Speculative Megaprojects?

Socio-spatial, Economic and Environmental Impacts of proposed Port Expansions in Durban

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The Age of Megaprojects

• Cities around the world are increasingly adopting megaprojects as to attract private investments, enhance city’s competitiveness and marketing the city.

• Though not a recent phenomenon, but recently inter-and intra-competition between cities has grown (The Act of Going Global/Global Cities).

• Popular commentators termed this ‘Entrepreneurial Cities’ or new ‘Urban Governance’ (Harvey, 1989).

• Influences: globalisation, financialisation of the economy, and the new neoliberal hegemony. Thus cities are expected to raise their investments in light of budget cuts from the government.

• Megaprojects: one of the ways cities implement to attract investment and widen their tax base (others include mega-events, tourism and property developments).
Issues with Megaprojects

- Cost overruns: Cost overrun is found in 258 transportation infrastructure projects, in 20 nations and 5 continents covered by the study. 9 out of 10 projects have cost overrun (study conducted by in 20 countries by Flyvbjerg, 2003, 2007). 44.7% for rail; 33.8% for bridges and tunnels, 20.4% for roads.
- Inaccuracy in forecasts (sometimes intentionally for projects to be approved).
- Underestimated costs and risks and overestimated benefits.
- Risky, complex projects, if they fail, they can affect large regions over the long period of time. Undermining democratic processes.
- Governments ends up paying covering costs because of overruns.
- Displacements of residents, livelihoods and local businesses (Development Induced Displacement).
- Increasing socio-spatial polarisation, especially in low-income neighbourhoods.
Big is Beautiful: SA’s (and Durban) Megaprojects

• The Gautrain
• New Airports and upgrading of the existing ones
• New stadia associated with 2010 FIFA World Cup.
• Various urban regeneration projects
Port Expansions in Durban

The dig-out port is proposed at the old Durban Airport, Isipingo.
The back of port development which will change Clairwood race course into the ‘logistic park’.
Durban’s Harbour Entrance widening
Port Expansion Associated Developments (Dyer, 2014)

• Bluff to Highway Link Road (via Clairwood, Austerville and Merebank).
• Sale of 92 Year Old Clairwood Racecourse for a Port Warehouse and Logistics Park.
• N2 uMhlatuzana River Valley Highway Extension: 2012-2017
• N3 Highway Extension: Cato Ridge to Mooi River (2030), to Gauteng (2038)
• R8.33 billion Transnet Rail infrastructure modernisation (R1.2 billion rollingstock)
• R23.4 billion Transnet Durban-Johannesburg oil pipeline.
• Total SA private sector’s R140 million modernisation of Island View Terminal and R90 million for Total’s oil fuel depot.
• BP to modernise SAPREF oil refinery to Euro V standards (R2.5 billion).
• New wastewater treatment plant for Isipingo – NATCOS tank farm serves as a barrier to further port developments.
Impacts

• Several protests from south Durban community members from the Bluff, Clairwood, Durban central, Glenwood, Isipingo, Umlazi, uMbumbulu, Folweni, uMlazi, kwaMakhutha, Umbilo and Wentworth areas.

• The KZN DEAT initially rejected the proposal after the eThekwini Municipality raised concerns over the impact on what is regarded as the last major wetland area south of the city. Response on the impacts of the proposed logistics park in Clairwood: “The department complained that the consultancy, Kerry Seppings Environmental Management Specialists, seemed to place economic development above the environmental costs of the proposal”.

• During the environmental rating process, a specialist report appeared to have given unacceptably low scores to the value of the Clairwood land for birds, amphibians and other fauna and flora.

• The eThekwini Transport Authority has also raised separate concerns about the likely traffic congestion impacts cause by heavy container trucks. In its objections, the authority did not go into detail, simply recording that a traffic impact assessment done by Aurecon South Africa was “not acceptable”.

• The eThekwini electricity department said the logistics park would require a major new substation and Capital Property would be liable for these costs. In its response, Kerry Seppings said one was not needed immediately, but would be in the future
Impacts

- At one such meeting in Umbilo a few weeks ago, the high level of anger from community members was evident. Key issues they are complaining about are the city's lack of consultation, the increase in trucking in the area and the pollution that affects the community.
- Concerns of household and economic displacement in South Durban Basin Whether any affected zone – Durban Bay modernisation, the DIA dugout port, or the South Durban Basin will experience displacement of existing economic activity
- Another problem highlighted was trucking. The point made at the meeting was that, according to the city, there were 7 379 accidents involving trucks on municipal land last year, which resulted in 72 deaths and 210 injuries. One popular civil society organisation complained about the impacts of the proposed logistics park: 2000 more trucks would enter the area, making it an "accident-prone zone" for children.
- Uncertain future of Sixteen farmers and hundreds of labourers have been working the 187 hectares of land for almost 20 years. They are major suppliers of cheap fruits, vegetables and flowers to the South Durban community.
- Pahad said members of the association are concerned about how the new dug-out port will limit access to key fishing spots such as Isipingo Beach and the Cutting. "Everything revolves around money," said Pahad. "They are not interested in people and their livelihoods."
- A comment by Urban-Econ, a consultant: “A significant area will be displaced, compensation may require remaining areas of coastal grassland such as the racecourse in addition to significant areas outside the area. The loss of habitat associated with port development may not be replaceable in the location. It may be necessary to conserve other areas within the Municipal Area.”
Conclusion

• Various port expansion in Durban will impact (negatively) on the sustainability of the city.
• Results indicates lack of public consultation and critical engagement with affected communities.
• Megaproject Syndrome: Will Durban be different from other similar megaprojects? Early signs indicate that principles of democratic practices, transparency and public participation are lacking.
• This is evident from waves of community protests and the displacement of the natural environment, and possibly, households and economic activities.
• Toyota SA CEO, Johan van Zyl: ‘Durban as a brand is not strong enough to simply say “come and invest in Durban”. What it needs to attract investors are big projects. Durban needs to keep ahead of the competition. China is Building ports they don’t even know when they will use. If return on investment is the line of thinking we may never see the infrastructure’. 06 February 2012.
References


• Bracking, S. 2013. The dig out port: unresolved issues concerning dig-out port economic impact. [http://ccs.ukzn.ac.za/files/Bracking%20SISA%20module%208,%20lecture%204.pdf](http://ccs.ukzn.ac.za/files/Bracking%20SISA%20module%208,%20lecture%204.pdf)


