governs the conduct of nations at war. And they developed virtually unlimited powers of surveillance to spy on anyone anytime. Brute force is increasingly the means by which they hold power.

The second was peak oil. Conventional oil production peaked in 2006 and high cost unconventional production – tar sands, shale oil and deep sea oil – has since made up the balance of the supply needed to meet demand. Demand, meanwhile, has been moderated by the high prices. Economic growth has thus been butting up against the limits of energy supply even as the failure of growth has taken the pressure off supply limits. Unconventional production is even dirtier than conventional oil production and comes at a high cost to people and environments. Peak oil has also driven fuel switching – more to coal than to gas or renewables. In 2013, according to BP's latest Statistical Review of World Energy, coal was the fastest growing energy source and added more than 2.5 times what renewables added to the world energy supply.[64] We will return to peak oil in the fourth report in this series.

The third and most serious reason is ecological breakdown headlined by climate change. The disruptions that may be anticipated from economic depression or declining energy production do not begin to match the consequences of climate change and ecological collapse. The irony of this is stark. South Africa, like every other country, equates economic growth with development – and claims it must exploit 'god given' coal to lift people out of poverty – even as it frets that climate change will wipe away 'developmental gains'. The major energy agencies all project increased production and consumption of all fossil fuels for the foreseeable future. And whereas the carbon intensity of energy was in decline throughout the 20th Century, it has been rising since 2000. If this is sustained, it puts the world on track for warming of 5 or 6°C above pre-industrial levels before the end of this century. It cannot be sustained, however, as the present political and economic system is unlikely to survive a temperature increase of 2°C. In March this year, severe flooding interrupted coal production at the Grootegeluk mine which supplies the Matimba power station and will supply Medupi. On the way to 2°C, ever more extreme weather will interrupt resource production ever more frequently while agriculture wilts.

The port plans show that the elites remain locked in the paradigm of capitalist growth. They may hang on to power by brute force but the foundations of power are rotting and the assumptions on which their plans are made will collapse over the next few decades. They are planning for a world that will not materialise but which will be ruined by implementing those plans. They

64 Brad Plumer, ***These 5 charts show why the world is still failing on climate change***, posted at www.vox.com Vox Media, 19 June 2014.

will not build new monuments of modernising progress but instant ruins, the stranded hulks of a dying dream.

It is assumed that growth is as necessary as the air we breathe. It must be everywhere. Hence, the expansion of the Durban port is accompanied by the expansion of petrochemicals, of coal exports down the line from the Highveld to Richards Bay, of the power system and of the coal mines to feed the power stations and the export line. The profits of growth are taken on the other side of the world. But what the elites decide in the interests of profit dictates the reality of people who live through the smoke, fires and fumes of places like south Durban and Newcastle, Vanderbijlpark and Sasolburg, eMalahleni and Secunda. People are not lifted out of poverty. Whatever developmental gains may be promised, there is little sign of them in the townships and shack settlements. The future on offer from the elites stretches out into a wasteland even more brutal than the direct force used to protect their interests.

The people assembled at the Durban climate camp rejected the elite agenda and the grandiose mega-projects. They committed to working together to put people and the world they live in before profits. The Durban Climate Camp Declaration articulates this intent. It was developed through a series of workshops leading up to the camp and finalised at the camp. We include the full text below.

Durban Climate Camp Declaration

> We are community groups from the pollution hotspots in KwaZulu-Natal, the Vaal Triangle and the Highveld, faith-based organisations and people's movements and organisations who have come together at the People's Climate Camp in Durban, 15th November 2013.
>
> Our camp is in south Durban in the shadow of BP and Shell's Sapref refinery and the Petronas Engen refinery. This land was developed for settlement and market gardens by farmers when they were released from indentured labour on the colonial sugar plantations. The farmers

were forced out when the Durban City Council appropriated the land for industry. They have been forced to move several times since then and the last of these farmers now rent land alongside the old airport.

They are now facing the final removal. Transnet plans to remove them and the land itself and dig out a massive new container port. It will destroy the farms, destroy the jobs, destroy the earth and destroy a unique eco-system. It will cut another living link from the network that connects market gardeners, food markets and consumers to make a local food economy in Durban. It will tear several more species from the web of life. It will obstruct and divert ocean currents and accelerate coastal erosion. It will cut a wide gap in the natural defences against sea level rise.

We have come here in solidarity with the farmers and workers. We have come here in solidarity with the people of south Durban who will be squeezed out by the expansion of the port, the trucks and the logistics parks and who are choking on the expansion of the petrochemicals industries. BP and Shell's Sapref refinery, the Petronas Engen refinery and the pipelines and storage tanks have a terrible record of pollution from normal production and from the frequent explosions, fires and spills. We come here in solidarity with the people of Durban whose resources are being siphoned away from projects for people to make the infrastructure for corporate profit.

The port and petrochemical expansion is a project that shows development as a war on people and nature. This is development for the rich and against the poor. It destroys existing local economies and replaces them with the globalised economy of the transnational corporations. And it cannot make sense in a world where we are serious about climate change. So finally, we come here for ourselves to say NO to this project to dig out and dump south Durban's people and land.

Most of us are facing destructive development. Eskom's expansion is based on coal fired electricity generation. Kusile on the Mpumalanga Highveld and Medupi in the Waterberg will be the fourth and fifth largest power stations in the world. They will each pump about 30 million tonnes of carbon dioxide into the atmosphere every year. Like all Eskom's power stations before it, Medupi will be built without sulphur scrubbers. The Waterberg has been officially designated as South Africa's next 'air quality priority area' or pollution hotspot in anticipation. Government and Eskom are talking about another giant plant – 'Coal 3' – for the Waterberg and privatised coal fired power projects for both the Highveld and the Waterberg are already in the planning process. The coal industry promises 'clean coal'. In particular, government and industry are investing large sums of money in carbon capture and storage (CCS) – separating carbon dioxide from other emissions and injecting it into the earth. CCS is a way of justifying new coal plants but it is not a serious response to climate change. There is no clean coal.

We say NO to more coal fired power plants. We say NO to false solutions like CCS.

The Highveld and the Vaal Triangle are already official pollution hotspots and amongst the most polluted places on earth. They are centres of the Minerals-Energy Complex that has shaped South Africa's development for over 100 years. The Highveld hosts 11 of Eskom's big power stations, Sasol's newly expanded coal-to-liquids plant at Secunda and various metal smelters. Eskom, Sasol and iron and steel maker ArcelorMittal dominate the Vaal. In Sasolburg, people say that people born locally do not pass the medical tests needed to get a job at Sasol. Their health is already ruined and the corporation needs fresh blood. Meanwhile, Eskom and Sasol have both applied for exemption from abiding by air quality standards. If these corporations cannot be transformed to produce cleanly, they should be shut down.

We say NO to more energy and pollution intensive industry.

New plants need new coal mines. Several old power plants and Sasol's Secunda complex have used up the coal from their associated mines and also need new mines. The colliers are also expanding production for the lucrative export market through Richards Bay. Industry sources say 40 new mines are needed before 2020. They say Eskom alone will burn 4 billion tonnes of coal by 2050. That means over 7 billion tonnes of carbon dioxide.

The world's largest mining corporations – Anglo American, BHP Billiton, GlencoreXstrata – dominate the coal fields along with Sasol. They devour ever more land. They close in on our settlements from all sides. They fill the air with coal dust. They leave a wasteland behind. In addition to the pollution of water used in production, mining turns groundwater into toxic 'acid mine drainage'. The large-scale destruction and contamination of aquifers, wetlands and rivers now presents the prospect of an environmental catastrophe which will, for South Africa, be as devastating as catastrophic climate change. This is doubling up on catastrophe. The country is becoming hotter and drier with climate change and we need to conserve scarce water and not ruin it.

We say NO to more coal mines.

Government insists that it will build a fleet of six large nuclear power stations along with the nuclear fuel supply chain. Radioactive dust blows across the cities of Gauteng and poisons its streams and rivers. The nuclear regulator has neither the capacity nor the will to do anything about it. Nor does it have any solution to decommissioning or to the long term disposal of nuclear waste, even from the existing plant at Koeberg. Nuclear power stations do not emit carbon but the supply chain is both energy and carbon intensive. The potential for disaster has again been demonstrated at Fukushima in Japan and it is striking that this technically advanced nation has not been able to contain the fallout.

We say NO to the new nuclear build.

The escalating costs of Medupi and Kusile have driven up the price of electricity. Many of us can no longer afford electricity even if we have what government calls 'access'. These big plants are designed to provide power to big industry but we are all compelled to pay for them through the rising tariffs. People pay at a much higher rate than big industries and effectively subsidise them.

These costs have also exposed South Africa's economic vulnerability. The proposed nuclear build will be much more costly and will likely finish the job of bankrupting the country. The Minerals-Energy Complex model of cheap and abundant power provided by big base-load plants for energy intensive industries is collapsing and should not be allowed to bring the whole country down with it. Energy hungry plants that get power below cost should be closed down, starting with BHP Billiton's aluminium smelters.

Government is committing hundreds of billions more to reshape the whole country in support of this form of development. It is draining water from Lesotho to feed the energy intensive industries, power stations and coal mines. It is expanding rail capacity primarily to carry coal, iron ore and manganese to the ports for export. It is expanding road capacity for trucking and expanding the capacity of the oil and fuel pipelines.

We say NO to plans for expanding the Minerals-Energy Complex.

Transnational energy corporations are now prospecting for offshore oil and gas all around South Africa's coast. The destruction of sea life starts with seismic blasts used in exploration. Onshore, Shell is leading the assault to get 'non-conventional' gas from shale by fracking. Fracking has generally resulted in the large-scale venting of methane, a local pollutant as well as a potent greenhouse gas. It not only uses huge quantities of water but purposely contaminates it with a cocktail of chemicals. As with mining, it will also contaminate the groundwater. Government has handed out concessions for fracking across a vast area from the dry Karoo to the critical watershed of the Drakensberg.

We know that climate change is already happening and bringing destruction and death to people in all parts of the world. To limit the damage, we need to reduce carbon emissions as rapidly as possible. Existing fossil fuel reserves – the stuff that miners and oil corporations have already booked – contain more than five times the amount of carbon that can be burnt if people are to have a reasonable future on earth. Oil and gas production has always been both dirty and bloody but production from 'non-conventional' resources is even dirtier.

We say NO to further exploration. We say NO to the development of non-conventional resources. We say NO to fracking.

Government's primary intention is to expand the consumption of energy and everything else. After the global economic bubble burst in 2008, it followed the new fashion for 'green growth' sanctioned at the 2012 Rio+20 conference. Green growth has been made to mean everything, including promoting genetically modified food, mono-cropping industrial agro-fuels, putting nature under the market by slicing it up into tradable 'eco-services', and buying 'offsets' to destructive development as if ruining one place can be compensated by preserving another. Around the world, indigenous people and peasant farmers are now being dispossessed in the name of 'green growth'.

We say NO to GMOs. We say NO to trading nature. We say NO to land grabs.

In the process, various dirty old technologies are rebranded as 'green energy'. Government wants to import energy from big hydro-power dams on the Zambezi and Congo rivers. These dams result in the dispossession of thousands of people, greenhouse gas emissions from rotting vegetation and severe impacts on the downstream ecologies. It wants biomass energy produced by burning the residues of mono-crop sugar and industrial tree plantations. This biomass is sourced from unsustainable agricultural practices and hence is not itself sustainable. It wants waste-to-energy incinerators which burn even dirtier than fossil fuels. Burning waste is the last way of wasting it. It threatens the livelihoods we have created from recycling materials and perpetuates the requirement for virgin materials produced at great cost to people and their environments. And the energy produced does not match the energy that goes into producing the virgin material.

We say NO to false green. We say NO to the economy of waste.

Real renewables – primarily wind and solar – have also been introduced through government's Renewable Energy Independent Power Producer Procurement Programme (REIPPP). This programme is designed to favour very large transnational corporations. Like the fossil fuel producers, their priority is profit and they share the same business ethics. Some are already associated with land grabs in southern countries. In Oaxaca, Mexico, European wind energy corporations have elbowed peasants aside in their rush for the best sites while producing energy only for big corporate users. Many corporations investing in renewables are equally happy investing in coal, wind, incinerators, solar or whatever else turns a dollar. This echoes government's approach. It has not chosen renewable energy but 'all of the above': green, brown, toxic or whatever else turns a turbine. It sees renewables as additional to Eskom's coal-fired base load, as a spur for foreign direct investment and as a new source of economic growth.

We say NO to the privatisation of renewable energy.

Destructive developments are funded by commercial banks and by publicly funded institutions. The World Bank led the funding effort for Eskom's new coal-fired power stations and was backed by the African Development Bank and various Export Credit Agencies who guaranteed the profits of dozens of private banks. Finance capital's relentless drive for profit has brought all kinds of derivatives into being, including those based on privatising and trading nature. Ultimately, these investments are about securing the flow of resources from South to North and transferring wealth from poor to rich.

We say NO to the profiteers from investments in dirty energy, in dispossessing people and in privatising and trading nature.

The logic of capital is not compatible with addressing climate change. It requires never-ending economic growth for its survival. Growth has brought unprecedented wealth to the owners of capital, prosperity to the world's middle classes and untold misery to the majority of people particularly in the global South. Capitalism plunders the resources of the earth and of the people. It is the driving force behind ecological disruption on all scales from the local to the global. Climate change is the ultimate symptom of this renting of the earth system.

We say NO to the never-ending expansion of capital.

The nation states brought into being by capitalism and imperialism find their legitimacy in managing growth. They have therefore proposed a series of false solutions that protect the economy but not the climate. These false solutions, rooted in the logic of capitalist markets, have been made the subject of negotiation in the United Nations Framework Convention on Climate Change. They make new ways to profit for corporate capital and do nothing to reduce emissions from the industrial system.

Big polluting energy corporations have long had privileged access to the negotiations. Eskom and Sasol are more or less permanent members of the South African delegation. Their interests are taken to be the national interest. This is corporate capture. Under the Polish government, the 19th Conference of the Parties (CoP 19) in Warsaw takes it to new heights. Big business was invited to an exclusive 'pre-COP' to set the agenda. Eleven corporations are named as partners in hosting CoP 19. They include ArcelorMittal along with major European corporations invested in coal and oil. Further, the Polish government and the World Coal Association (WCA) have signed the 'Warsaw Communique' which promotes the latest coal burning technologies and the WCA will host a 'Coal and Climate Summit' at CoP 19. WCA members include Anglo American, BHP Billiton and GlencoreXstrata.

We say NO to the future of the earth being decided by those who are destroying it. We can no longer have faith in this process. Unless the people drive a process of rapid change in the economic and political system, we face escalating damages as the earth is made uninhabitable.

Yet we see the state being used to defend elite and corporate interests at all levels from the local to the global. Governments are making increased use of secrecy, surveillance and coercion. In South Africa, the 'Secrecy

Bill' gives extraordinary powers to the state and the notorious apartheid era Key Points Act has been revived to obstruct people's scrutiny of state and corporate actions. Poor people in particular are subject to violence at the hands of the police and of informal surrogate groups.

We say NO to the Secrecy Bill and Key Points Act. We say NO to the violence of state and corporations. We say NO to corporations deciding our future.

That is a lot of NOs but we also have many yeses.

We say YES to a very steep reduction in greenhouse gas emissions. When we stop burning fossil fuels, we will also stop emitting sulphur dioxide, nitrogen oxides and a host of other pollutants that are emitted along with carbon dioxide. Our air will clean up, people and other species will breath freely again and we will experience a rapid improvement in health. Rivers polluted with industrial effluent will clean up with time. We will be left with the toxic legacies of the petrochemical and mining corporations and special measures will have to be taken to deal with acid mine drainage and with land saturated with toxic substances. But we will no longer be adding to the problem. We will have begun the long process of healing ourselves and the earth.

Food is the most basic form of energy for people. Food sovereignty is about people's right to define and take control of production and consumption and hence of their own futures. It is about healthy food produced through ecologically sustainable methods. It puts people at the heart of food systems and policies rather than markets and corporations.

In the same way, energy sovereignty is about making renewable energy people's energy. It is about providing enough clean energy for everyone's needs with decentralised clean energy. Whether renewables are powering up a household, a settlement or the national grid, we believe that they must be under people's democratic control. Energy from the declining fossil fuel system must be used to build the renewable system and related manufacturing capacity. We need to build for people, not for profit and waste.

Food and energy sovereignty are vital steps towards economic sovereignty. It is increasingly urgent that we localise and reclaim control of our own economies. As energy resources are depleted and inequality grows, ever more people are excluded from the shrinking enclaves of elite development. The choice for localisation follows from the choice for justice and is essential to any serious programme to avoid catastrophic climate change. We need to produce more of the things we need to live both to keep the jobs close to home and to eliminate the needless transport of goods around the world and back again. This implies that national resources should be focused on supporting people's capacities to direct local development.

The use of energy is integral to people's houses and settlement. It is a part of how we live.

Millions of people in this country live in shack settlements and millions more live in badly built RDP houses. Our dwellings are overcrowded, we bake in summer and freeze in winter and get wet when it rains. Simple changes to design and building methods can make comfortable homes that cost little to keep warm or cool. More people walk than drive to work but our cities are planned as if everyone has cars. Settlements should be designed to put work and amenities within reach and to make walking and cycling the easy option. We need good low-cost public transport for longer trips.

We need the infrastructure for water, waste and sanitation. We welcome government's commitment to fix leaking pipes and sewage plants and build new ones where needed. We have heard this before and fear that vanity mega-projects such as the Durban port expansion will take precedence. We nevertheless hope that it keeps this promise. How it is done is as important as that it is done. First, this cannot be on the basis of cost recovery or privatisation. People need water and sanitation and waste systems irrespective of whether they can pay. Second, our infrastructure needs to work with nature and not against it. We need to build in a way that conserves water and does not intensify the impacts of flood and drought, we need to work towards zero waste as an expression of our respect for ourselves and for the earth, we need sanitation systems that return the nutrients to the earth and add to its fertility.

A great deal of work needs to be done if we are to respond adequately to climate change. The market has not and will not create the jobs to do it but leaves millions of us without employment and the means to live. We therefore support the campaign for One Million Climate Jobs which understands that this must be a public initiative driven by people and supported by government.

Participation is loudly proclaimed across the country but we do not see it working. What we see is that people are excluded so that those with political and economic power can manage things in their own interests. We are often excluded precisely when we are the supposed beneficiaries of development. Government says 'people first' but puts money first. This priority is accompanied by growing corruption at all levels. Corporate responsibility is more patronage than empowerment and comes with silencing community criticism while greenwashing the corporate image. Big NGOs claim community participation when they mine us for information for research agendas which we do not define and which do not benefit us but which they need to secure their own funding. We say, 'Nothing about us without us'. Participation is not only about whether we are consulted in this or that process about local plans or service delivery or even national policies. Real participation means that development as a whole must be democratised.

These are some ways to start creating an economy for people instead of profits. To take it further, sustainable development founded on economic, social and environmental justice should replace growth as the central organising principle of economy. This means a commitment to growing human solidarity and equality as well as a relationship to the environment which enhances rather than degrades the functioning of ecosystems both for their intrinsic value and for the eco 'services' they provide. Put differently, it implies that people recognise themselves as a living part of earth's ecology.

We share the emphasis on relationships that was taken up at the 2010 People's Conference on Climate Change in Cochabamba, Bolivia. Rather than "living better" as consumers of more things got "at the cost of others and of nature", the conference declaration holds that everyone should be able to "live well" with each other and with the earth. It declares that "we are all part of Mother Earth, an indivisible, living community of interrelated and interdependent beings with a common destiny". Where no-one grabs a surfeit, everyone can have enough.

We commit ourselves to working together in solidarity to build our common capacity and develop our skills to monitor and resist destructive development and to restore ourselves and our Mother Earth. We will learn together to strengthen our struggles for it is the struggles of the people that will shape the possibilities for justice. We will make this declaration a living document that will reflect our learning.

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Where no-one grabs a surfeit, everyone can have enough.

Durban Climate Camp Declaration, 15th November 2013.

In November 2013, community groups from the pollution hotspots of the Highveld and the Vaal Triangle joined people from KwaZulu-Natal to create a people's climate camp in Durban. South Durban was chosen for the camp both because it is heavily polluted, primarily by petrochemical industries centred on two large oil refineries, and because plans for the expansion of the port and petrochemicals make it the ground on which one of the most significant environmental justice struggles is being fought. These expansion plans are nested within South Africa's national plans for infrastructure development and economic growth. Planning Poverty examines the National Development Plan (NDP) and outlines the infrastructure development plans before zoning in on the plans for south Durban. It argues that these plans represent an assault on people and their environments in the interests of corporate profit. They will reproduce poverty and inequality, not end it as the NDP claims.

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