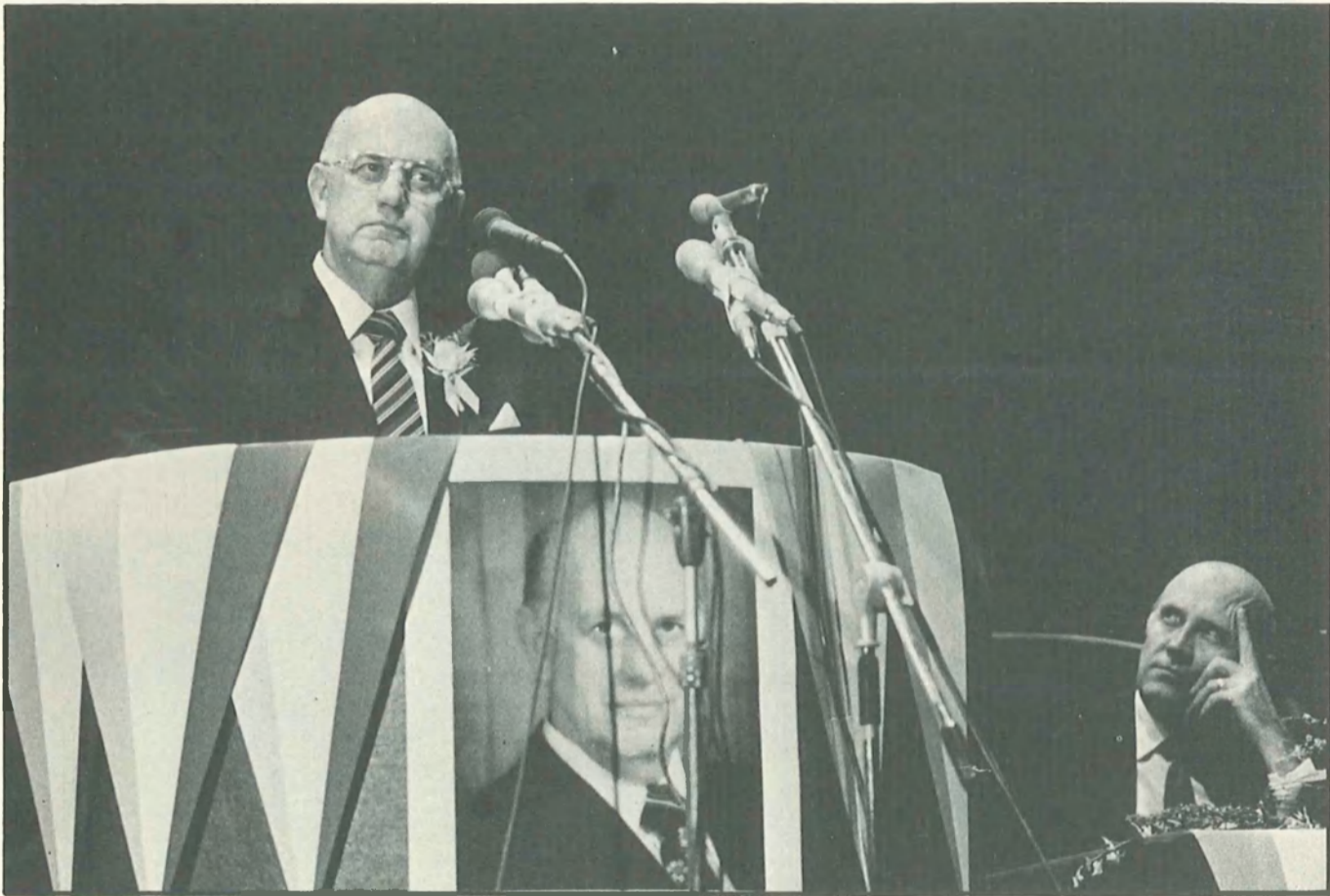
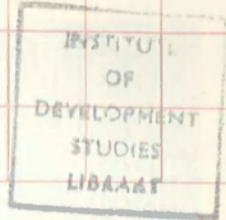


POLITICAL

M O N I T O R

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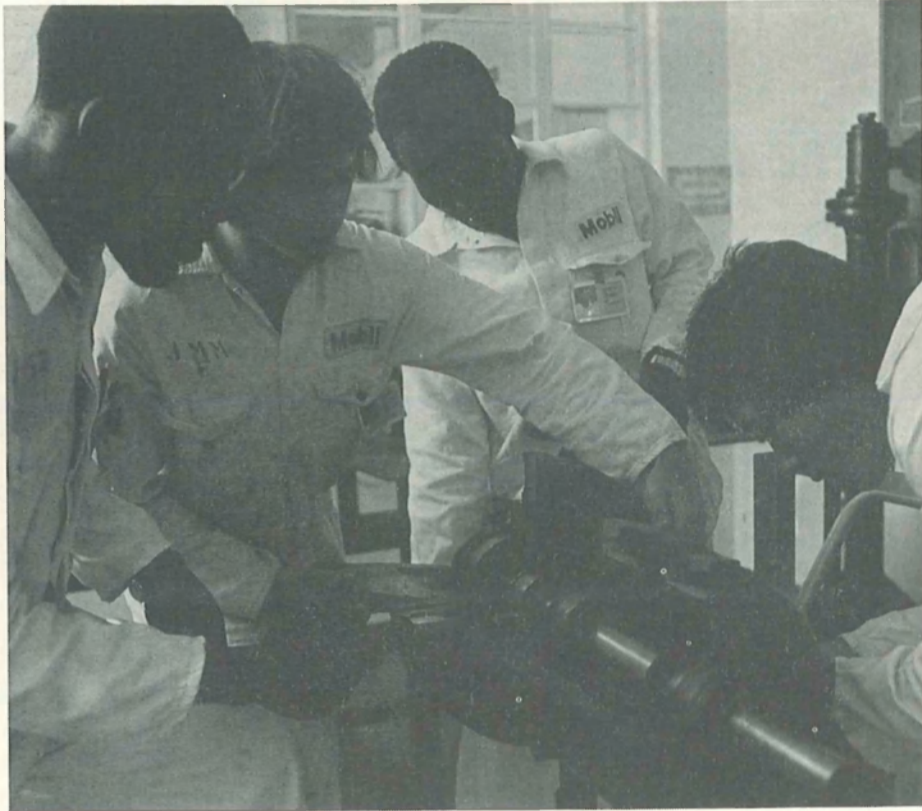
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CHANGE:

South Africa's Split Personality

By PROFESSOR LAWRENCE
SCHLEMMER, Director of the Centre for
Applied Social Sciences at the University
of Natal, Durban.

DIAGNOSIS

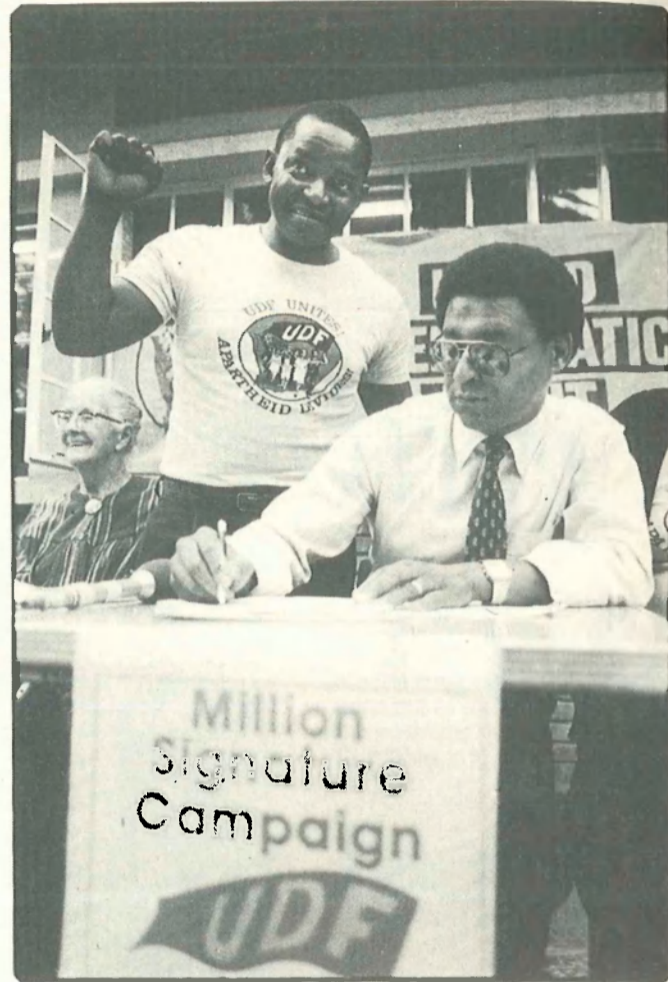
In recent weeks, with the peace talks in Angola and the peace agreement with Mozambique, the South African government's image in the local and overseas media has swung dramatically. The erstwhile "destabiliser" of neighbouring states has now been hailed as peacemaker and agent of international accord.

Yet it is fairly inevitable that some issue or event in due course will resurrect older images of the South African government again, until some new initiative rekindles hope for reform and change.

So the cycles of expectation and disillusionment will continue. South Africa's split personality confuses friends and enemies alike.

These apparent inconsistencies are inevitable argues Professor Schlemmer. They are also completely understandable given the situation of the South African regime. In broad terms the responses of the South African government are predictable in terms of its basic goals, resources, opportunities and pressures.

The United Democratic Front launched its "million signature" campaign in January 1984. Helen Joseph, "Terror" Lekota and the Reverend Allan Boesak initiate the campaign. Internal political pressures, backed by increasing moral pressures and possible sanctions from abroad, demand a dismantling of apartheid and political bargaining power for blacks.



Paul Weinberg / Afrapix

In March, the government was being officially commended for its peace moves in Southern Africa

Virtually simultaneously, it was announced that 7 128 coloured and Indian families were still due to be relocated

Although apparently contradictory these contrasts present a fairly clear and continuing pattern

Contrasts in the Patterns of Policy

The last few weeks and months provide an excellent example of what many critics and observers see as deep contradictions in the South African government's policy programme.

In March, the South African government was being officially commended by the United States, Britain, West Germany, Egypt and a number of other states for the peace moves in Southern Africa. Various commentators, including Minister Gerrit Viljoen and South African Ambassador to the United States, Dr Brand Fourie, could forecast that South Africa's international position in the West would be bolstered by the Southern African developments. An almost euphoric mood was created in South Africa. The government was seen by almost everyone as bold and positive.

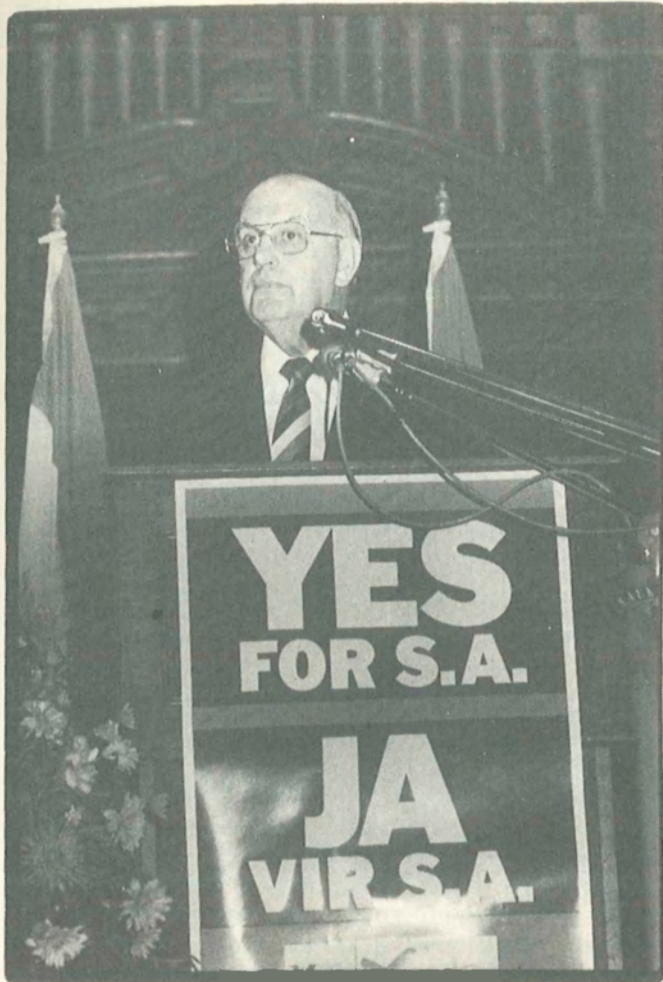
Virtually simultaneously, the Minister of Community Development, Pen Kotze, told Parliament that 7 128 coloured and Indian families were still due to be moved in terms of the Group Areas Act.¹ It would appear that 1,75 million Africans are still to be relocated.² It was announced in Parliament furthermore, that the number of arrests in terms of Influx Control laws had increased between 1982 and 1983.³

Indian politicians, on the eve of the implementation of the new constitution which will give them representative chambers in Parliament, found themselves having to condemn the continuation of petty apartheid measures.⁴

At about the same time, Minister Pen Kotze announced that he was prepared to accept the recommendation of the Strydom Committee, appointed to investigate Group Areas legislation, that some central trading and business areas be opened to all races.

Other recommendations of the Strydom Committee have created the expectation that a significant amount of desegregation of central urban or general facilities like cinemas, beaches and restaurants is likely to occur in the near future.

Although apparently contradictory, these contrasts present a fairly clear and continuing pattern: substantial positive initiative in the international sub-region irrespective of the races or ideologies involved, a growing openness to non-racial arrangements in the economic, industrial and commercial spheres, but a continuing and unyielding insistence on the separation of residential communities and their most immediate facilities.



Armed with its referendum mandate the government has embarked on an ambitious programme of external initiatives, while internally maintaining the non-negotiable principles of group separation entrenched in the new constitution. Pressures for sweeping internal reform and desegregation are, in this context, a waste of political energy, argues Professor Schlemmer.

Paul Weinberg / Afrapix

The Basis of Policy

The South African government's actions, like those of any other government, have to be understood in terms of fairly basic elements in decisionmaking. Of most importance are: underlying goals or charters, and resources, opportunities, costs and pressures.

The Underlying Charter:

Stripped of rhetoric and rationalisations, the policy charter of the present South African government can be seen to rest on three basic elements:

- 1) The protection of white and Afrikaner interests and security in perpetuity.
- 2) The organisation of political life in terms of ethnic group relations and the principle that "good fences make good neighbours". The South African government has long held the view that ethnic political autonomy is a precondition of good government. This is the "pluralism" principle which is adhered to even when groups cannot be geographically separated, as in the new constitution, making provision for separate chambers for whites, coloureds and Indians.
- 3) Pragmatism in dealing with economic, social and strategic group interdependence by promoting close cooperation and links between autonomous groups, regions or states. This is after all an integral part of the future which the government sees for the homelands in South Africa. The basic idea of a "constellation" or commonwealth of Southern African states is long established — it was first proposed by Dr Verwoerd.

These three basic goals explain most of the policy initiatives by the government. Taken together they amount to an organising principle which can be expressed as follows: separate the racial groups, define their autonomy, thereby reducing the whites' moral, political and social obligations to other groups, then cooperate as "voluntary" partners to solve common problems.

This principle does not exclude a great deal of economic interdependence. The "regions" delineated in the government's regional economic development planning cut across political and group boundaries. The principle can even lead beyond "voluntary" cooperation or consultation to some degree of actual power-sharing, as long as the group basis of the power which is shared is preserved, as in the new constitution for whites, coloureds and Indians.

Within this principle of group separation followed by functional integration, a great

The government's actions have to be understood in terms of its underlying goals or charters, and resources, opportunities, costs and pressures

Separate the racial groups, define their autonomy, reduce the whites' obligations to other groups, then cooperate as "voluntary" partners

Some actual powersharing is possible, as long as the group basis of the shared power is preserved, as in the new constitution

Military muscle has recently been used to create or perhaps even force a climate for negotiation in Southern Africa

The government's weaknesses are apparent in low political credibility and a lack of freedom to exercise all the political options open to it

Directly constraining the government is the very strong tradition of white hegemony (baasskap): it is extraordinarily sensitive to right-wing rhetoric and criticism

Given these political and social constraints, the government must fall back on its economic and technical resources to increase its political credibility

deal may be negotiable. The principle itself, however, appears to be totally non-negotiable, almost irrespective of the costs to any party.

Resources and Opportunities:

The South African government is very strong in some areas and very weak in others. Areas of strength are its:

- control over economic resources
- technology and expertise
- military strength. This military muscle has recently been used to create or perhaps even force a climate for negotiation in Southern Africa, particularly in the case of Mozambique and Angola. It has other potential functions as well, however, since South Africa can offer training and weapons supplies⁵ and could even act on behalf of neighbouring governments in the military field if they were threatened. Hypothetically it could for example quell a civil war in a nearby African state if it saw advantages flowing from such action.

Given these strengths, South Africa is very well placed to perform all the roles of a regional superpower and to reap all the rewards if close economic and diplomatic relations are established with the other states of Southern Africa.

The South African government's weaknesses, as everyone knows, are apparent in:

- low political credibility, made doubly serious by its consequent vulnerability to international economic campaigns against South Africa, and
- a lack of freedom to exercise all the political options open to it.

At present the South African government is constrained in the political field not only by its own basic policies but also by the right-wing forces operating in the political arena in South Africa. Directly constraining the government is the very strong tradition of white hegemony (baasskap) which exists within the government itself but which is most clearly symbolised by the two right-wing opposition parties. Because there is in fact a continuum of similar opinion linking many National Party personnel with the right-wing parties, the government is extraordinarily sensitive to right-wing rhetoric and criticism. Hence the right-wing parties exercise a constraining effect out of all proportion to their support in the electorate, which is under 15 percent.⁶

These constraints exist mainly in regard to social and political concerns which directly affect white communities. In the international sphere and in matters of economic cooperation with black states and internal black authorities the right wing is less concerned and therefore less vigilant and threatening.

Given these political and social constraints, the South African government must fall back on the use of its economic and technical resources in order to increase its political credibility. Hence detente in Southern Africa has a double purpose — the goal of security from insurgency across the border, and the opportunity to show a critical world that Africa needs and accepts South African trade, aid and technology. Dr Brand Fourie, in a television interview following the signing of the peace treaty with Mozambique, stated clearly that the route to good relations with the West runs through black Africa.

The problem of political credibility internally is most evident with regard to the issue of black rights. Here again, the government has tried to compensate for the lack of policy reform and gain credibility using economic tools such as, for example, the Small Business Development Corporation. With inflation creating very real constraints on government expenditure, the scope is limited. This is one reason why the government has recently placed so much emphasis on black technical training and has accepted and in some ways even promoted the growth and institutionalisation of (non-political) black trade unionism. Black wage increases and consumerism are seen as potentially able to deflect political aspirations within the common area.

Pressures:

Finally, the responses of the South African government cannot be fully understood without considering the pattern of pressures on it. Prominent among these are the financial problems and challenges which the government faces.

In an excellent review, Pottinger has enumerated the following serious financial pressures on the treasury: the devastating drought and floods in the East, the poor gold price, low tax income due to the recession, government budget overshoots, rural development failure in black areas, the creation of the new development bank, costly incentives involved in the new decentralisation policy, massive housing and educational backlogs among coloureds, Indians and blacks and the coming costs of the new



Acknowledgement: The Daily News

constitutional machinery, including the planned changes to local authority structures among all groups.⁷

Given these pressures the government must endeavour to save money somewhere and a settlement of the very costly Namibian war would make a substantial difference. Furthermore, as the Minister of Finance outlined recently, South Africa needs a considerable amount of foreign loan and investment capital at present⁸, and therefore it is particularly necessary to counteract overseas economic campaigns against the country at this stage.

These pressures are most easily and immediately dealt with by the kind of regional peace initiatives currently underway, because these moves have the most unambiguous effects both in saving money and in improving external relations.

The pressure to increase political credibility by extending political rights to blacks in some form is much less compelling for a variety of reasons.

Firstly pressures from blacks themselves are more often than not seen to lack credibility. Most of the black spokesmen do not have a visible constituency or organisational base, with the exceptions of Chief Buthelezi (Inkatha) and Bishop Tutu (the progressive churches).

Secondly, black activists, in the government's view, most often present totally non-negotiable and over-ambitious demands; this is particularly characteristic of the black youth activism, seen mainly in student disturbances at schools and universities.

Thirdly, the mass of blacks, in their day to day responses to events, appear to be mainly concerned with welfare, security and quality of life and not primarily with political claims. This is certainly not entirely the case but it is the manifest impression created for most whites and those observers with impact on the government.

Policy Prospects in the Short Term

The arguments so far presented suggest that the contrasting pattern of policy outlined above will persist in the short term. There will be no deviation from the principle of ethnic autonomy and hence the separation of communities will persist. A "National Convention" to restructure society or even less major deviations from the plural basis of policy seem to be impossibilities at this stage.

At the same time, the government will attempt to accommodate and respond to international and internal pressures by desegregating non-community facilities, and by an aggressive development policy, both inside the country and in the region. When the economy emerges from the present recession, and if the gold price rises, development initiatives could be quite substantial.

Of all the options open to the government, regional peace initiatives such as the Nkomati Accord have the most unambiguously positive effects.

Because South Africa needs a considerable amount of foreign capital, it is necessary to counteract overseas economic campaigns against the country

There will be no deviation from the principle of ethnic autonomy and hence the separation of communities will persist

A "National Convention" to restructure society is an impossibility at this stage

Political credibility and legitimacy will remain the government's Achilles heel

Increasing moral pressures and probably some economic sanctions can be expected from abroad

The one non-negotiable element in the South African government's policy stance is group separation and ethnic autonomy

Significant changes to the bargaining power of black people can occur in ways which do not directly confront the paradigm of the government

Proponents of change should consider the areas of lesser or greater flexibility in government policies, and direct their strategies accordingly

The Longer Term: Strategies for Change

Obviously many, if not most critics of the South African government abroad and to the left of the government in South Africa will argue, with more than a little justification that significant overall progress for blacks must inevitably be very limited as long as there is separation of communities and a lack of political bargaining power. This is very true in the field of education, for example (See *Urban Monitor* pg3 ff).

The government's attempts to use economic or foreign policy manoeuvres to compensate for or counterbalance its political policies are also not likely to convince the black middle class spokesmen who are so important in interpreting black reactions. Hence, political credibility and legitimacy will remain the government's Achilles heel as both internal and external pressures for basic policy reform will continue to mount.

Increasing moral pressures and probably some economic sanctions can be expected from abroad. The United States House of Representatives has just passed a bill (the Export Administration Act), to which amendments punitive to South Africa have been attached, and more and more cities and states in the United States are withdrawing public money from corporations with South African operations.

However these mounting pressures, both external and internal, are seen by the government to be directed against the one non-negotiable element in the South African government's policy stance — group separation and ethnic autonomy. Irresistible force meets immovable object. A waste of political energy, perhaps, because as the years roll by neither will give ground and, as I have argued previously in *Indicator*, the revolution will not occur. (See *Indicator SA's Issue Focus*, March 1983).

Current pressures for general, sweeping reform and political desegregation on their own will be a waste of energy, because the addition of more specific proposals, against the background of general pressures, could significantly facilitate change.

Some very significant changes to the quality of life and to the bargaining power of black people can occur in ways which do not directly confront the paradigm of the government, but which would rather stretch and extend it. For example, if the black local authorities, newly equipped with increased internal powers by the government, had representation on say a high level "Council of Local Affairs" they could perhaps negotiate for increased funding, more land for expansion and for more adequate access to metropolitan services and amenities. The benefits of high level representation of a similar kind for the non-independent homelands would also be fairly obvious and immediate. This would at least counter the political alienation of the black people.

With its concept of regional and metropolitan authorities on which whites, coloureds and Indians will be represented with the possibility of limited black representation at some stage, the government has at least recognised the interdependence of groups in local geo-political settings. It would make sense to argue for an extension of the powers of the black groups in these bodies, and for an increase in the bodies' authority and powers. It would also make sense to argue that each region is to some extent unique in its problems and collective attitudes, and therefore that some regions, like for example the Witwatersrand, the Eastern Cape, or the metropolitan Natal-KwaZulu area should be allowed to negotiate their own particular power-sharing arrangements at regional level.

One realises immediately of course that these suggestions overlook some of the deeper-lying and more general causes of inequality in South Africa. If such change initiatives as those broadly suggested above are successful, however, they would not merely be palliatives. They would after all increase the bargaining power of blacks to negotiate for further gains.

Whatever the merits or demerits of these specific proposals may be, it seems necessary that proponents of change in South Africa consider the areas of lesser or greater flexibility in the government's policies, and direct their strategies accordingly.

One might suggest that sound analysis is a first step in the possible cure of our split personality — analysis of the structures which underly apparent contradictions. This will reveal areas of least rigidity in policy, where specific and well-backed pressures could have significant effects, as was the case with the labour reforms in 1979. **IPJA**

FOOTNOTES

- 1 *Daily News* 9 March 1984
- 2 *Removal and Resettlement*, SA Council of Churches and Catholic Church, 1984
- 3 *Daily News* 29 February 1984
- 4 *Daily News* 8 March 1984
- 5 *Jaynes Military Review*, 1983/4, quoted in *Natal Mercury* 18 February 1984
- 6 Established from results of a nation-wide poll among white voters to be reported in the next issue of *Indicator SA*
- 7 *Sunday Times* 26 February 1984
- 8 *The Star*, Business, 7 March 1984

BLACK WAGE ASPIRATIONS

Are Politics a Factor?

Do political factors play a part in shaping the wage aspirations and expectations of black workers? How far do existing wage levels fall short of expected and desired wages among black workers? PROFESSOR LAWRENCE SCHLEMMER presents findings of field research among black workers which provide valuable insights into the relationship between political factors and wage aspirations.

INDICATOR strives to give regular attention to the question of possible interaction between political factors and labour relations in industry. One of the issues on which industrialists often speculate anxiously is whether or not political factors play a part in shaping the wage aspirations and expectations of black workers.

This issue will be explored in more depth in forthcoming *Indicator* research, but findings from our existing research give interesting preliminary insights. How far do existing wage levels fall short of expected and desired wages among black workers? What factors influence the shortfalls which workers perceive? To what extent are political factors relevant to wage attitudes?

Initial findings come from field research among a carefully-selected nation-wide sample¹ of 478 contract workers in 1982, among 527 black industrial workers drawn from firms affected by the 1981 "pension disturbances" in Natal and from a random sample of 243 black construction workers in Richards Bay in late 1983.

Wages in Relation to Expected and Desired Remuneration

In all three studies, black workers were asked what the least or minimum wage was:

- which they considered to be appropriate to the work they performed and the skills they had (wage expectation);
- which would be sufficient to allow them to buy and do the things they wanted (wage desire).

The relationships between actual wages and expected or desired wages have been calculated as *ratios*, obtained by dividing the actual wage into both the expected wages and the desired wages. Some fairly detailed results are presented in Table 1.

Table 1 shows some fairly firm trends. *Desired* wages are higher than *expected* wages, as one obviously would expect. The pattern suggests, however, that *both* expected and desired wages become more "moderate" in relation to actual wages as the level of actual wages rises. In other words, higher actual wages do not appear to stimulate rising expectations, which some people fear could be the case.

Table 1
Expected and Desired Wages among Black Workers in Relation to Actual Wages

Actual Wages (Average of Wage category)	Ratio of Expected and Desired Wages to actual wages	
	Wage appropriate to work/skills in relation to actual wage	Wage wanted to buy desired goods etc in relation to actual wage
Nation-wide Contract Worker sample (Weekly paid, n355)		
Under R20	2,5 to 1	3,0 to 1
R25	2,0 to 1	3,0 to 1
R35	1,7 to 1	2,3 to 1
R45	1,6 to 1	1,9 to 1
R55	1,4 to 1	1,6 to 1
R65	1,4 to 1	1,5 to 1
R75	1,5 to 1	1,8 to 1
(Monthly paid, n123)		
R 60	1,8 to 1	3,3 to 1
R 87,50	2,6 to 1	3,4 to 1
R112,50	2,3 to 1	2,9 to 1
R137,50	1,6 to 1	2,1 to 1
R175,00	1,7 to 1	2,0 to 1
R225,00	1,2 to 1	1,8 to 1
R300,00	1,4 to 1	1,6 to 1
Durban Industrial Workers in Pension Dispute firms (Weekly paid, n527)		
R 30	2,0 to 1	3,5 to 1
R 50	1,4 to 1	1,8 to 1
R 70	1,2 to 1	1,4 to 1
R 90	1,1 to 1	1,4 to 1
R110	1,1 to 1	1,3 to 1
R130	1,1 to 1	1,2 to 1



Fosutu members demonstrate at the time of the 1983 referendum. Despite occasional mobilisation around directly political issues, research shows that political attitudes do not generally influence wage aspirations among black workers.

Paul Weinberg / Amapix

Factors Influencing Wage Expectations and Aspirations

Further research in the pipeline must give specific answers to this question, but a few tendencies suggest themselves on the basis of available data.

Firstly, political attitudes appear to have no connection or very slight relationships with the wage expectations of rank-and-file workers. Our nation-wide sample of contract workers shows the following pattern:

Migrant Contract Workers	Expected Wage to Actual Wage	Desired Wage to Actual Wage
All workers surveyed	1,7 to 1	2,4 to 1
Supporters of Inkatha/Chief Buthelezi	1,7 to 1	2,5 to 1
Workers indicating support for ANC	1,6 to 1	2,5 to 1
Workers who see strikes as a possible political weapon	1,7 to 1	2,6 to 1

A careful inspection of all our available results shows that migrant worker status as such also does not appear to have any significant effect — our 1983 Richards Bay sample is illustrative:

Richards Bay Construction Workers	Expected Wage to Actual Wage	Desired Wage to Actual Wage
Long distance migrants	1,6 to 1	1,9 to 1
Daily commuters	1,6 to 1	1,8 to 1

Thus far, it would seem as if the differences between wage expectations and wages actually received depend very largely on the level of actual wages, as Table 1 shows. If anything, reference to Table 1 would suggest that the relatively highly unionised workers in the Durban "pension strike" factories had a rather small "gap" between actual and expected wages, mainly because their wage levels were relatively high compared with those in our other results.

Some of our evidence suggests, however, that job-frustrations are associated with a wider wage expectation gap:

Migrant Contract Workers	Expected Wage to Actual Wage	Desired Wage to Actual Wage
All workers surveyed	1,7 to 1	2,4 to 1
Those with high job dissatisfaction	1,9 to 1	2,8 to 1

In part, obviously, this is because low actual wages create job dissatisfaction, but there are other factors involved as well, which will be explored in further enquiries.

Our present evidence, then, apart from whatever trade union influences may or may not exist, suggest that at the level of the rank-and-file black employees, political attitudes do not influence wage expectations. In fact wage expectations and aspirations are remarkably stable, and it is the actual wages received which seem most important in creating expectation gaps. ¹

FOOTNOTES

¹ The sample was drawn on the Witwatersrand, Pretoria, Cape Town and Durban. It was a quota sample designed to ensure a representative selection according to levels of skill and job-grade, age, education and type of accommodation in the cities. They were established industrial workers, 45 percent of whom had worked in the cities for over 10 years

THE PUBLIC IMAGE of White Political Leaders *and the myth of hallowed leadership*

Do white voters hero-worship their political leaders? What qualities does the public expect from them? Does white leadership match public expectation? Surveys conducted by INDICATOR SA in co-operation with Market and Opinion Surveys (Pty) Ltd show that white voters are critical of their leaders and that no white leader is regarded by a majority of the white public as offering security to all South Africans.

by Professor Lawrence Schlemmer

It is often thought that rank-and-file white voters in South Africa hero-worship their chosen political leaders. The traditional Afrikaans emphasis on "volksleierskap" suggests a notion of the leader as a person who will lead his trusting people through the deserts of political tribulation. This impression is perhaps strengthened by the very respectful and uncritical interviewing of cabinet ministers on SABC TV.

Survey evidence¹ shows that this impression is far from true. In one survey in 1981, for example, the nation-wide sample was asked to rate Prime Minister P W Botha's "performance as a leader over the three past years". Overall, only 17 percent rated his performance as excellent, while 54 percent rated it as satisfactory and 26 percent rated it as unsatisfactory or poor. Even among National Party supporters, only 30 percent gave him a rating as excellent.

Major Factors in Respect for Leaders

South African white voters are critical and have highly varied views of their leaders even within political party ranks. They have firm views on what is required of a leader, however.

What are the major criteria by which the Prime Minister is judged? In the 1981 study, voters gave spontaneous reasons for rating Mr Botha's leadership as excellent, and these could be grouped into the following broad categories:²

<input type="checkbox"/> firmness and strength of resolve	33%
<input type="checkbox"/> careful race reform	31%
<input type="checkbox"/> consistency and steadfast principles	27%
<input type="checkbox"/> keeping of promises	13%
<input type="checkbox"/> protecting white interests	10%
<input type="checkbox"/> other diverse reasons	10%

Those who disliked or questioned the Prime Minister's leadership tended to mention the same broad criteria, although faulting him in his support for the issues.

These results are supported by other *Indicator SA* findings which also suggest that a balance of toughness, firmness, cautious reform and consistency is what the majority of white voters look for in their leaders.

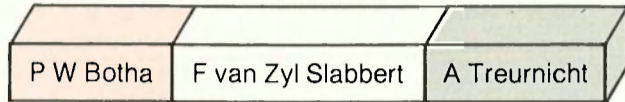
Images of the Three Major Party Leaders

Some six months ago in October 1983 a further nationwide survey was concluded in which the public images of Mr P W Botha, Dr F van Zyl Slabbert, leader of the progressive official opposition party and Dr Andries Treurnicht, leader of the major right-wing opposition party are compared. Descriptive statements were presented to the sample of 1995 voters. Their choices of statements describing the leaders appear in Diagram 1. These are their public images.

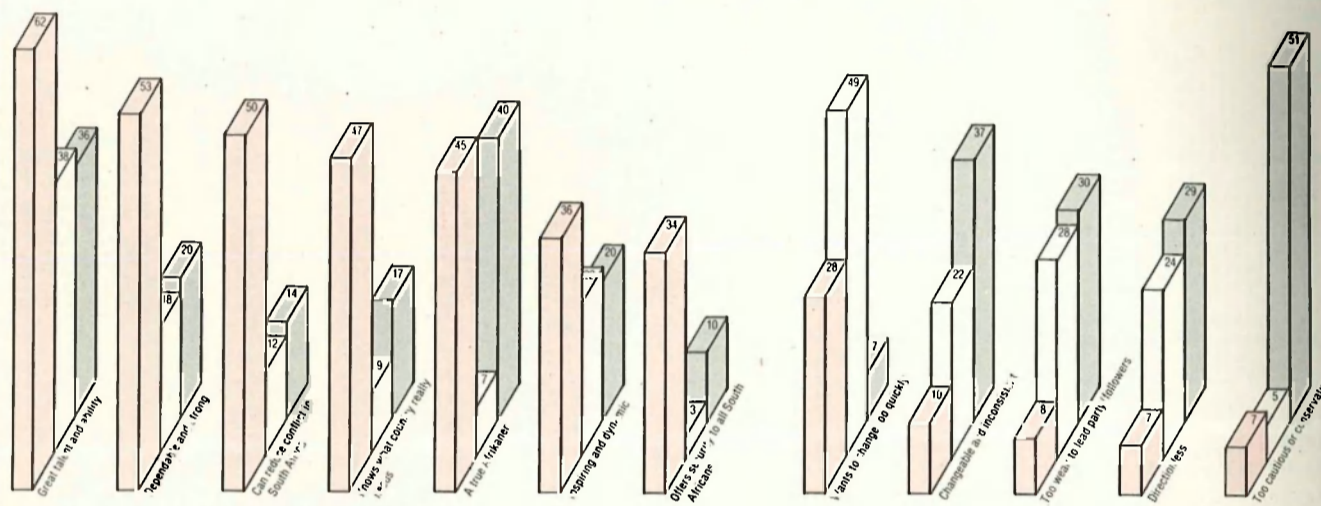
As any United States political candidate will testify, public image is a powerful factor in voter choice. Among the less politicised or less thoughtful voters, public image

Diagram 1

IMAGE PROFILES OF THE THREE MAJOR PARTY LEADERS



PUBLIC IMAGES — Afrikaans Voters (n1160) in percentages



PUBLIC IMAGES — English Voters (n 835) in percentages

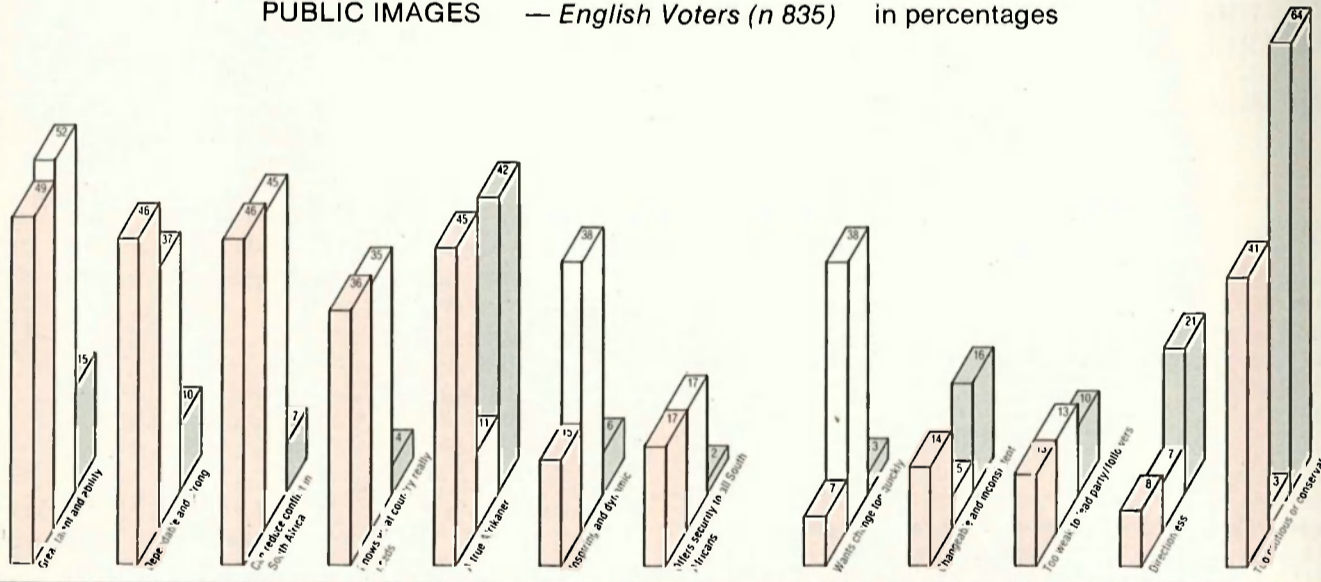
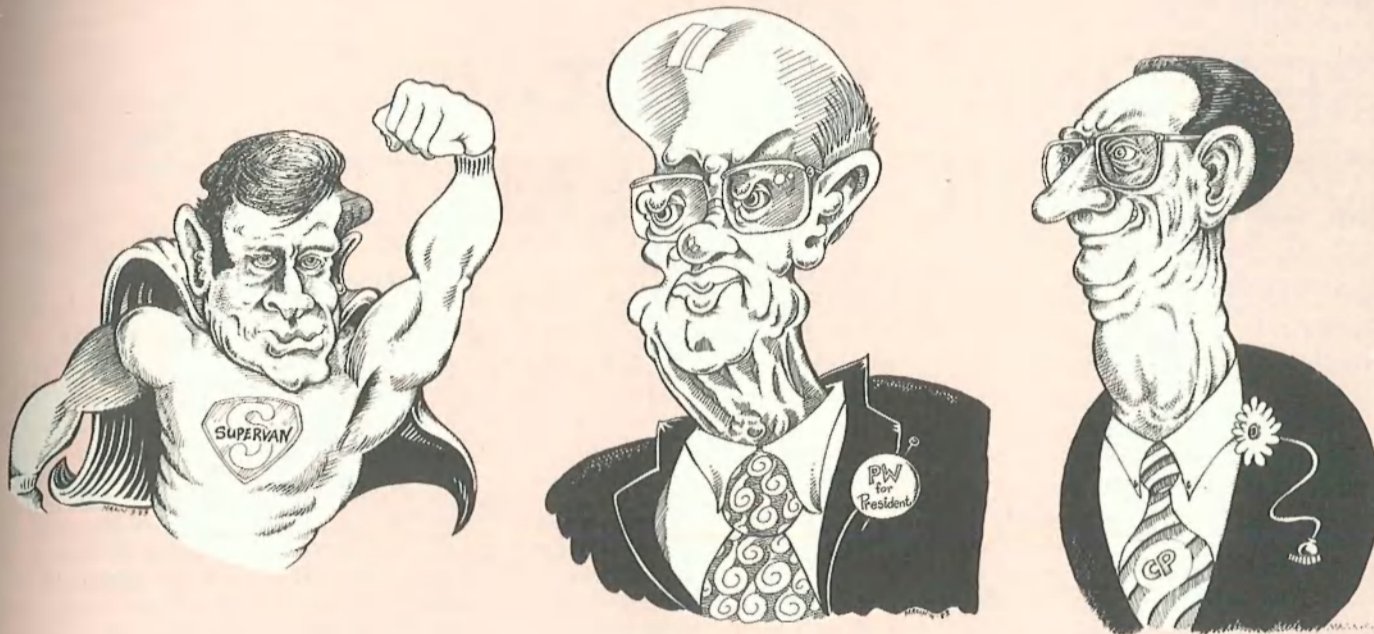


Table 1

PROPORTIONS ENDORSING THE IMAGE ATTRIBUTE
"offers real security to all"

		1980	1981	1982	1983
Mr P W Botha	Afrikaans	54	56	31	34
	English	47	27	21	17
Dr van Zyl Slabbert	Afrikaans	18	not measured	5	3
	English	29	not measured	26	17



is more powerful than reasoned policy positions (although they are obviously interrelated).

Public images are also often cruel in the sense that they are unfair in strictly objective terms. The public tend to form vague but powerful associations which frequently bear little relation to fact or to a politician's carefully and consciously nuanced stance. Some of the results in Diagram I reflect this feature of public image.

The patterns in Diagram I generally reflect the ideologies of voters more than anything else. Hence, for example, almost one-third of Afrikaans-speaking voters feel that Mr P W Botha wants change too quickly while four out of ten English-speaking voters feel that he is too cautious about change. In large measure, therefore, the public images of the three major leaders are a reflection of the attitudes of voters.

There are, however, some keynote features which seem to rise above attitudes, as it were, where strong features of a leader's public image gain considerable agreement among both conservative and less conservative voters.

One noteworthy example is that Afrikaans voters who generally disagree with Dr van Zyl Slabbert's policies recognise his talent and ability and to a somewhat lesser degree his inspiring and dynamic qualities.

Another keynote feature is the extent to which English-speaking voters, who fairly substantially see Mr P W Botha as too cautious and conservative, nevertheless have a strong image of him as able to deal constructively with conflict in South Africa. They also grant him those qualities which our earlier results suggest as being so

important in a political image: dependability and strength of resolve.

Our Political Vacuum

There are many other comments one can make on these results, but one feature requires to be emphasised. No leader, among either Afrikaans- or English-speaking voters, wins anywhere near majority recognition for "offering security to all South Africans". Mr Botha comes closest in his image among Afrikaans voters, but the proportion granting him this attribute is merely one-third.

In fact, in this respect, the voter images of both the Prime Minister and the leader of the opposition have weakened since 1980. Our comparable results from past surveys are shown in Table 1.

Security for all is after all the critical issue in South African politics, and our leaders clearly still have to rise to this challenge to their political images and leadership. The challenge is not easy. It comes down to constitutional policy and it embraces not only white, coloured and Indian people but Africans as well. The greatest challenge lies with the man who has his hands on the constitutional levers — the Prime Minister. *UJWA*

FOOTNOTES

¹ The empirical data in this analysis are all drawn from social surveys conducted by Indicator SA in cooperation with Market and Opinion Surveys (Pty) Ltd. The samples are stratified random national panels of up to 2 000 white voters, selected in both rural and urban areas to represent the country as a whole. Sample members are personally recruited and respond in successive surveys to postal questionnaires. The response rates are close to 90 percent and successive surveys are highly comparable.

² Percentages sum to more than 100 because more than one answer could be given.

SOUTH AFRICA AND THE WEST: REGIONAL INITIATIVE, DOMESTIC STALEMATE?

Will South Africa's foreign policy successes serve to deflect the attention of Western critics away from its internal policies? Not for long, argues PROFESSOR HERMANN GILLOMEE of the Department of Political Studies, University of Cape Town.

South Africa's military disengagement in Angola, its recent signing of a non-aggression pact with Mozambique, and the release of Swapo founder Herman Toivo Ja Toivo, suggest a concerted effort to halt the drift towards a major conflagration in Southern Africa.

These moves are significant because they have come at a time when a definite "cooling off" of constructive engagement seemed on the cards. The latter part of 1983 showed strain on the part of the Reagan and Thatcher governments in their attempts to rationalise a continued "constructive" attitude towards South Africa.

While constitutional reform in South Africa was lauded as an indication of the Botha government's will and ability to implement change, the very nature of this reform highlighted the exclusion of blacks from the political system and from claims on the state. More important, however, were South Africa's military occupation since 1981 of Southern Angola and its drives against Swapo insurgents in that country.

In the international arena, South Africa came very close to losing the propaganda war. Whatever the true state of play in the military field, the Pretoria government was branded in Western perceptions as the region's aggressor, its "rogue elephant", its "destabiliser".

A growing belief among Western policy makers that South Africa had lost the will to settle in Namibia made Western governments increasingly reluctant to shield South Africa against attacks in international forums.

The peace initiatives with Angola and Mozambique have been played like a trump card in a game where South Africa's hand seemed depleted. Partnership with the South African government, indicated by Crocker's visit, suggests that the Reagan administration, in need of a major foreign policy coup to boost its re-election prospects, is trying to strengthen the hands of both players.

As Andre du Toit suggests in the following article, the British government is likely to follow US foreign policy initiatives.

However, in the case of South Africa's internal policies, no such trump card appears to exist. 1983 revealed what may be described as Pretoria's "constitutional gambit" which, however lauded, clearly failed to obfuscate, if that was its intention, the real facts of South Africa's apartheid policies.

Foreign observers are far too keenly aware of the realities of the apartheid situation to be convinced that blacks do in fact have a real "constitutional future" under the present dispensation.

That grand apartheid still exists in practice was forcefully demonstrated to the world with the destruction of the black settlement of Magopa and the resettlement of its inhabitants. Magopa has become for the foreign press a potent symbol that apartheid is alive and well and living in South Africa, despite the new constitutional reforms.

The influential and normally unemotive *Washington Post* made this comment in an editorial of November 28, 1983, entitled "A Village in South Africa": "It is disgusting. But, importantly, it is also what is really going on in South Africa — the hard irreducible essence of the apartheid system. The next time someone talks to you of savagery and a want of civilisation in South Africa, don't be so quick to take offense at the language. It is a fitting description of the people who are perpetrating these acts."

Strong stuff, emanating from Washington DC, and a strong indicator that Western perceptions are coloured as much by South Africa's internal policies as they are by its conduct outside of its borders.

What this adds up to is a steady cooling off of support for constructive engagement, temporarily suspended by South Africa's ceasefire initiative. However it would be rather too optimistic, at the time of writing, to hope that more is involved than a temporary "suspension of disbelief" on the part of the West, with regard to South Africa's intentions in Namibia and Angola. On the level of South Africa's internal policies, it is unlikely that the much-vaunted constitutional reforms will allay suspicions confirmed by events such as the Magopa resettlement.

There is no great eagerness among Western policy-makers to exchange the carrots for sticks in dealing with South Africa. But should they be disappointed in Pretoria's fulfilment of its part of the constructive engagement bargain, they will be hard pressed not to yield to international pressures that they have been too soft on the apartheid government.

In any event, the Western governments would not want to do much: economic sanctions and real support for Swapo and the ANC are not really contemplated. However, London and Washington might, if need be, avail themselves of the softer options — cutting down on sporting contacts, nuclear energy research and co-operation in the field of intelligence gathering, and, in the case of the US, discouraging new investment in South Africa.

If the gradual deterioration of South Africa's relationship with the West is to be effectively halted, it is clear that the necessity of dismantling apartheid cannot be displaced on the nation's agenda by foreign policy initiatives, however positive or bold. *MPQA*

SOUTH AFRICA AND GREAT BRITAIN: WHERE DO WE STAND?

During a recent visit to Britain as a guest of the British government, PROFESSOR ANDRÉ DU TOIT was able to have discussions with a range of decision-makers and opinion formers in that country.

For the time being relations between Britain and South Africa remain fairly settled: a politically ambivalent but economically quite stable association. What controversy there is, seems to focus mainly on sporting ties between the two countries. In the short term this is unlikely to change.

Though for both parties concerned, the relationship has its awkward and far from satisfactory aspects, the internal dynamics of this complex association hardly point to major shifts of alliance or brave new initiatives by either side. Thus for the rest of this decade no conservative British government is of its own accord likely to impose economic sanctions in opposition to apartheid — or to lift the arms embargo.

Sanctions are conceivable only in circumstances of dramatic changes originating elsewhere: a renewed world oil crisis, a major shift in American foreign policy or in super power relations, an insurrection or outrage in South Africa itself comparable to the Soweto rising in 1976 or the death of Steve Biko.

Extraneous Factors

This may seem trivial and self-evident, but in fact it points to an important new development: relations between Britain and South Africa should no longer be viewed in the familiar bilateral terms only. Its historical and cultural roots notwithstanding, and despite the substantial economic ties and

interests concerned, the course of the relationship is in fact increasingly responsive to extraneous factors.

This is also the main theme running through the informed and judicious survey given in a recent book by James Barber: *The Uneasy Relationship - Britain and South Africa*.¹ Some of the main developments may be briefly outlined.

The American Connection

Until the 1960s Britain was the major external power in Southern Africa, and "the British connection" loomed large in South Africa's internal politics and foreign policy. Today, no longer an imperial or world power, Britain is above all else preoccupied with her own internal problems, her association with the European Community and the "special relationship" with the USA. Even the Commonwealth is increasingly of peripheral concern, and in British perspective Southern Africa has considerably less priority than, for instance, the Middle East or Eastern Europe.

Since the 1970's there has been a growing American involvement in Southern Africa, and Britain has been quite content to let the USA bear the larger part of this regional burden. This also means that British policy towards Southern Africa is increasingly responsive to American political initiatives and determined by her overall relation to the USA.

Declining Trade links

Of course Britain retains a substantial economic stake in South Africa, in itself an important constraint on possible policy options. Britain was traditionally the dominant trading partner of South Africa and by far the largest foreign investor. Yet even here the pattern is changing in



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British policy towards South Africa is increasingly responsive to American political initiatives and determined by her overall relation to the USA

Today, Britain is preoccupied with her own internal problems and the special relationship with the USA

PERSPECTIVES

The South African portion of Britain's world trade is relatively small as well as declining

... it is now considerably less than the British stake in the rest of Africa

The British government's ability to control international economic transactions, especially in view of the rise and prominence of multinational companies, is uncertain and declining

The anti-apartheid and exile movements are by no means peripheral to British political life

In "crisis" conditions the political agenda largely defined by the anti-apartheid forces may come into its own

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significant ways.

Actually the South African portion of Britain's world trade is relatively small as well as declining; down from 4.4 percent in 1971 to 2.1 percent in 1980. More significantly, it is now considerably less than the British stake in the rest of Africa, and especially in Nigeria: in 1980 British exports to Nigeria were twice those to South Africa and visible trade with OAU countries more than three times that with South Africa.²

Conversely Britain has also declined as an export market for South Africa: in 1967 South Africa still sent roughly one third of its goods to Britain as its main single market. By 1981 Britain was taking less than 10 percent of South Africa's exports, less than those to Japan.

Balancing on The Fence

While anti-apartheid lobbies argue that in terms of material interests as well, and not merely for moral reasons, Britain will thus in the long term be best served in siding with African states and the "liberation movements" against apartheid, British policy remains premised on the belief that no such choice is necessary.

No doubt British dependence on strategic minerals imported from South Africa and the probable cost of sanctions to the British economy in jobs, trade and profits in large part account for this (though it has been argued that the former can be replaced and that the latter is overrated³). The point is rather that the extent of the government's ability to control international economic transactions, especially in view of the rise and prominence of multinational companies, is in any case uncertain and declining.

To some extent the focus on what the British government may or may not do is thus beside the point. As Barber makes clear, decision-makers outside government play a major part in Britain's relations with South Africa and, short of emergency conditions, the British government has neither the desire nor the ability to impose overall control.⁴

The Anti-Apartheid Lobby

Yet precisely in such a context the depth and possible impact of the international rejection of the apartheid order even in a country with such strong historical ties with South Africa as Britain should not be underestimated.

Barber is no radical, yet he repeatedly stresses that the anti-apartheid and exile movements are by no means peripheral in British political life. Fundamentally they derive their influence from the basic fact that Britain must be increasingly responsive to the international climate in a world where, since World War Two, racial discrimination has become more and more anathema, where the white minority in power in South Africa has become increasingly isolated, and where slowly but steadily the cause of

black nationalists has been legitimized.⁵

In Britain itself the Anti-Apartheid Movement draws on longstanding humanitarian and liberal traditions and can attract prominent speakers from diverse quarters to its conferences.

Radical Policy Options

The Anti-Apartheid Movement has already achieved considerable successes. It has succeeded, time and again, in politicizing all contacts with South Africa, however trivial these may seem. It has kept protest against apartheid on the political agenda over a long period; more particularly, it has kept radical policy options like sanctions alive. In long term perspective it is here where its greatest impact may lie.

Thus the anti-apartheid forces had for many years campaigned for a mandatory arms embargo on South Africa without any success. Even successive Labour governments did not consider this to be practical politics. Yet in the outburst of international indignation following the Soweto riots of 1976, when Britain with other Western States wanted to demonstrate their opposition to apartheid, they resorted to just this option so long and assiduously canvassed by the protest movements.

"Normal" vs "Crisis" Conditions

In "normal" times, then, British policy on South Africa will continue to seek to balance a number of aims such as the protection of Britain's economic and strategic interests, given the thrust of world opinion and its own political alliances. Its policy aims for South Africa itself will range over the more moderate options of constructive engagement, strategic disengagement and support of internal reform.

In practice, though, British policy tends to consist in responses to the initiatives of others, rather than initiating policy themselves (as exemplified by its role in the "Contact Group" for an international settlement in SWA/Namibia and the recent American initiatives in this regard).

But in "crisis" conditions the picture may change quite drastically, and here the political agenda largely defined by the anti-apartheid forces may come into its own while British decisions will be determined not by its interests in South Africa only.

So if sanctions remain highly unlikely for the time being, they cannot be ruled out altogether, where there always remain a whole range of punitive measures available this side of sanctions as demonstrated by the recent moves in this direction in the American Congress. *IPAA*

FOOTNOTES

- 1 Barber J *The Uneasy Relationship - Britain and South Africa* Institute of International Affairs, London 1983
- 2 Barber J *op cit* p19, of Chapter 3: "The Economic Stake"
- 3 Rivers B and Barley M *Britain's Economic Links with South Africa* London 1979, *cf* Barber J *op cit* pp34-40
- 4 Barber J *op cit* p83
- 5 Barber J *op cit* p17

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Paul Weinberg / Afrapix

Workseekers wait at the gates of a factory in the Isithebe industrial area in KwaZulu.

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Approaches to the Problem of Unemployment in South Africa

By PROFESSOR JILL NATTRASS, Head of the Development Studies Unit at the University of Natal.

Added to the half million people unsuccessfully seeking work in South Africa should be the vast numbers, especially in the black states, who are underemployed.

Unemployment, underemployment and poverty are geographically largely concentrated in the black rural areas, and result from a history of rural underdevelopment, influx control legislation and racial discrimination, all of which are directly linked to the government's apartheid and homeland policies.

Professor Nattrass argues that the homeland policy should be seen to have failed, and welcomes the White Paper on Employment Creation as the first attempt to formulate a comprehensive strategy to deal with unemployment and poverty in South Africa. She warns that unless substantial action is taken on this front, social and political unrest is inevitable.

DIAGNOSIS

Estimates of the number of blacks who are unemployed or underemployed run as high as two million people

In South Africa unemployment and under-employment are strongly linked with poverty

A considerable dislocation exists between the spatial distribution of economic activity and that of the population

At present, in South Africa conservative estimates of the number of South Africans who are unsuccessfully seeking work, place it at half a million people, by far the major portion of whom comprise South African blacks.

These estimates mean that the present black unemployment rate is roughly nine percent of the male workforce and 16 percent of the female workforce. To these estimates can be added the vast number of blacks who are underemployed in the sense that, although they officially have work, usually in the subsistence agricultural sector, they are, in fact, not employed in a manner that can offer them a level of reward sufficient to maintain themselves and their families above the minimum living level, or poverty datum line. Estimates of the number of blacks who are unemployed or underemployed run as high as two million people, or nearly 30 percent of the black workforce.

Severe unemployment levels cause social problems in any society in which they occur, as people who are retrenched or unable to find jobs, feel rejected by the society in which they live. Consequently, even when adequate welfare payments exist for the unemployed, increasing unemployment is accompanied by rising levels of alienation which tend to spill over into social unrest and disruption. In South Africa the problem is even more serious as both unemployment and underemployment are strongly linked with poverty. Average earnings per head in the black rural areas are extremely low. In 1980, 45 percent of the earners in the rural areas of KwaZulu earned less than R300 per head. In addition, studies undertaken by the Bureau of Market Research have shown that in the urban areas the average earnings of men who were unemployed for part of the year averaged only approximately one third of the earnings of those who were employed for the full year.

A survey undertaken in 1982 in the KwaZulu rural district of Nkandla by the Development Studies Unit, confirmed these extremely low living standards in black rural areas. The survey showed an average income per head from all sources of R144 per year. Households headed by women appeared to be particularly poor with an average annual income per head of only R74.

In South Africa the problems are exacerbated by the fact that unemployment is heavily concentrated in particular geographic regions. This is the result of both the relative underdevelopment of a large part of the country and the population influx control laws, which effectively chain a major proportion of the South African black population to these poor areas. Some idea of the extent of the dislocation present in South Africa between the spatial distribution of economic activity and that of the population is given by the fact that in 1980, the black states produced less than 1.9 percent of South



Workseekers queue outside Administration Board Offices in Johannesburg. Official estimates place the black unemployment rate at roughly nine percent for men and 16 percent for women.

DIAGNOSIS

In 1980, 25 percent of the workforce in the self-governing black states was out of work

Africa's Gross Domestic Product, but provided homes for 37 percent of the population.

To make matters worse, because migrant workers who do not find work cannot remain in the towns, unemployment backs up in the rural areas, adding a further burden to these overstressed regions. The impact of influx control on the location of the unemployed can be gauged from the fact that the 1980 population census showed that 25 percent of the workforce in the self-governing black states was out of work, whilst the corresponding percentage for Africans in white controlled areas was only 8,6 percent.

WHOSE PROBLEM IS IT?

Whose problem is it? This is not an idle question, since one of the side effects of the policy of separate development and the creation of 'independent black states' in South Africa, has been to allow those who should shoulder this burden to shrug it off, passing it on to the homeland politicians as being one of 'their' problems, rather than one of 'ours'. The present acceptance of the fact that the homeland policy has failed and the

The creation of 'independent black states' allows for the possibility of the government being able to shrug off the problem of unemployment as being one of 'their' problems

Many people in the black rural areas who officially have work in the subsistence agricultural sector are underemployed and unable to support themselves above the poverty datum line. Households headed by women are particularly poor, with an average annual income per head of only R74 in some areas.

Acceptance of the fact that the homeland policy has failed may help to reverse the government's approach to employment and urbanisation

The majority of the needed jobs will have to be created by the private sector, but the lead may well have to come from the state

The present economic philosophy will have to change to one that places greater emphasis on the improvement of social conditions

The first essential for job creation is undoubtedly the generation of sustained economic growth



Paul Weinberg / Atrapix

consequent re-emphasis on the interdependent nature of the spatial areas of the economy may help to reverse this approach.

If this is so, then both the private and the public sector will have to face their responsibilities in the employment creation field to a greater extent than they do at present, since the private sector employs roughly 79 percent of the black labour force and 62 percent of the white, and the state employs the balance. The cost of creating a job in the private sector is, however, on average, very much lower than in the public sector. What is even more important is that growth in employment in the private sector contributes to the growth of output to a greater extent. This means that if South Africa is to make the optimal use of her limited capital resources, the majority of the needed jobs will, in fact, have to be created by the private sector. However, in view of the wide range of policy options that are available to the government, the lead may well have to come from the state.

At the present rate of population growth, roughly 10 million new jobs will need to be created over the twenty year period from 1980 to the year 2000, if new entrants into the job market are to be accommodated and unemployment is to be eliminated. This will mean the creation of 292 000 jobs in 1980, rising every year to 392 000 in 1990 and reaching 532 500 in the year 2000. Over the period 1970—1980 in the modern sector of the South African economy, excluding agriculture and domestic service, roughly 172 000 jobs were created every year, just over half the quantity required.

The period from 1970 to 1980 was, on the whole, a period of economic prosperity in South Africa. If the economy faces growing unemployment levels in such times, it is very obvious that we will need to rethink our approach to employment creation in this country, if we are to have any hope whatsoever of reaching the levels of employment creation that are required to prevent unemployment from rising.

The continued survival of capitalism may well depend on its ability to solve this problem, as growing unemployment means increasing poverty with all its potential for social and political upheaval. Therefore, it is crucial that South African capital resources are used to create as many jobs as is possible. To do this adequately it may mean that the present economic philosophy regarding expansion may have to be changed from its current emphasis on short term profitability and easy implementation, to one that places greater importance on long terms profitability and the improvement of social conditions in South Africa.

APPROACHES TO POLICY MAKING: THE SOUTH AFRICAN CASE

South African policy makers generally agree that the first essential for job creation here is undoubtedly the generation of sustained economic growth. However, whilst growth will remain a crucial element in any policy package aimed at seeking a long term solution to the unemployment problem, it is also extremely important that attention is given to measures that are specifically aimed at creating more jobs for a given level or rate of capital accumulation, as well as to those designed to reduce the present level of dislocation between the distribution of people and of economic

capacity.

The experience of all developing countries over the past two decades has been that of living with growing numbers of people who are unemployed and/or living in poverty. This has led to a number of conclusions being drawn, most importantly that:

- the problems of unemployment and poverty will not easily be solved;
- both problems are multi-dimensional and consequently any moves towards a solution will also have to be multi-dimensional;
- sound economic policies fail, in many instances, because they are defeated by the actions of stronger interest groups who have other goals;
- it is difficult to identify precisely where and in what form opposition to policies will surface, ahead of the actual implementation of the policies themselves.

The overall results of these conclusions are reflected in the development of the wide ranging policy packages. The feeling is, that to have any chance of achieving success in this field, one literally has to try everything. That is not, however, to say that one should throw valuable investment funds needlessly to the winds. Many of the policies proposed involve no funds and with respect to those that do need funding, some of the experience gained over the past twenty years certainly does offer some guidance in respect of some of the more profitable directions that could be followed.

THE LESSONS LEARNED

Probably the most important, albeit somewhat disheartening, lessons that have been learned by development planners from the experiences with policies for poverty alleviation and employment creation, are that:

- job creation per se is no guarantee of the alleviation of poverty, as in many cases development programmes have been accompanied by large increases in the numbers of the working poor;
- whilst economic growth is a prerequisite for significant levels of job creation, it does not of itself necessarily result in the creation of additional jobs;
- better results have been achieved with policies designed to remove the factors constraining job creation, than with those aimed at the introduction of entirely new development programmes;
- if job creation is to be accompanied by a reduction in poverty, the development efforts must be specifically directed towards the creation of jobs that can in fact be filled by people from the poorest strata of the community, but which will at the same time, pay a wage sufficient to provide for their basic needs.

Ideally, job creation packages should be designed to maximise the number of jobs created for a given level of capital injection, subject to the condition that the jobs can be made available to and filled by the people who need them.

In order to operationalise this, one first has to be able to identify the areas and groups who are in need and, secondly, to know them well enough to be able to implement a specially tailored job creation package designed to meet their needs. This implies as a pre-condition, the existence of a considerable body of knowledge concerned with the nature, extent and profile of the poverty in the area concerned.

POVERTY AND EMPLOYMENT CREATION IN SOUTH AFRICA

Although several small studies have thrown light on the characteristics and needs of poor families in certain areas, no full scale poverty survey has as yet been undertaken in South Africa. One study that attempted to overcome the data deficiency by making use of both the data drawn from the existing income and expenditure surveys, and that relating to the spatial distribution of output and population in South Africa, produced the following somewhat primitive profile of poverty.

- The overall incidence of poverty measured in terms of the accepted international standards is high and is largely concentrated amongst the African population group.
- The majority of those are poor and live in the rural areas, the bulk of whom in fact live in the national states.
- A high proportion of the poor are not economically active and comprise children and the aged.
- The poor who are economically active, are either unemployed or are working in low productivity agriculture or in service.
- African women (including female children) dominate the poverty group. Although the migrant labour system and the manner of its operation explains a large part of this

The problems of unemployment and poverty will not easily be solved

Job creation per se is no guarantee of the alleviation of poverty

Economic growth does not necessarily result in the creation of additional jobs

Job creation strategies need considerable knowledge of the nature, extent and profile of poverty

No full scale poverty survey has yet been undertaken in South Africa

African women dominate the poverty group, even in the urban areas

Poverty in South Africa springs from three main sources: rural under-development, influx control legislation and racial and sexual discrimination

Political reform will remain a prerequisite for the final elimination of poverty in South Africa

A major problem over the next decade will be unemployment amongst the black youth group, particularly amongst the better educated

While public sector action should lead in policy implementation, the ultimate objective is the changing of private sector behaviour patterns

dominance of women, it cannot explain it entirely, since even in the urban areas women appear to be disadvantaged in the labour market and to have a higher probability of living in poverty.

- The evidence suggests that in the urban areas, poverty is strongly related to low educational levels and unemployment.

In terms of this albeit somewhat limited evidence, it would seem that job creation packages, if they are to be specifically designed to combat poverty in South Africa, should be predominantly aimed at both the implementation of rural development programmes in the national states and the provision of jobs in the urban areas that can be filled by people with low educational levels.

However, on the wider front, it must be clearly realised that poverty, particularly amongst Africans, has a political as well as an economic dimension in South Africa and springs from three main sources: firstly, relative underdevelopment of the areas in which the major proportion of the Africans live; secondly, the institutional controls over the movement of Africans between regions which have led to the growth of the migrant labour system, and have severely restricted the rights of Africans who are not migrant workers to leave these underdeveloped areas; whilst the third source of poverty is discrimination. Racial discrimination in the past has affected the economic position of all South Africa's black population groups. In particular, however, it has limited the access of Africans to education and training and has confined them to the lower rungs of the job ladder. African women are particularly hard hit, as it is not only difficult for them to obtain access to the urban areas, but also once they are in these areas, they find themselves 'crowded' into the low productivity jobs.

It is inevitable that genuine political reform will remain a prerequisite for the final elimination of poverty in South Africa. In the absence of such reform, measures such as those discussed here can ameliorate the worst aspects of poverty but cannot be expected to provide an adequate solution.

Whilst the immediate need for jobs in South Africa is evidenced amongst the poor and less educated sections of the community, another problem is also emerging in this area, and seems set to get significantly worse over the next decade — unemployment amongst the youth group, particularly amongst the better educated African youth.

The causes of unemployment amongst the educated youth are threefold:

- firstly, a failure in the growth of the supply of suitable jobs;
- secondly, a growth in work related aspirations that accompany increasing education levels, which is in fact unrealistic from the practical viewpoint; and
- thirdly, the persistence of barriers to black advancement flowing from racial discrimination.

A STRATEGY TO MAXIMISE EMPLOYMENT

When one talks of policy implementation, one is essentially concerned with public sector action, notwithstanding the fact that in many cases, the ultimate objective of such policies is the amendment of private sector behaviour patterns. In this respect, however, it is important to remember that the public sector is not an undifferentiated mass, but instead comprises different levels of government, different institutions and different activities. Consequently, a vital ingredient for the successful implementation of any given government objective is its whole-hearted adoption by all facets of the government sector.

From the employment creation viewpoint, what is needed is an acceptable set of criteria for action, which if followed by all levels of government — from policy maker to action implementer — will result in a set of public sector actions that will in fact increase the level of employment. There are a number of generalisations that relate to job creation, which could in fact form the basis for such a 'strategy for action', namely that for a given level of capital injection, the rate of employment creation will be higher:

- the lower the relative price of labour vis-a-vis capital, since profit maximising firms will always tend to substitute the cheaper factor of production for the more expensive, providing they are equally efficient;
- the greater the degree of competition in the industry. It is a well known but not yet admitted fact that a monopolised industry produces a lower total output at a higher average price to the consumer than does a similar but more competitive industry;
- the smaller the firm. Small firms in general use less capital per employed worker than large firms in the same industry. This is because both the extent of their access to funds and the size of the market for their product, limit the range of production

techniques that are economically efficient for them. As a result, their size forces them to use production methods that emphasise the use of men rather than machines. Table 1 shows how significant the difference is between the cost of a job in a large firm and that in the smaller firm.

- the more labour intensive the technology used;
- if it increases the incomes of the poorer groups, as this will increase the second round demand for products that are produced more labour intensively;
- if it generates further economic growth, either through the second round income effects or because it releases other existing constraints on growth;
- if the investment is located in an area where unemployment is high.

Table 1 **VALUE OF MACHINERY AND EQUIPMENT PER MAN IN SOUTH AFRICAN MANUFACTURING IN 1976**

Capital Size	Equivalent Cost per Job (Rands)	Ratio of Class to Next Class
R4 000 — R10 000	300	—
R10 001 — R100 000	1 575	1 : 5,25
R100 001 — R1 million	2 127	1 : 1,35
R1 million — R4 million	7 755	1 : 3,65
Over R4 million	14 656	1 : 1,89

THE WHITE PAPER ON EMPLOYMENT CREATION

It is within this framework that one must welcome the recent release of the government white paper on employment creation. Although it is couched in fairly general terms, the white paper is important because not only does it specifically recognise for the first time the urgent need for a comprehensive strategy to create employment, but it also accepts that:

- it will be done within the overall framework of a private enterprise economy;
- the strategy must encompass the independent and selfgoverning national states;
- the public sector must play a major role both as a large scale employer and as the policy implementing arm of the state.

The white paper also discusses the problem of price distortions in the economy and comments: "in line with its confidence in private initiative and effective competition, market forces should as far as possible be given free play in the determination of prices" . . . "the government affirms its intention to continue the elimination of measures which directly or indirectly distort the relative prices of production factors".

One can only hope that this is a genuine intention. Amongst the present factors artificially increasing the cost of labour and so reducing employment creation are the influx control laws, the Group Areas Act, the Separate Amenities Act, the Apprenticeship laws, the inadequate black education system, and the unnecessarily stringent controls on small business — to name just a few. A genuine government commitment to the views expressed in the white paper on employment creation can only result in a totally new (and improved) South Africa.

One must take the white paper at face value because if the government commitment to employment creation is not wholehearted, the future outlook for social stability is not good.

There is a great deal of evidence of growing unemployment and increasing poverty. Unemployment and poverty do not simply co-exist, they are related to one another and both can be seen by those who are affected by them, to be associated with (indeed, if not to be the direct result of) white domination and the capitalist system.

As the degree of desperation amongst those who are at present effectively excluded from both the political and the economic systems increases, these links will become even clearer. Further, the rising levels of education of the unemployed will enable them to evaluate and articulate their situation more clearly. The inevitable result can already be seen — increased alienation and rising anger, spilling over into growing social and political unrest. If the situation is not to deteriorate further, substantial action is needed on the employment creation front now. *UPWA*

The rate of employment creation will be positively influenced by a lower relative labour price, a greater degree of competition, the smaller size of firms and an increase in the labour intensiveness of technology

The rate of employment creation will also be higher if it increases the incomes of poorer groups, generates further growth, and if investment is located in areas of high unemployment

Amongst the factors reducing employment creation are: the Influx Control laws; the Group Areas Act; the Separate Amenities Act; the Apprenticeship laws; inadequate black education; and stringent controls on small businesses

If social and political unrest is to be avoided, substantial action of the employment creation front is needed now

DIAGNOSIS

MERLE HOLDEN
and MIKE
McGRATH of the
Department of
Economics,
University of
Natal, Durban,
analyse current
trends in the
economy.

The major factor contributing to last year's decline in Real Gross Domestic Product was the decline in agricultural output

A further indication of the severity of the recession is the expected 8,7 percent decrease in Gross Domestic Fixed Investment

The cost of reducing last year's inflation rate is reflected in a decline in Real Gross Domestic Product and a rise in the unemployment rate

ECONOMIC OUTLOOK

Retrospect

The economic forecasts made for the year 1983 were generally pessimistic. Sanlam, for example, expressed the view that "... the present downswing phase of the South African economy bottomed out late in 1983. However, no material improvement in business conditions is expected before the middle of 1984. We estimate that the real Gross Domestic Product will show a small negative growth in 1983."¹

The Standard Bank Review was also pessimistic predicting that "a general revival of business activity is unlikely to materialize this year."² Most of the economic commentators expressed sentiments which were similar.

In the main, these gloomy forecasts were vindicated as the recession continued on its course during 1983. Real Gross Domestic Product, which is a measure of the physical production of the economy, declined by 4,5 percent over the first three-quarters of 1983, and the Reserve Bank expects a decline of the order of 3 percent for the whole year. The major factor contributing to this decrease was the decline in agricultural output which fell to its lowest level in 15 years. However, the mining, manufacturing, construction and service sectors showed moderate increases in output.

In the third quarter of 1983 Gross Domestic Expenditure, which represents the level of demand for goods and services, increased after a year long decline. For the year as a whole the Reserve Bank expects an overall decline in the region of 5,4 percent. It is interesting to note that expenditure on durable goods has not declined to the degree which would have been expected at this stage of the business cycle. This has led the Reserve Bank to comment: "An implication is that customary replacement demand may be of somewhat smaller dimensions during the next upward phase of the business cycle."³

A further indication of the severity of the recession is the 9 percent decrease in Gross Domestic Fixed Investment during the first three quarters of 1983, although an 8,7 percent decrease is expected for 1983 as a whole.

Interest rates rose throughout the year finishing with a prime rate of 19 percent. With an actual inflation rate of 12,4 percent, and an anticipated inflation rate of 10 percent, real rates of interest greater than 8 percent are implied, and this has substantially increased the cost of borrowing.

The trend in employment reflected the level of economic activity. Total non-agricultural employment which had declined in the first quarter of 1983 increased marginally in the second quarter. Employment for the first 6 months of 1983 was 1,9 percent lower than in the corresponding period in 1982. In manufacturing there was an increase in overtime hours worked, signifying a greater utilisation of a smaller work force. During the third quarter of 1983 there was an increase in capacity utilisation to 85 percent, which is a relatively high level considering the recession, and is indicative of the gradual reduction in the level of the capital stock which has taken place since the downturn commenced in 1981.

Black unemployment outside of the agricultural sector, as measured by the conservative Current Population Survey, increased from 8,2 to 8,4 percent during the first six months of 1983, thereafter declining to 8,1 percent in September. The increase in real average remuneration per worker slowed from 3,5 percent in 1982 to 1,2 percent for the first half of 1983. During 1983 labour productivity increased, and the rate of increase of unit labour costs of production was also reduced.

At the beginning of 1983 the inflation rate was in excess of 14 percent, and during the year this rate moderated to an average of 12,4 percent for the whole year. The Reserve Bank attributes the slowing down in the rate of inflation to "a reduced rate of increase of monetary demand during the preceding year or more, which, in turn, represented the net result of natural recessionary forces and monetary and fiscal adjustment policies."⁴ The costs of reducing the inflation rate by 2 percentage points is reflected in the 3 percentage point decline in Real Gross Domestic Product, and the concomitant rise in the unemployment rate. The burdens of rising unemployment in South Africa have increasingly been shifted onto rural areas in the black states, and this will weigh especially heavily at this time since these are the areas which have suffered most severely from the ravages of the recent drought and floods.

Despite the reduction in the rate of inflation the growth of the money supply was still considered to be undesirably high. The broadly defined money supply, M2, was 23 percent higher in September measured over a twelve month period compared with approximately 11 percent for the United States over the same period.

The Balance of Payments registered a surplus over the first nine months of the year, and it is anticipated that this will also be the case for the entire year. Merchandise exports for the first three quarters remained at levels comparable to those of a year ago, and this sluggish demand can be attributed to the delayed recovery in world markets and the effects of the drought on exports of food and other related agricultural goods. The price of gold declined from \$481 per ounce in January to \$376 per ounce in December, while the Rand depreciated from \$0.93 to \$0.82, thereby tempering the decline in the Rand price of gold which fell from R517 to R458 per ounce. The surplus on the Balance of Payments has fallen over the year partly as a result of the lower gold price, and in part from the outflow of capital when exchange control was lifted on non-residents in February 1983. Nevertheless over the first three quarters of the year Gross Gold and other foreign reserves increased by R261 million. During the year the Reserve Bank decided to allow a considerable freeing of the Rand exchange market, with a resulting increase in the volatility of the Rand and an inexorable depreciation of the Rand. This has raised fears among some economists as to the effect on domestic inflation fuelled by the resulting rise in the Rand prices of tradeables in South Africa.

In all, 1983 was a year of severe recession for the South African economy. Economic activity shrank in many sectors and unemployment rose, although the rate of price increase was reduced albeit not as drastically as policy makers would have preferred.

Prospect

The questions which are now at the forefront of economic analysts' minds is whether the South African economy is indeed ready for the long awaited upturn in economic activity and whether policy makers will still be preoccupied with the overriding problem of an inflation rate which they see as unacceptably high.

Already in 1984 we have seen a 16 percent increase in the general sales tax (from 6 to 7 percent), and large increases in the administered prices of bread, sugar and transportation, all of which do not augur well for the inflation rate in the face of a rising money supply. Certainly increases in the prices of necessities will add further to the economic hardships which this recession has brought to South Africa's numerous poor people.

Uncertainty as to the stance of both monetary and fiscal policy, coupled with a volatile gold price makes forecasting difficult at this time. Nevertheless many of the bold have cast their bones to the following effect.

ECONOMIC FORECASTS FOR 1984

	Minister of Finance	Sanlam	Barclays	Nedbank
Real GDP	+3%	Increase	+2.8%	Increase
Inflation		10%	9%	<10%
Gold Price	\$380-\$424	\$420	\$427	
Interest Rate (Prime Rate)		15%	14%	Decrease
Exchange Rate			\$,90=R1	
Exports: Volume	+3%		+9.5%	
Value	+12%		+5.1%	

In general all these forecasters look to the beginning of a recovery in the South African economy in 1984. In most cases the recovery is predicted to begin in the second half of the year. The factors which will influence the speed and timing of the recovery can be found in the equation for aggregate expenditure in the economy, viz consumption and investment expenditures, government expenditure and taxation, and the foreign trade position.

The impetus to the recovery is seen by the forecasters to lie in the growth of merchandise exports which in turn relies on growth internationally and the exchange rate. Forecasters are now more optimistic than they were in 1983 and expect growth in industrial countries in 1984 to exceed that of 1983. The Bank of England now predicts a 3 percent growth in Gross National Product for seven major industrialised countries as compared to an earlier estimate of 2,5 percent, while the OECD expects growth among its members to increase by 3,5 percent in 1984. South Africa's merchandise exports have already picked up, but given the lags it is expected that the major impact on growth will only be felt in the latter part of this year.

Despite the reduction in the inflation rate, the growth of the money supply was still considered to be undesirably high

The decline in the gold price and the depreciation of the Rand tempered the decline in the Rand price of gold

The recent increase in GST and bread, sugar and transportation prices does not augur well for the inflation rate in the face of a rising money supply

The impetus to the recovery is seen to lie in the growth of merchandise exports, which in turn relies on growth internationally and the exchange rate

High interest rate levels in the US and the probable continued strength of the dollar make a radical change in the gold price unlikely

Minister of Finance, Owen Horwood has stated that his 1984/85 budget will not attempt to speed up recovery by deliberately stimulating the economy.

To reduce inflation, the economy will have to be reconciled to the present high levels of unemployment among blacks, until an export led recovery takes place

The move to a more flexible exchange rate may bring South Africa's economy closer to maximizing its social welfare

The prognosis for the external value of the Rand rests to a large degree on the price of gold. Again most forecasters do not foresee any radical change in the price, given the high level of interest rates in the United States and the probable continued strength of the dollar. However there are some aspects which will help to maintain the value of the Rand in the face of a strong Dollar. The relaxation of exchange control in 1983, combined with the reduction in agricultural exports as a result of the drought had a depressing effect on the value of the Rand. Furthermore, the authorities have indicated that as they view the Rand to be undervalued, support for the currency may be forthcoming. In any case the value of the Rand should not act as a deterrent to exporters.

Given the relative stability of real durable consumption expenditure during the recession it is not anticipated that the usual replacement demand in the forthcoming upswing will be a traditional force for growth. However, higher than customary levels of capacity utilisation in manufacturing during the recession implies that replacement demand for capital equipment will be higher than we could normally expect. Furthermore, given the predicted decline in interest rates over the year fixed investment expenditure should be more buoyant than predicted by most forecasters.

The forthcoming budget is very unlikely to contribute directly to any recovery. *The Natal Mercury* reports that when Minister of Finance Owen Horwood was asked to comment on his forthcoming budget he ruled out any attempt to speed up recovery by deliberately stimulating the economy.⁵

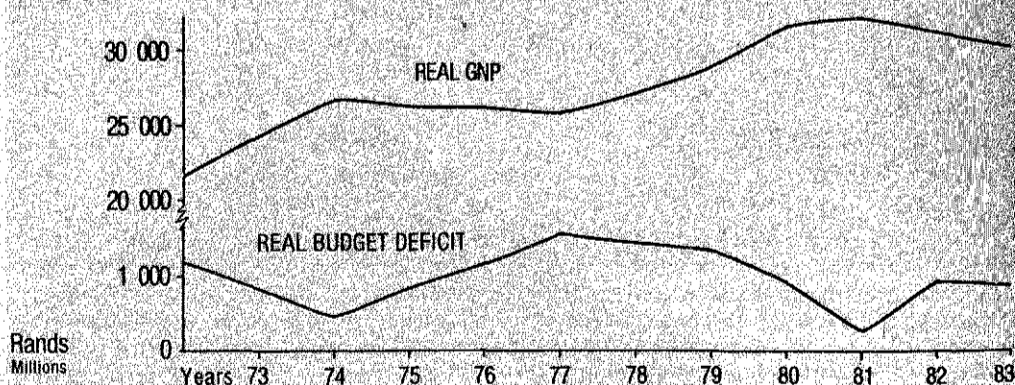
Prescription

Policy makers (and the economic commentators who echo their sentiments) have identified the rate of inflation as the major problem facing the economy. Their prescription requires restrictive monetary and fiscal policies to reduce both inflation and inflationary expectations. In terms of this scenario this will mean reconciling the economy to the present high levels of unemployment among blacks until an export led recovery takes place.

A recent study sponsored by the British ODI has shown how hard it is for developing countries to reduce inflation in the short-run, especially when the state has to raise administered prices and cut subsidies to reduce the budget deficit. Certainly South Africa is not a developing country, but our experience has not been dissimilar. The small reduction which has been achieved in the inflation rate has been at a high cost in terms of unemployment and idle capacity, and may be shortlived, for UCT's predictions are that this economy's inflation rate has once more started to increase.⁶

Under these circumstances we must question the wisdom of overly cautious monetary and fiscal policies. During the period 1972 to 1981 the level of the real budget deficit (which is shown in the figure below) moved in a counter-cyclical fashion, helping to stabilise the economy. Since then the real deficit has moved pro-cyclically, thereby amplifying the fluctuations in the real Gross National Product.

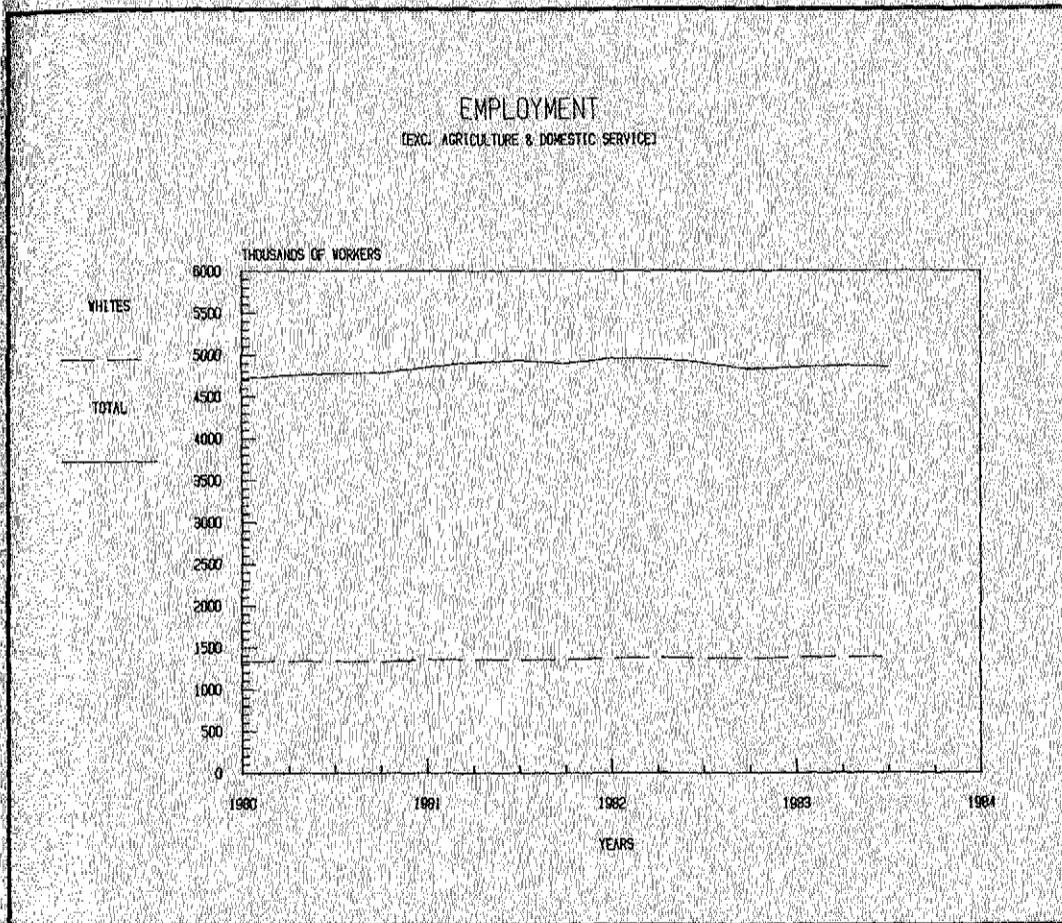
GROSS NATIONAL PRODUCT AND THE BUDGET DEFICIT 1972-1983



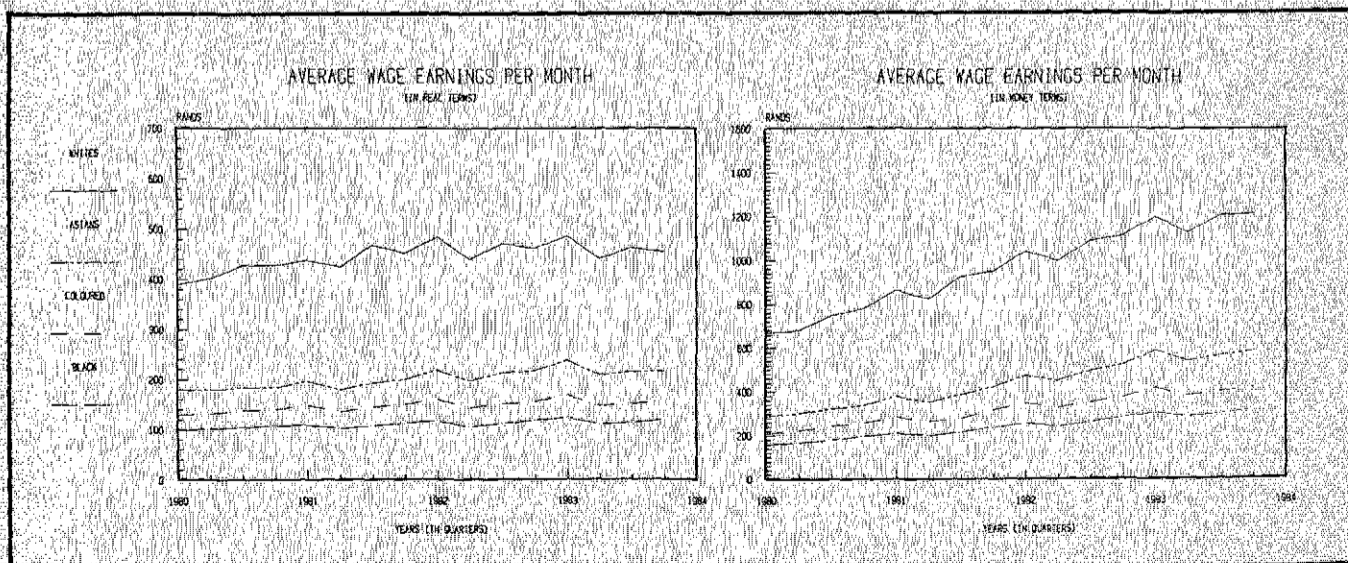
Until recently the foreign exchange reserves have been a major constraint on the freedom of the state to stimulate the economy. However, the move to a more flexible exchange rate removes a major part of this constraint, and enables South Africa to choose an inflation and unemployment rate which may bring the economy closer to maximizing its social welfare. (PJA)

FOOTNOTES
 1 *Sanlam Economic Survey* November 1982 p5
 2 *Standard Bank Review* January 1983 p1
 3 *South African Reserve Bank Quarterly Bulletin* December 1983 p7
 4 *Ibid* p10
 5 *The Natal Mercury* 9 February 1984 p14
 6 Model of the Department of Economics, University of Cape Town.

		S	E	L	E	C	T	E	D		
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There has been no growth over the past year in employment or real wage rates

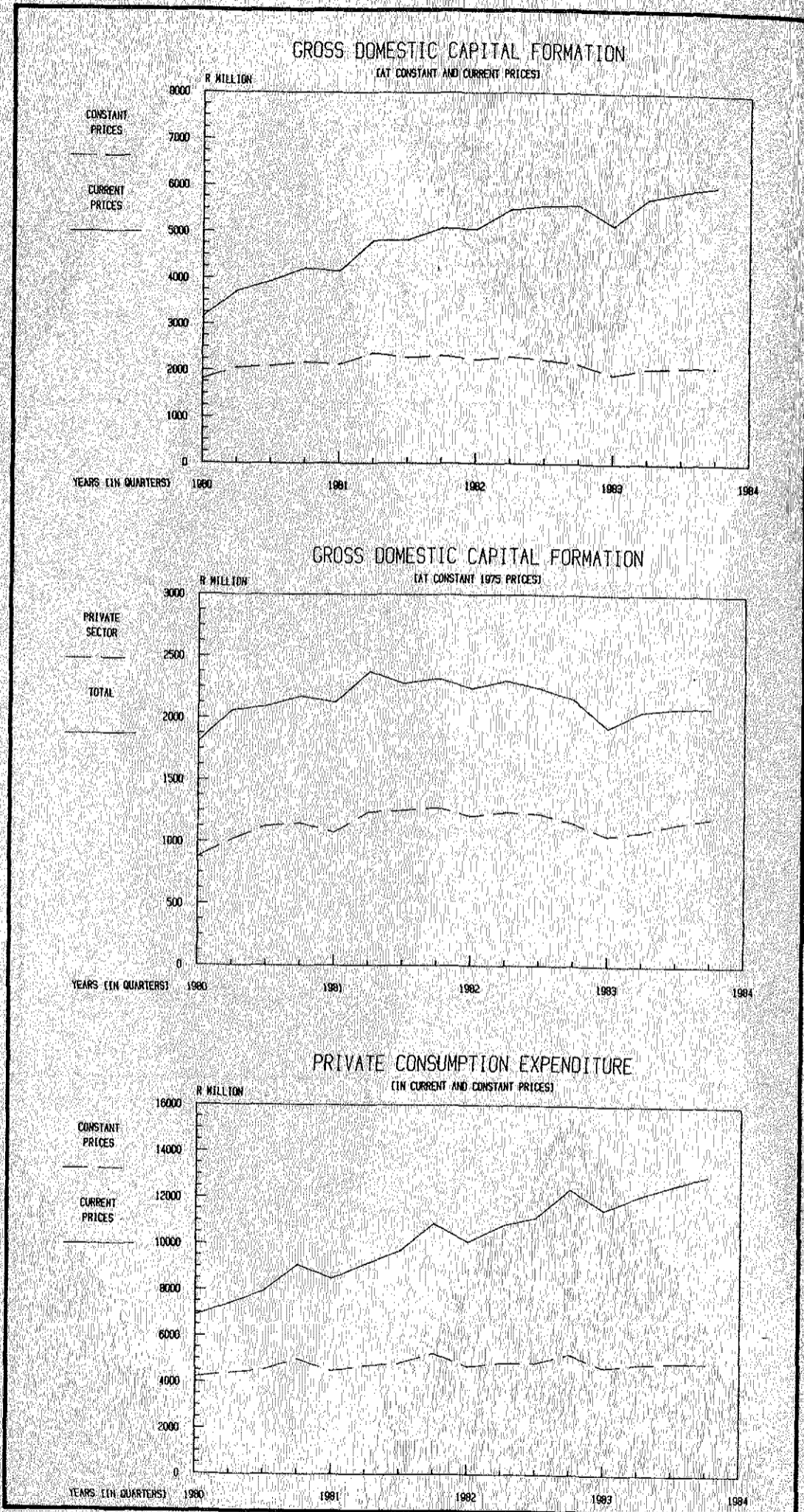


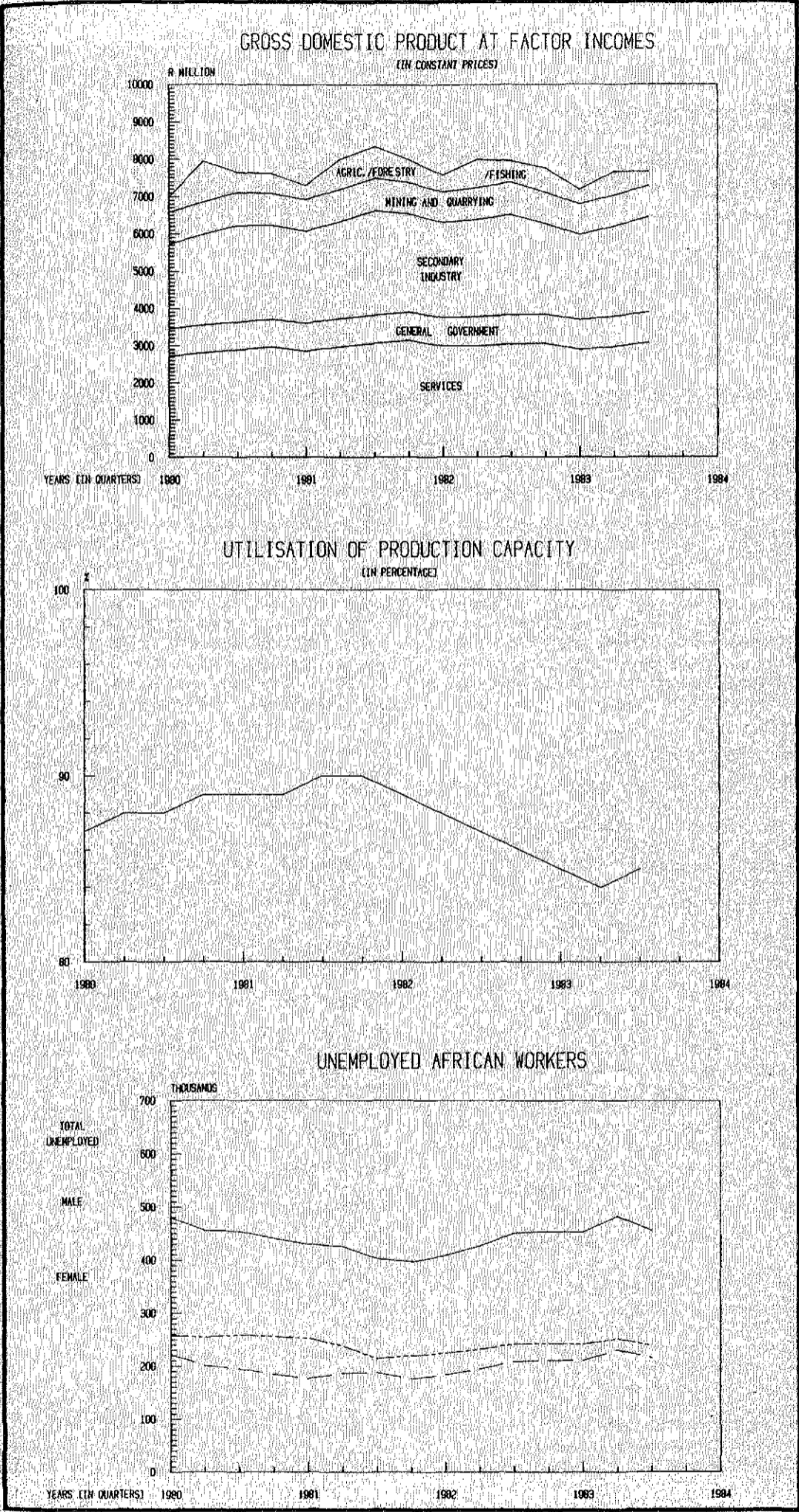
ECONOMIC TRENDS

Capital formation remains at a low level in real terms

The only growth in capital formation in the last 12 months has come from the public sector

Private consumption in real terms remains at a low but constant level





GDP in real terms has fallen due to the impact of the 1983 drought

Manufacturing capacity utilisation is slowly increasing but is still low overall

The decrease in African unemployment possibly reflects the impact of the definition of unemployment used in the Current Population Survey, since it is not matched by an increase in employment

SOUTH AFRICA'S ECONOMY :

Can Free Enterprise Work?

By PROFESSOR G J TROTTER, Head of the Department of Economics at the University of Natal.

How free is the free enterprise system in South Africa? The question has often been asked, and the answers given have often conflicted. Professor Trotter weighs up the evidence for and against, and surveys the options open to South Africa.

PERSPECTIVES

The pure market and planned economy models are polar extremes of limited use, which in various combinations produce the more pervasive mixed economy system.

Government intervention in a mixed economy characteristic of most Western polities ranges from peripheral to extensive involvement.

South Africa is somewhere on the free market side of the continuum, with a tradition of considerable government involvement in the economy.

14 Economic Monitor

When considering the diverse economic systems found in the world today, it is convenient to identify two polar extremes: the pure market economy, and the command economy. These are best perceived as theoretical limiting cases at the ends of a continuum, and various combinations of these two extremes give rise to the far more common and pervasive system known as the mixed economic system.

The Free Enterprise System

The pure market economy, often referred to as a "free enterprise" system or less accurately, as a "capitalist economy", is characterised by the freedom of individuals to express their preferences through the "impersonal forces of the market". Choice in both consumption and production is made on the basis of market prices, which respond to the forces of supply and demand.

Individuals are assumed to act rationally, which means that consumers maximise their satisfaction, while producers maximise their profits. The consumer is in fact sovereign in this system and producers, motivated by profit, respond to consumers' demands. Resources are used to produce the correct quantities of the correct things in the correct way, and these items are distributed to the correct groups at the correct time. As Adam Smith was at pains to point out, all this would happen best with minimal government interference.

The Planned Economic System

The pure command economy, or planned economic system, is characteristic of Eastern block countries and certain newly developing countries which have followed this pattern. Here, consumers' sovereignty gives way to the collective preferences of a planning authority. Central government, or some centralised agency thereof, takes decisions on the disposition of resources, the production of goods and the distribution of incomes. These decisions are transmitted to state-owned enterprises which then carry out the plans.

Strictly speaking, the term "mixed economic system" refers to any system which is neither a pure market nor a pure command system. This would include near-command economies which incorporate some of the features of the market economic system within a planned economy; the best known of these systems is Oskar Lange's "market socialism", a modification of which is being used, for example, in Yugoslavia.

But it has become a matter of convention to use the term "mixed economic system" to describe most Western economies which are based on a market system and incorporate government intervention in varying amounts. This can range from a nominal amount of government regulation (such as in the USA), through a fair amount of control and some peripheral government participation (South Africa, Canada, Australia) all the way to considerable interference in the form, perhaps, of extensive nationalisation (Austria, India, Brazil).

Where does South Africa fit in?

We notice, then, that South Africa is somewhere on the "free market" side of the continuum, but it is certainly characterised by government "interventions" of various sorts. Several interesting questions arise at this point. How free is the free enterprise system in South Africa today? What are the sorts of governmental interventions which we are experiencing, and what are the reasons for them? Are they on balance of benefit to the economy or not? Should we try to move in the direction of greater freedom, or should there be progressively more intervention? Or should we strive for a completely different system altogether, as neo-Marxists would advocate?

Government in Business

Related to these questions is a fascinating one posed some years ago by Norman Macrae, then deputy-editor of *The Economist*, in a survey entitled, "The State in the Market": to what extent are we witnessing "overgovernment" in the Western world today? There are two aspects of this issue:

the first is "the business of government", while the second is the less direct but in many respects more worrying intrusion of government into business.

Dealing with the second aspect, *The Economist* started its survey with the words, "All Governments, overtly or covertly, directly or at arm's length, are in business. Inflation and recession are enticing some farther in." Do these words sound ominously appropriate to us? The survey brought to light such fascinating facts as the following:

- More of democratic *Austria's* workers are employed by the state than in some of its communist neighbours.
- *Belgium* has created a separate state-controlled company for providing employment to "lame ducks".
- At the end of 1977 the *West German* government had a direct stake in 91 public or private corporations, excluding the railways and post office. If we include companies in which Bonn has an indirect stake, generally of at least 25 percent, the number rises tenfold — to 915.
- In *Italy*, Iri (the Istituto per la Ricostruzione Industriale) is Europe's largest industrial employer. Its 525 000 employees represent one quarter of total industrial employment; it has been responsible for nearly half of fixed investment in recent years. And its manufacturing activities lost \$900 million in 1977.
- In that bastion of free enterprise, the USA, Consolidated Rail Corporation was established by the Federal government in 1976 to acquire six bankrupt railway companies. Of course it is not acknowledged to be a nationalised company; but it owes the government \$3.3 billion, and with continued losses (over \$325 million in the first nine months of 1978) there seems little likelihood of paying this back.
- It is interesting to note that, although nationalisation is a distinctly un-American activity, Washington uses regulation for purposes closely akin to nationalisation in many respects. As *The Economist* put it, "At the last unofficial count 63 000 people in 33 agencies and 230 bureaux were regulating everything from purity standards for peanut butter to the disposal of hazardous uranium wastes". It is claimed by some that government regulation adds three quarters of a percentage point to the cost of living, and subtracts one percentage point from the growth in GNP each year.

These are merely a few illustrations of the role government is playing in some Western economies. In some of the most successful postwar economies such as Japan and Korea, governments have actually turned entrepreneur to start up new industries or to restructure old ones. But there is little doubt that in many cases, the usual objectives of state involvement could be equally or even more successfully met by subjecting private enterprise to a mixture of taxation, subsidy and licensing.

An interesting further indicator of the

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significance of government economic activity is, of course, the proportion of the labour force employed in the public sector. Given variations in the definition of this sector, official statistics can only provide a rough guide.

The Economist provided a table of percentages for thirteen Western countries with Austria at the top of the list: one-third of her labour force is employed in the public sector. The lowest is Ireland, at less than 13 percent. Of South Africa's total labour force, about one-quarter is employed in the public sector. Apart from Austria, the only countries in the list with higher percentages were Britain (29 percent) and Sweden (30 percent). For South African whites alone, by the way, the percentage is about 30. In the case of the USA, the figure today is 19 percent — nearly double the percentage in 1940.

The Business of Government

It is clear that South Africa, like many Western countries, has a tradition of government involvement in the economy which shows no signs of declining. Nor is it likely to decline, for government today is big business, and there are compelling, even if not entirely logical reasons for it to protect its own position.

Quite apart from the merits and demerits of government being in business, the business of government *per se* has flourished in the Western world and in most developing countries as well. The greater the effort we make to understand why governments relish and occasionally abuse their powers, the more we shall be prepared to face up to the changes in the forms of government which are almost certain to take place — particularly in South Africa.

Colour and Consumer Freedom

It is to be hoped that these changes will be accompanied by an increase in consumers' freedom. True consumers' freedom can mean only one thing: the removal of all discrimination based on colour. By all means have differentiated services, as exist for example on British Rail; if I wanted a compartment to be shared with only five others, instead of battling for a seat in a coach, I could pay extra; or if I wanted somewhat cleaner toilet facilities on Victoria Station, I could choose to pay tenpence to go to the Superloo instead of going into the "free" rest room.

Education and the Free Market System

An interesting question in relation to the free market option is the treatment of education in a free market system. In advocating the principle of "laissez faire", Adam Smith specifically stated that the role of the government should be limited to the maintenance of internal law and order; the protection of the realm against external enemies; and the provision of education which free enterprise would be unwilling, he claimed, to provide in appropriate quantities.

The state and the market has two aspects: the traditional business of government as guardian of law and order and modern government in business. Its intrusion into the economy.

Today, government is big business as a result of massive public sector employment, investment, nationalisation and regulation of industry to protect the consumer and his environment.

One-quarter of South Africa's total labour force is employed in the public sector. For whites alone the proportion rises to 30 percent.

Adam Smith specifically stated that the role of the government should be limited to the maintenance of internal law and order; the protection of the realm against external enemies; and the provision of education which free enterprise would be unwilling, he claimed, to provide in appropriate quantities.

Two variables—the levels of political and economic concentration of power—determine the real options for alternative systems in South Africa.

The present distribution of economic power in South Africa limits socialist options to those of state capitalism or social democracy.

The time horizon implicit in the free market option and its limited ability to redistribute wealth, makes it a political non-starter.

Between the extremes of free market democracy and ideal socialism lies a third option—the path of reform capitalism—with its appealing features of low cost and practicability.

By E. M. M. M. M.

Some contemporary hard-line “free marketeers” go further than Smith, and argue that the provision of education should be left to the market. (The author’s presidential address to the Economic Society of South Africa in 1976 was sharply criticised in certain quarters for providing an economic rationale for the planning of education!)

It is most important to distinguish between government *provision* of education, and government *production*. Even if it is established that education must be provided by the government, this simply means that the state must divert resources to education, which could be done by allowing schooling to be privately supplied, and then subsidising the pupils and their families.

At least one advantage of this would be the extension of consumers’ freedom, which would work to the advantage of society, provided a satisfactory voucher system could be devised, and provided of course that schools did not remain segregated on the basis of colour. It is a matter of great regret that some of the most important recommendations of the de Lange Committee Report² are not going to be implemented.

South Africa: How Free is Free Enterprise?

There are many people who would like us to believe that South Africa is a totally free enterprise country, but this is simply not true. In an address entitled, “How free is the free enterprise system in South Africa today?” Michael O’Dowd suggested that it was technically practicable, but politically difficult, to move to a free market, and he cited the cases of West Germany in 1948, Chile in 1976, Taiwan and South Korea. He concluded his address with these words: “The question of hardship should obviously not be ignored but we cannot afford to adopt the principle which is implicit in the stand which interventionists take that while property is not sacrosanct, vested interests rooted in existing interventions are”³.

South Africa: The Options

What is the range of options open for South Africa, as far as alternative systems are concerned? One cannot address this question without taking into account the close linkages between economic and political sources of power. An excellent analysis of this entire issue may be found in the final chapter of Jill Nattrass’s book, *The South African Economy – Its Growth and Change*.

In an ingenious schematic representation, she displays “Alternative political and economic power configurations” in terms of two variables: the level of economic concentration, and the level of political concentration. Thus she shows, for example, that there is a fine line of distinction between monopoly capitalism and state capitalism. Both exhibit an economic concentration level of almost 100 percent, with virtually no

individual political freedom, the only difference being that monopoly capitalism tends towards individualism, while state capitalism tends towards communalism. Following on this, she spells out three possible alternatives for South Africa: the socialist (or revisionist) option; the free market option; and the reform option (usually allied to a system of social democracy).

The Socialist Option

As far as the socialist option is concerned, she discusses the immense costs of dismantling existing economic structures, and concludes, “The present distribution of economic power in South Africa may in fact rule out any possibility of the establishment of a true ‘peoples’ republic’ and limit the range of options available to a socialist group coming to power to those of State capitalism on the one hand, and social democracy, or reform capitalism, on the other”⁴.

The Free Market Option

Nattrass sees the free market option as extremely problematic: for one thing, she does not accept the view that the opening up of economic opportunities for all would successfully redistribute incomes or wealth. “Unfortunately,” she says, “without some redistribution, a call for the opening of opportunities becomes merely rhetorical”⁵. Moreover, she points out that the time horizon implicit in this option makes it a political non-starter.

The Reform Option

The third option discussed by Nattrass is the path of reform capitalism. As she puts it, “Reformists seek to minimise the costs that are involved in any needed social transformation, but at the same time to achieve meaningful levels of real social change. Reform solutions start from the existing social, economic and political structures and seek to produce improvements through compromise”⁶. This may be a difficult set of measures to “sell” to the body politic, partly because reforms tend to be recommended by the elites of the debating groups. But the two appealing features of reform capitalism are its comparatively low cost; and its practicability. While I am intrigued by the possibility of allowing greater freedom in the economy, and am impressed by O’Dowd’s analysis of the free enterprise scenario, I nevertheless agree on balance with Jill Nattrass that the extreme of “free market democracy” is as unlikely to emerge as a real solution, as the other extreme of “ideal socialism”. □□□

FOOTNOTES

1. *The Economist* 30 December 1978.
2. See for example *Provision of Education in the RSA* Pretoria, July 1981, p28, para d (ii).
3. O’Dowd M.C. “How Free is the Free Enterprise System in South Africa Today?” Address to the Western Cape Regional Congress of ASSOCOM, July 1982, pp23-24.
4. Nattrass J. *The South African Economy, Its Growth and Change* Cape Town: Oxford University Press, 1981 p302.
5. *Ibid* p303.
6. *Ibid* p304.

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A tense moment during recent negotiations between a prominent retail outlet and trade union representatives.

Paul Weinberg / Atrapix

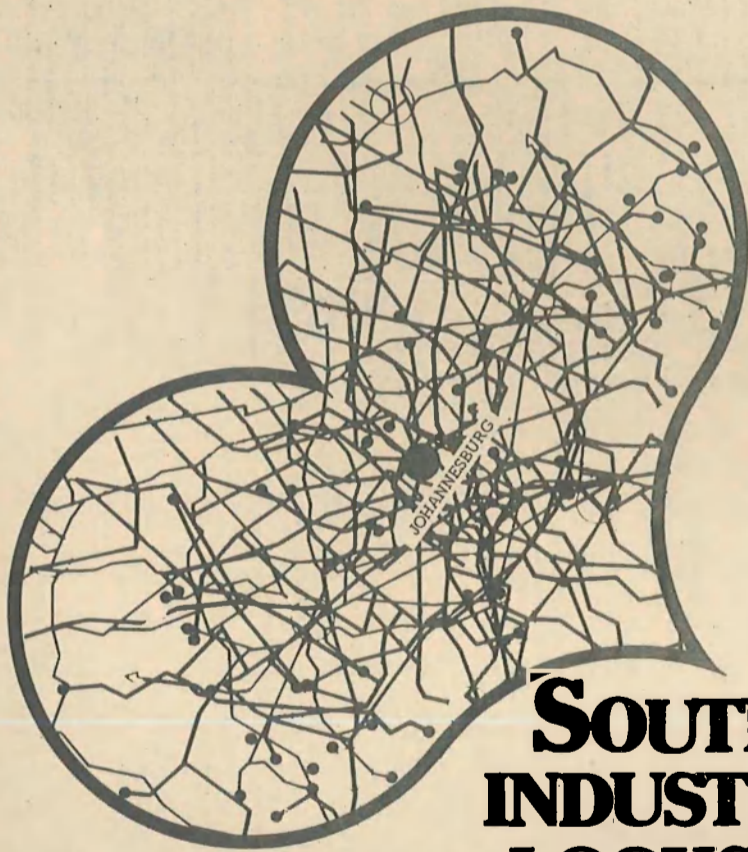
- 3** *Collective Bargaining: Management's Role and Responsibility* S Pennington
- 7** *Trade Unions – Threat or Challenge?* T Heffer
- 9** *TUCSA after Wiehahn: Quo Vadis?* S Piper
- 13** *The New Income Tax Act: Why the Fuss?* L van Schalkwyk
- 14** *Worker Perspectives on the New Tax Act* L van Schalkwyk



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COLLECTIVE BARGAINING: MANAGEMENT'S ROLE & RESPONSIBILITY

(or How to Avoid an Embarrassing Industrial Court Scene)

The so-called "new labour dispensation" in South Africa has resulted in confusion and anxiety amongst some management personnel as they observe counterparts in other companies go to the wall as a result of Industrial Court action. Cries of "management prerogatives" and intransigent attitudes will do nothing to prevent those managerial ulcers, argues STEUART PENNINGTON. The "new era" in South African industrial relations requires an overhaul of traditional approaches to labour issues.

The Director General of Manpower, Dr Piet van der Merwe, said at a recent speech to the Midland Chamber of Industries that "... the primary responsibility for the creation and maintenance of sound labour relations lies with management and that there can be no justification whatsoever for neglecting this responsibility.

"Managements who do not give priority attention to industrial relations, who ignore the building up of conflict situations, and who fail to take timeous steps to avoid confrontation, cannot expect legislation to do their job for them or to protect them against genuine grievances on the part of their workers."¹

Many Industrial Court hearings have indicated that management tends to overlook the extent of their responsibility in the collective bargaining situation.

The purpose of the paper is to consider the parameters of this responsibility by relating real-life examples of some of the understandable and inevitable, but often inexcusable mistakes that managements have made when entering into the collective bargaining process.

What is Collective Bargaining?

Collective bargaining has been defined as "the process whereby unions and employers (who have a *mandate* to represent their constituents) negotiate terms and conditions of employment, with a view to reaching agreement" or, as it might appear to the sometimes bewildered manager, "A process whereby 20 or 30 people sit at either side of a large table ... they speak slowly ... their statements are full of rhetoric ... there are outbursts of anger ... some points seem hardly relevant ... statements become watered down ... 'final' offers are adjusted

... nothing firm seems to have been agreed ... meeting breaks up and people shake hands."²

Fisher and Ury state that any negotiation can be fairly judged by three criteria:

- It should produce a wise agreement if agreement is possible;
- It should be efficient; and
- It should improve or at least not damage the relationship between the parties.³

In other words, a successfully negotiated agreement is one which meets the legitimate interests of both parties.

Statements about what collective bargaining is and what the criteria for wise agreements are, become largely irrelevant in the absence of a clear understanding of, firstly: *what* is negotiable (in other words, does "management prerogative" preclude certain aspects of the employer/employee relationship being negotiated) and secondly: *how* can management ensure that a *wise* agreement is concluded.

The Question of Management Prerogative

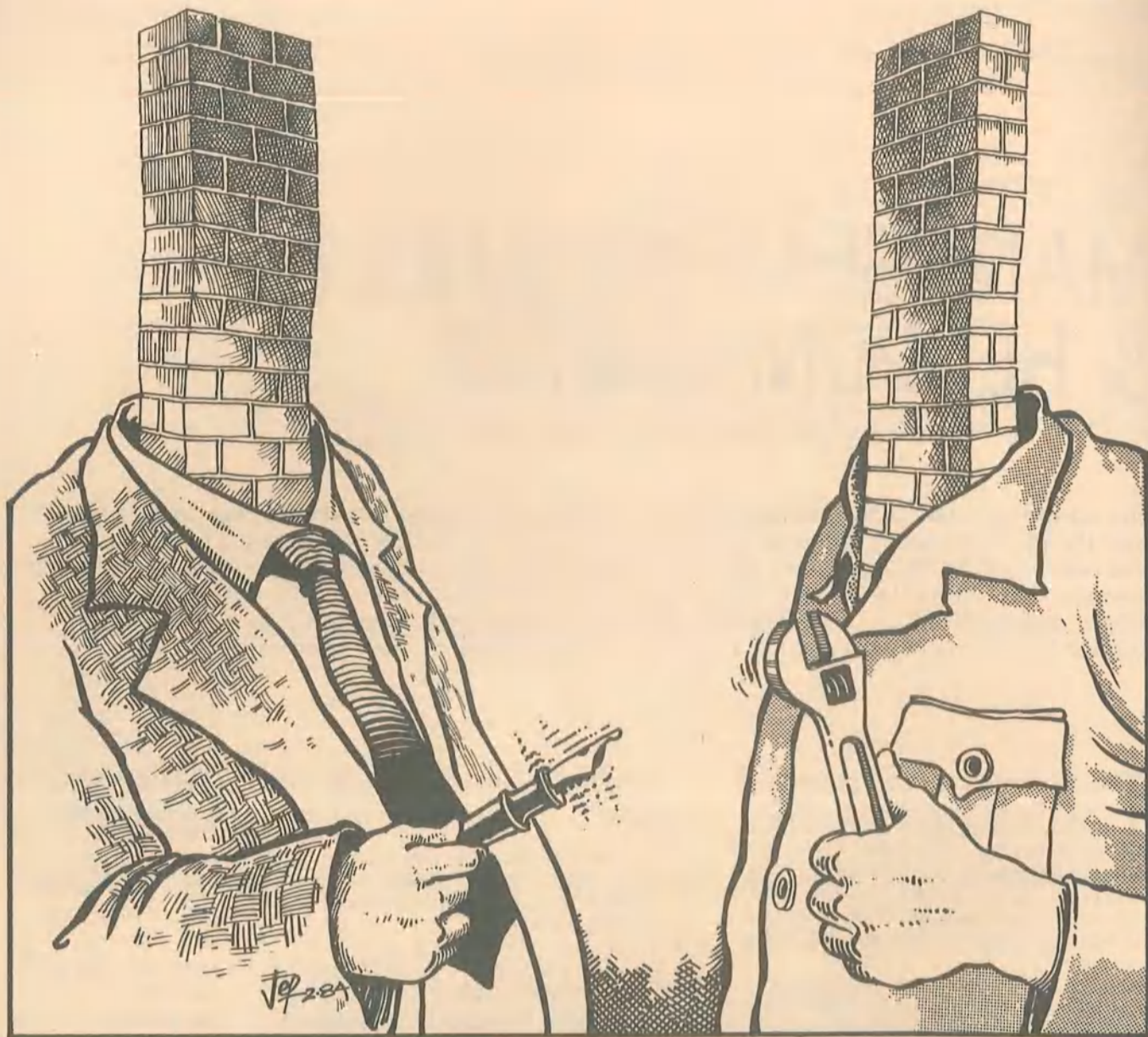
On the question of management prerogative, there is much controversy. Roux van der Merwe of UPE writing in the Financial Mail states that "once free trade unions are permitted to operate in a 'free enterprise' context, employers can no longer lay any unilateral claim to previously accepted prerogatives. In fact, labour relations could be defined as 'continuous negotiation about re-adjustment and accommodation of the boundaries of control in the work situation.'"⁴

By way of explanation, the employer concern following the Fodens case, in which the Industrial Court compelled the parties in dispute to negotiate, is only justified if

Many industrial court hearings indicate that management tend to misjudge the extent of their role and responsibility in collective bargaining

A successfully negotiated agreement should meet the legitimate interests of both parties

Do "management prerogatives" preclude negotiation of certain aspects of the employer/employee relationship?



How not to do it: the days of hiding behind the brick walls of non-negotiable principles are over, argues Pennington.

Negotiating the manner in which "inviolable prerogatives" are exercised does not necessarily mean that management share or surrender these

interpreted as being an order to negotiate and agree. The point that van der Merwe makes is that by refusing to negotiate, for fear of undermining a "management prerogative", management is unrealistically clinging onto the belief that certain "prerogatives" are inviolable.⁵ Van der Merwe states: "The employer is not an island; he operates as part of a complex and inter-dependant society."⁶

The question therefore, is not so much *what* should be negotiated — as one trade unionist put it, "everything is negotiable" — but rather *how* it should be negotiated. In other words, management should be prepared to enter into negotiation on any matter raised by the union, or worker representatives. Refusal to do so creates suspicion and mistrust.

Lest the reader become unduly concerned at the points made thus far, let one thing be clear; negotiation on what may be considered as inviolable management rights *does not mean* that those rights become shared. What it *does mean* is that management may have to reconsider the manner in which the "right" is exercised (eg procedure may be altered). It in no way implies the surrendering or sharing of the "right". In fact, as a result of a management preparedness to negotiate, the "right" may become further entrenched. (Recently in negotiations over manning

levels, a union complained that due to the arduous nature of the work, gangs should be increased. The initial management reaction was to refuse to discuss the matter. Eventually it was agreed that a joint work-study exercise be conducted. On that basis, and after exhaustive negotiations, existing gang sizes were retained. The union "agreed to disagree" and the threat of dispute was averted.)

Negotiation is often defined as the process of reaching agreement: "agreeing to disagree" is as much part of that process as reaching consensus. This may sound simplistic but, as unions increasingly question "the management prerogative", management should be prepared always to negotiate without necessarily having to make concessions on "prerogative".

Not much more need be said about the "what" of negotiations, of much more critical importance is the "how". Of the cases brought before the Industrial Court, the great majority centre around the "how"; the "manner"; the "behaviour"; the "conduct", call it what you will, of the parties concerned. The issue itself was very often of the simplest nature, but because it was *handled badly*, it ended up in the Industrial Court. Again in the Fodens case the Industrial Court noted: "There was on the part of management an

absence and lack of any understanding of industrial relations or even a personnel function . . ." and that "a refusal by the company to negotiate with a representative union" constituted an unfair labour practice. Essentially the court was adjudicating over *how* the company behaved.

What then, when considering the "how" of collective bargaining, should management be doing, (a) to ensure a wise agreement, and (b), to stay out of the Industrial Court.

Understanding the Nature of the Employer/Employee Relationship

L Kamfer found that the conventions typical in the Anglo-American collective bargaining situations are not invalid with emergent unions in South Africa.⁸ He considered a whole range of issues such as

- consensus against delegated decision-making;
- bargaining in the open as against behind closed doors;
- role of chief executive;
- language usage;
- circumlocution, etc.

L Kamfer noted, with regard to these issues, that negotiators required the following:

- a need for a general sensitivity to people;
- a need for a process approach and an understanding of the essential process characteristics of the bargaining relationship; and
- a need for a sensitivity to the intangible needs of the parties at the table ". . . eg culturally important hidden agenda items, avoiding extreme win-lose situations . . ."

Understanding the employer/employee relationship really means that management must recognise that in many respects the *interests* of the emergent trade unions are *substantially different* to those of the traditional unions. The former are concerned with the well-being on the shop floor of their members, while the latter are concerned with protecting skills at industry level. So, while management may justifiably hide behind "centralised negotiations through the industrial council" in the interests of maintaining wage stability in the industry, they will nevertheless *have to* negotiate on at least some issues in their own factory, and it is then that the manner in which their "role and responsibility" are exercised will be called into question.

As Kamfer points out: "the conventions of bargaining for the future then are still in the process of being formed . . . and because we have black unionists interacting with white management in the context that is *new to both*, the resultant dialogue is likely to be characterised by many 'shouts', particularly because blacks have been denied equal speech in this area for many years."⁹

There can be no doubt that collective bargaining is seen by the emergent unions as a mechanism which will facilitate the resolution of both historical and

contemporary discriminatory practices both *in* and *outside* the work situation.

Attitudinal Structuring

Getting down to the more nitty-gritty aspects of collective bargaining, so often one hears of "ridiculous" or "unreasonable" union demands. Although this response may in some cases be justified, nevertheless a very important part of the negotiation process is the creation of a realistic approach concerning the settlement area. Sam Kikine's explanation of what may appear to be unrealistic demands, is that they have their origin in "mass participatory worker democracy". If this is indeed the case, one of the better ways of dealing with this sort of stand must be to give information on which both parties can chew.

A fundamental part of ensuring a wise agreement is *information disclosure*. This does not mean seconding the shop stewards to the accounting department, but rather giving the union information that they can use (a) to facilitate or raise the level of their argument and (b) to enable them to meaningfully report back to their general membership.

The extent to which management is prepared to disclose information is a crucial factor in ensuring a wise collective bargaining agreement. The consequence of not disclosing information is that the power sources available to both parties are reduced to the "raw" or "big stick" type.

Preparations for Negotiations

If there is anywhere in industrial relations that the 80/20 rule applies, it is in the preparation for a negotiation; ie 80 percent preparation and 20 percent actual negotiation. Management must be involved in the entire process, as follows:

- agreeing the negotiation rules;
- analysing power sources, both desirable and undesirable;
- identifying the issues for both parties and deciding which issues will be linked in the negotiation process;
- establishing settlement targets; ie agreeing and setting the mandate in terms of ideal, realistic and fall-back positions;
- planning the negotiation steps; and
- agreeing upon a strategy to reduce expectations.

The preparation process often involves intra-organisational bargaining, mostly across company, but sometimes inter-departmentally. All the "what-if's" must be answered, ways of achieving movement considered, and strike contingency plans revised. As one exhausted manager said, "I do this once a year; these unionists do it all the time."

Acquiring Negotiation Skills

There are many training programmes on offer: "we'll teach you how to always win"

The interests of emergent and traditional trade unions differ substantially in many respects

Though centralised negotiations through the industrial council maintain wage stability, some issues simply have to be negotiated at the factory level

Union access to company information promotes a realistic approach to conflict issues and facilitates wise negotiation and settlement

The collective bargaining process involves 20 percent actual negotiation and 80 percent preparation, including intra-organisational and inter-departmental bargaining



The intensity of black worker involvement and aspirations in labour issues is reflected in the face of this worker, photographed during the recent BMW strike.

Supervisory commitment is ensured only if all levels of management participate in the review and negotiation of procedures/agreements

or, worse: "we'll teach you how to win, so that the other party thinks they've won as well". Negotiation is about reaching consensus, about real compromise, about relative gains and relative losses, about making a wise agreement. Select the training programme wisely, and find out whether the person running it has experienced face-to-face negotiations with emergent trade unions.

Ensuring Middle and Lower Management Commitment

So often the relief of achieving settlement and negotiating a "wise agreement" produces a situation in which middle and lower management are ignored. Consequently they have little understanding of the contents of the agreement, no confidence in implementing the agreement and a general resistance to the contact that senior management has with the union (as it mostly by-passes them). Most of all, they may consider their authority to have been undermined. (Recently, the Personnel

Director of a large multi-national received two petitions on his desk, one from the supervisors stating that if a particular worker was not instantly dismissed they would resign en masse, the other from all the workers stating that if the worker was dismissed they would all go on strike! After long and exhaustive interviews with supervisors, the hub of the problem turned out to be: the supervisors had not been involved in structuring the relationship with the union, had not been *adequately* trained in the use of the newly negotiated procedures, and very often were blamed by both management and the union for acting 'unsympathetically'.)

Training programmes, both learner-controlled and classroom-oriented, can improve supervisory confidence, but there can be no substitute for direct involvement in the structuring and disciplining of the relationship. Putting together 'project teams' comprising all levels of management to review agreements and procedures, and involving the same in the actual process of negotiation is all part of ensuring and maintaining supervisory commitment.

Conclusion

Generally speaking, management has been able to live with the traditional collective bargaining process in South Africa, but the extent to which they have participated has been limited because the traditional structure has only required the occasional attendance at employee gatherings. However, emergent unions and black workers in general are now placing demands before management that will undoubtedly require a reassessment of collective bargaining responsibilities. New collective bargaining conventions are in the process of being established, both parties are continually testing established IR moves, there are no 'models' or well-established patterns that can be latched onto and every situation has its own peculiar idiosyncrasies.

Reassessing role and responsibility, acquiring skill, and developing a positive approach amongst all levels of management will go a long way toward avoiding embarrassing Industrial Court scenes, while at the same time creating a constructive and disciplined relationship and approach toward collective bargaining. *UPA*

FOOTNOTES

- 1 van der Merwe P J *Paper to Midland Chamber of Industries* 18 October 1983
- 2 Masenga B V *Industrial Relations Journal of South Africa* University of Stellenbosch Vol 2 No 3: Collective Bargaining and the Negotiation Process
- 3 Fisher R & Ury W *Getting to Yes* Hutchinson 1982
- 4 van der Merwe R In My Opinion, *Financial Mail* 6 January 1984
- 5 van der Merwe R *op cit*
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- 7 Nupen C *South African Labour Bulletin* Vol 8 8 and 9 9 Sept/Oct 1983 — Unfair Labour Practices
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TRADE UNIONS: *Threat or Challenge?*

by Theo Heffer

Occasional Paper published by University of Stellenbosch Business School, January 1984

Management often tends to perceive the emerging trade union movement as a threat. Theo Heffer, Group Manpower Consultant for Grinaker Holdings, previously personnel director of Chloride (SA), gives the alternative view in his account of how that company rose to the challenge of negotiating with the SA Allied Workers' Union (SAAWU) and, in the face of condemnation from other companies and pressure from the authorities, successfully concluded a recognition agreement with the union. His paper documents the process of negotiations and points to the positive results which can be achieved through an enlightened approach to industrial relations.

Since the Wiehahn Commission Report, labour relations in South Africa have been in a state of flux. Management has sought ways of coping with emergent unions clamouring for recognition and asserting their power. In many cases management has adopted strong arm tactics and has refused to deal with certain unions, or has called in the police. Another strategy has been to develop unions they feel to be more amenable to their interests.

Chloride SA Ltd took a refreshingly different approach. This experience is recorded in an interesting and important document by Theo Heffer.¹ Heffer uses the example of the Chloride experience to make his point that a sound working relationship between management and emergent unions *can* be built up, but only if management is prepared to enter negotiations with an open mind.

The South African Allied Workers Union (SAAWU) in East London epitomise the new spirit in trade union activity. SAAWU have adopted an overtly political stance and consequently have been subject to strong repressive measures from the Security Police and the Ciskeian Central Intelligence Service (CCIS). The Security Police have gone to the extent of warning employers not to recognise SAAWU as this would be acting against "the national interest" and "the economy in the long term".²

Sometime before SAAWU approached the company in September 1980, Chloride had been preparing itself to respond openly to new union developments. It had become clear to management at Chloride that the existing system of liaison committees was not functioning adequately. At Chloride, the question was not whether changes in labour relations were going to happen, but rather *how* they would be structured.

On the basis of his study of the Chloride example, Heffer provides a framework to assist other employers faced with similar problems and decisions, which is based on three central principles:

- The first principle is the freedom of association. Unfortunately many companies view 'freedom of association' as freedom to associate with the union that they feel comfortable with!

- The second principle deals with management's view on *power*. Power should not be viewed as absolute control over workers, but rather as the ability to achieve certain goals. Heffer emphasises that "it can never be exercised unilaterally or in isolation, and sharing and relationships are implied in its use".³ His view implies that equal partnership will in the long run be the only way to achieve industrial goals.

- The third principle is that conflict is inherent in the relationship between workers and employers, contrary to the usual views held by management. "Private ownership, the hierarchical structure, the profit motive and the creation of wealth, must of necessity lead to imbalances in power and influence, class division, group conflict, unequal distribution and inequalities of income and wealth."⁴ Heffer claims that industrial relations should provide a structure through which such conflict can be resolved, though it can never be eliminated.

He challenges the naive assumption, prevalent amongst free marketeers, that in the long run the company's interest is in reality the same as that of the workers.

Clearly, Heffer's analysis points to the necessity of real changes in management's approach to its relationship with labour. If management is prepared to accept that workers have real and justified interests different from its own, then the bargaining process must, of necessity, take the form of a series of compromises between equal partners. Industrial relations of patronage are clearly out of the question.

The Chloride experience has successfully shown what can be achieved with an enlightened approach. Heffer sets out guidelines which would be very useful to management keen to take a new approach to industrial relations, although, to be fair, he does not claim that they offer a complete panacea for labour problems.

The following points are critical:

- The importance of good industrial relations at all levels of management including supervision should be realised. Specific training should be introduced to achieve this.

Many companies interpret 'freedom of association' as the freedom to patronise unions amenable to the interests of management!

Negotiation and compromise with authentic worker bodies, as equal partners, has paid off for Chloride (SA)

An inherent conflict of interest exists between the company and worker. Collective bargaining resolves symptoms, but never eliminates the actual conflict

Enlightened labour policies in commerce and industry make a significant contribution to the overall reform process

- Management should be aware of the high levels of mistrust between workers and employers. This must be overcome if industrial relations are to be improved.
- The highest degree of consultation and participation with *authentic* worker bodies is necessary in creating the structures and procedures of industrial relations, eg disciplinary grievances, retrenchment procedures and conditions of employment.

Chloride went to great lengths to build up trust with the union and workers concerned. Management and supervisors were trained in the new approach, SAAWU was recognised, agreements signed and an effective relationship was established.

For the company, application of the strategy proved to be a painstaking learning process. But it has paid off; there have been no significant stoppages to date, even though there have been retrenchments due to the introduction of new technology. The pension dispute was also resolved without disruption. Greater trust has facilitated the negotiation of productivity linked wage agreements and the introduction of measures such as quality circles.

The view that conflict cannot be eliminated, "only aired, dealt with and resolved"⁵ is a step forward. This idea of conflict is based on the models of Flanders and Dunlop which were developed in the different economic and political environments in the United States and Britain. In these highly industrialised countries workers have made material gains both absolutely and relatively because they have access to real political power. In South Africa one cannot speak realistically of "bargaining as equal partners" because black workers lack this political power. Furthermore the factors of unemployment and state intervention constitute a major hinderance to "equal" bargaining in the South African context.

A criticism which may be levelled at Heffer's approach is that his model in effect reduces industrial relations to "collective bargaining". While this may be valid for America or Britain, where workers have access to political institutions, it is problematic in South Africa.

In South Africa, management has to face problems generated by fundamental inequalities within the broader political and social context. Black workers in South Africa, with no effective political institutions within which to operate, are far more likely to express political grievances and aspirations through their unions.

It should be remembered too, that Chloride does have substantially more room to manoeuvre in the field of industrial relations than most other companies, because it is a subsidiary of a multinational, is dominant in its market, and is thus able to pay wages well above those paid by the average labour-intensive textile and clothing company.

Despite these limitations Heffer's policy suggestions for management are a definite step in the right direction. Significantly, he believes that enlightened labour policies in commerce and industry provide a last chance for peaceful change in South Africa.

For Heffer an enlightened approach to collective bargaining would constitute a highly significant contribution to the process of reform in this country.

FOOTNOTES

- 1 Heffer T *Trade Unions: Threat or Challenge?* Occasional Paper No 7 University of Stellenbosch Business School, January 1984
- 2 *Ibid* p46
- 3 *Ibid* p31
- 4 *Ibid* p26
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GRINA KER



TUCSA AFTER WIEHAHN:

Quo Vadis?

Can South Africa's largest trade union grouping weather the internal storms which have led to recent disaffiliations, and face up to the challenges posed by the independent trade union movement?

The Industrial Monitor presents the background to the growing chasm between TUCSA and the emergent independent union movement, which is likely to have important consequences for industrial relations in South Africa.

The 29th annual conference of the Trade Union Council of South Africa (TUCSA), held in Port Elizabeth in September 1983, once again highlighted the perennial tensions which have debilitated this organisation since it emerged from the ruins of the collapsed South African Trade and Labour Council (SAT&LC) in 1954.

Then, as now, TUCSA floundered on the issue of its relationship with black unions, both within and outside its ranks. It will be the organisation's ability to grapple with this relationship which will determine its future place in the increasingly competitive labour arena.

At the time of TUCSA's 1983 conference, its 57 affiliated unions had more than 478 000 members, of whom 45 percent were coloured and Asian, 29 percent black and 26 percent white. Since then TUCSA has lost approximately 58 000 members through the walkout of the 55 000 strong South African Boilermakers' Society and the subsequent disaffiliation of two smaller unions, over the issue of the Council's racial policies and what was termed the "rightward drift of resolutions".¹

A Marked Conservatism

TUCSA's history shows a marked conservatism in its attitude to organised black labour (see Box). It is significant to note that TUCSA has historically only lifted its ban on black trade union membership during periods in which it has been threatened by the rise of other bodies formed to organise black workers.

After 1973, TUCSA adjusted its policies in response to the burgeoning independent black trade union movement which grew rapidly in the wake of the Durban strikes.

TUCSA's strategy was to set up a system of "parallel unions" — racially separate unions with close organisational ties to their parent (registered) unions in the same industries. This strategy came under heavy fire from the independent trade union movement, who identified it as an attempt to prevent their penetration into TUCSA dominated industries.

The Challenge of the 'Independents'

Independent union criticism of the reasons which lay behind TUCSA's policy turnaround, their programme of establishing "new unions" and their new-found rhetoric of "organising the unorganised" is summed up in a FOSATU memorandum issued in November 1979.²

The memorandum alleged, among other things:

- that the TUCSA unions had "never before actively organised African workers" while the unregistered unions had "for several years, been fighting an uphill battle for union rights for African workers."

- that the TUCSA unions' concern for "organising the unorganised" had only emerged once the task of organising black labour was approved by government and management and had "become easy and respectable."

- that TUCSA was responding to the direct threat to its white members of competition from blacks in the workplace, caused by the virtual abolition of statutory job reservation; and

- that the "new unions" being established by TUCSA were "able to compete at an advantage with the existing (unregistered) unions of African workers" which was, the memorandum alleged, "a result of employers interfering in the freedom of association of their employees."

Furthermore, the independent unions allege that the TUCSA unions' black membership is little more than a "paper membership", in that workers do not necessarily voluntarily join the union, but rather become members automatically in those industries in which TUCSA has successfully negotiated "closed-shop" agreements with the respective Industrial Councils.

Because the registered TUCSA unions have for years enjoyed stop-order facilities as a means of collecting membership subscriptions, and because of their well-established dominance in the Industrial



J A Grobbelaar,
General Secretary of
TUCSA

Acknowledgement: TUCSA

LABOUR FOCUS

TUCSA's relationship with black unions will determine its future place in the increasingly competitive labour arena

The independent unions allege that the TUCSA unions' black membership is little more than a "paper membership"

TUCSA was influential in helping to bring about the labour reforms that resulted from the Wiehahn Commission's report

While TUCSA unions welcomed registration, independent unions argued that it was an attempt by the state to control the independent black trade union movement

FOSATU argued that unions should "test" the state's intentions by applying for registration under their own clearly defined terms

In the post-Wiehahn period, TUCSA found itself increasingly threatened by vigorous shop-floor level recruitment and organisation by the independent unions

Councils, it is alleged that TUCSA organisers need to have little contact with the workers they claim to represent.

Whether these allegations are well-founded, and whether TUCSA is in fact a top-heavy bureaucracy with little actual contact with workers on the shop floor, is a question which will be answered by workers themselves as the independent unions rapidly expand their areas of activity into industries traditionally dominated by TUCSA.

TUCSA and Wiehahn

It is not unreasonable to suggest that TUCSA was influential in helping to bring about the labour reforms that resulted from the Wiehahn Commission's report to the South African government.

The Commission was set up in response to a "crisis of control" which arose as a result of the emergence of a strong movement of unregistered unions unfettered by the limitations of industrial legislation. The Industrial Conciliation Amendment Act, which followed the Wiehahn Commission report, among other changes, extended the definition of "employee" to include African workers, thus allowing for the registration of black trade unions.

The issue of registration resulted in a fierce debate within the labour movement, which brought into sharp relief the different political and strategic standpoints of the various union groupings. TUCSA unions generally welcomed registration as an unambiguous victory for labour, while some independent unions argued that "both the Wiehahn Commission . . . and the legislation which followed are no more than a crude attempt by the State to intensify and rationalise control of the independent black trade union movement."³ They argued that registration would spell "the death knell of workers' control of the unions" which was "the most important element of their power".⁴

Between these two opposing positions lay a middle ground, occupied to some extent by FOSATU, which argued that its member unions should accept registration if it "served to help them win their long term aims".⁵ FOSATU's attitude was that the limited reforms resulting from the Wiehahn report had been forced upon the State "by years of struggle by workers and their representative organisations" and that unions should "test" the State's intentions by applying for registration under their own (FOSATU's) clearly defined terms."⁶

In the context of the post-Wiehahn period however, as the interplay between these various strategies brought about a highly active and competitive phase of union politicking, TUCSA found itself increasingly threatened by vigorous shop-floor level recruitment and organisation of workers by the independent unions.

Instead of working towards some form of co-

TUCSA BEFORE WIEHAHN SOME HISTORICAL NOTES

- 1948** National Party elected to power.
- 1948-54** Nationalist government pressures unions to become racially separated on the grounds that
- (a) black workers are transients as their real homes are in the reserves
 - (b) black unions will be misused politically
 - (c) black unions will threaten white workers.
- 1954** Crisis in the South African Trade and Labour Council (SAT&LC), the largest body of registered and unregistered unions at the time. One section of the SAT&LC refuses to exclude black workers from their unions, while other unions vote to exclude blacks. SAT&LC breaks up over this issue.
- 1954** South African Trade Union Council (SATUC) formed, which excludes any unions with black membership. Will later change its name to TUCSA.
- 1955** Non-racial South African Congress of Trade Unions (SACTU) formed, comprising mainly black unions.
- 1956** Industrial Conciliation Act splits trade union movement even further along racial lines by prohibiting coloureds from belonging to the same unions as whites unless those unions have an all-white executive, and prohibiting coloured members from attending the same meetings as white members of the same union.
- 1961** SACTU becomes the largest black trade union grouping in South Africa, with a reported membership of 53 000 in 51 unions.
- 1962** TUCSA lifts its ban on black unions.
- 1963** SACTU forced into exile as a result of bannings, detentions and harassment of its leaders.
- 1965** Five African unions have affiliated to TUCSA.
- 1969** TUCSA re-imposes ban on black unions after 40 percent of its membership, in 14 white unions, disaffiliated in protest against black membership issue.
- 1973** The year of the Durban Strikes. TUCSA changes its policy again and establishes "parallel" unions for blacks.
- 1974** TUCSA re-opens its membership to African unions.
- 1979** Report of the Commission of Enquiry into Labour Legislation (Wiehahn Commission). Part One becomes available. Industrial Conciliation Amendment Act 94 of 1979 follows the publication of the Wiehahn Commission's findings and the Government White Paper.
- It comes into operation on October 1, 1979 and establishes a National Manpower Commission and Industrial Court.

THE "CLOSED SHOP" STRATEGY

"The 'Closed Shop' is an arrangement under which the parties concerned (employers and employees) in the form of organised groups place a restriction on themselves [employers] in regard to employment and in regard to whom they [employees] may work for."*

The "closed shop" strategy is a basic weapon of trade unions — it is their response to the combinations formed by capital.

However, in South Africa, "closed shop" agreements have been used by entrenched unions to keep new unions from organising in their 'territory', thus preventing workers from having the option to choose a 'new' unregistered union, for instance, instead of the entrenched 'old' union.

*National Manpower Commission: "Investigation into certain aspects of the 'closed shop' " December 1982.

THE DEFINITION OF "EMPLOYEE"

- The Industrial Conciliation Act of 1924 excluded "pass-bearing natives" from the definition of "employee".
- Since only "employees" were allowed to form or belong to registered trade unions, African male workers were effectively precluded from membership of such unions.
- Prior to 1952 black women were not required to carry passes. They were therefore in effect excluded from the definition of "pass-bearing natives". Consequently they could legitimately form and belong to registered trade unions.
- The 1952 pass legislation which required black women to carry passes was effectively enforced only in 1955, and only made compulsory in 1964. Under this legislation, black women were by implication included in the definition of "pass-bearing natives".
- However, no action was taken against black female trade unionists in registered unions, despite this change in their status.
- Unregistered trade unions have never been illegal in South Africa. Numerous unregistered trade unions have operated legally in the 55 years between 1924 and 1979. State action against unregistered black unions has in this period usually taken the form of detention and harassment of union leaders.
- The Industrial Conciliation Amendment Act No 94 of 1979 extended the definition of "employee" to include blacks (but not migrant workers), thus allowing for the formation of registered black trade unions.

operation with these unions, TUCSA has in the post-Wiehahn period embarked on a policy of increased isolation from and opposition to the independent unions.

The "Closed-Shop" Strategy

The tendency exhibited by the TUCSA unions has been, in the post-Wiehahn period, to rely on "closed-shop" agreements and its dominant position in the Industrial Councils to try and prevent the independent unions from moving into those industries where it has enjoyed pre-eminence for decades (see Box).

However these tactics do not appear to have met with great success, as the independent unions become increasingly representative of a significant portion of the black labour force. There is a growing awareness among employer bodies, under the influence of the Department of Manpower's position that a union's representativeness of workers must be recognised, whether the union is registered or not, that increasingly they will be obliged to negotiate with the independent unions.

Regressive Tendencies

While it must be noted that TUCSA has in the past taken, and continues to take, a strong stand on many important labour issues, the Council has consistently displayed extreme caution, some would say paralysis, in the development of progressive strategies to deal with the growing aspirations of black workers.

This inability to face up to realities of a changing situation has resulted in decisions by TUCSA which are justifiably seen by its critics as exhibiting regressive tendencies:

- In 1979 TUCSA rejected "a motion proposing that it should refrain from organising in those industries in which independent black unions existed".⁷
- In 1982 TUCSA delegates called for the compulsory registration of unions. This was rejected by the Director of Manpower, Dr Piet van der Merwe, as being incompatible with the basic departmental philosophy of maximum self-governance by employers and employees.⁸
- In 1983, despite Dr Piet van der Merwe's ruling of the previous year, TUCSA's annual conference voted overwhelmingly in favour of a resolution calling for a ban on unregistered and general (as opposed to industry-based) unions and on employer association with these unions.

TUCSA's arguments in favour of these resolutions clearly illustrate the organisation's fear of open competition with unregistered unions. The Council's executive committee expressed the concern that a "two-tiered" system now operated in South Africa, with registered and unregistered unions competing perfectly legally for membership. This means, they argued, that in effect the registered unions are handicapped in their rivalry with unregistered unions, as the latter

TUCSA has in the post-Wiehahn period embarked on a policy of increased isolation from and opposition to the independent unions

There is a growing awareness among employer bodies that increasingly they will be obliged to negotiate with independent unions

TUCSA has displayed extreme caution in the development of progressive strategies to deal with the growing aspirations of black workers

TUCSA's decisions and resolutions illustrate the organisation's fear of open competition with unregistered unions

At TUCSA's 1983 conference, the long-expected split in the organisation finally came about

The country's largest multiracial union, representing some 55 000 workers, disaffiliated from TUCSA

Independent unions and their supporters have repeatedly questioned whether TUCSA can truthfully claim to represent the interests of the black unions under its umbrella

The test for the TUCSA unions will be whether they can effectively represent and maintain the trust of their black members



Illustration: Jeff Rankin

are not subject to the jurisdictional limitations and procedures of the Labour Relations Act.

The Boilermakers' Walkout

These issues came to a head at TUCSA's 1983 annual conference, when a proposal was put by the South African Boilermakers' Society that TUCSA should examine its relevance and reassess its position especially with regard to improving relations with the independent unions. The rejection of these proposals by a large majority was in general keeping with the conservative mood of the conference, which also:

- voted against a motion calling for an easing of the "closed-shop" legislation, which would allow workers greater freedom of association;
- voted for a ban on unregistered and general unions (see above); and
- refused to debate the referendum issue on the South African government's proposed new constitution.

As a result of the deep-rooted conservatism displayed at the conference, and TUCSA's manifest unwillingness or inability to re-evaluate its position on key issues, the long-expected split in the organisation finally came about. The South African Boilermakers'

Society, the country's largest multi-racial union, representing some 55 000 workers, disaffiliated from TUCSA.

The Boilermakers' Society was subsequently followed out of TUCSA by the Witwatersrand Liquor and Catering Trade Employees' Union and the Witwatersrand Tea Room, Restaurant and Catering Trade Employees' Union, who together represent about 3 000 workers.

Can Parallel Lines Ever Meet?

The issue of "parallel unions" has once again been highlighted by the proposed amalgamation this year of the TUCSA's black and coloured electrical unions. The Electrical and Allied Trades Union of South Africa and the Electrical and Allied Workers' Union of South Africa, both linked to the whites-only South African Electrical Workers' Association, plan to form a non-racial union independent of their white counterpart. The white union has refused to join them.

It is hardly surprising, in considering such cases, that TUCSA's critics have drawn their own parallels between the Council's justifications of its policy of "parallel" unions and similar semantic exercises used by the South African government to justify its racial policies.

Nor is it surprising that, on the basis of such parallels, independent unions and their supporters have repeatedly questioned whether TUCSA can truthfully claim to represent the interests of the black unions under its bilateral umbrella.

TUCSA is forced to perform an increasingly delicate balancing act between the opposing forces under its umbrella, of which the conflicting positions taken by delegates on the "ban the unregistered unions" motion at the 1983 conference are an excellent example. While one delegate put forward the argument that general unions would inevitably turn into political mass movements, another saw the resolution "as a sign of weakness and panic — TUCSA had not made efforts to recruit black members."⁹

The test for the TUCSA unions will not be whether they can maintain their position in the Industrial Councils, but rather whether they can effectively represent and maintain the trust of their black members. The crisis which erupted at TUCSA's 1983 conference suggests that the Council is in danger of sacrificing this trust, and moving instead in a direction determined by the more right wing elements which dominated decisionmaking at the conference. **UPA**

FOOTNOTES

- 1 *Rand Daily Mail* 22 November 1983
- 2 Quoted from the *South African Labour Bulletin* Volume 5 Nos 6 and 7 pp77ff
- 3 Fine et al *South African Labour Bulletin* Volume 7 Nos 1 and 2 pp41-42
- 4 *Ibid* p42
- 5 *Ibid* p41
- 6 *Ibid*
- 7 *Financial Mail* 16 September 1983
- 8 *Cape Times* 22 September 1982
- 9 *Cape Times* 28 September 1983

THE NEW INCOME TAX LEGISLATION *Why the fuss?*

On March 1 1984, South Africa's income tax system ceased to operate or discriminate on the basis of race. Although this is undoubtedly a move towards genuine reform, business leaders are anxious about its implementation and many trade unions have rejected it out of hand.

In a recently published INDICATOR SA Issue Focus report, LORETTA VAN SCHALKWYK looks at the causes of this mixed response to what has become a controversial piece of legislation.

The Black Taxation Act of 1969 has been repealed. Blacks will now be taxed on equal grounds as regards taxable income, marital status and tax rebates. Ms van Schalkwyk reports that on the basis of current tables, experts calculate that approximately 80 percent of black employees will pay less tax in future. Why then have businessmen and trade unionists alike greeted the new tax system with dismay?

The writer believes the present controversy stems not so much from the substance of the legislation itself, but from a combination of government methods of implementation, management reaction and the wider political grievances of workers. She draws attention to comparisons being made between the current tax legislation and the proposed Pensions Bill of 1980, which was subsequently withdrawn. On the basis of research conducted by the Centre for Applied Social Sciences (CASS), the following common elements are identified which warrant this comparison:

- worker resentment at inadequate government consultation prior to and on implementation of legislation
- general worker mistrust of "white" institutions and perceptions of state/management collusion.

Under the new system, only 20 percent of black workers are likely to pay more taxes. However, this group will consist of well educated and highly politicised single young people and married women, a significant sector in urban black society. From press, conference and interview sources, Ms van Schalkwyk concludes that many employers are apprehensive of worker anger over potential increases in taxes, and general confusion over the new system.

In the second section of the report, Mr Charles Kingon of the Department of Inland Revenue (DIR) responds at some length to management and labour allegations of inadequate notification and

consultation. He maintains that within the limits of available resources, the Department has organised meetings and undertaken an extensive media campaign to consult and inform employer/employee groups of the changeover. Furthermore, Mr Kingon dismisses management fears of being seen as surrogate tax collectors. He contends that the advisory role of management in conveying basic tax information is already established and should continue under the new dispensation.

Ms van Schalkwyk also deals with the issue of taxation without representation, which has been raised in various trade union statements on the new Tax Act, appended to the report. Black trade unionists question apartheid structures and priorities in the allocation of tax monies, a political process over which they feel they exert no influence.

Specific problem areas raised by management, industrial relations personnel and union spokesmen are discussed in the paper:

- the extent to which management are required to perform the DIR's role in explaining the new system and providing advice facilities
- the level of comprehension by

“ Twenty percent of black workers, mostly single young people and married women, will now pay more taxes. The state and management must improve communication methods to deal with the "pay packet" reaction of this politicised group ”

semi-literate workers of the complex documentary aspects of tax procedures

- in an economic recession, the timing of a simultaneous one percent GST increase, compounded by worker confusion over PAYE/GST.

Several tabulated surveys are included in the paper, which use data gathered in the CASS study of the Pensions Strikes. These findings show a low level of worker trust of government institutions and management in general, and demonstrate the need for improved consultation/communication with workers and their representative organisations. The author warns that in its implementation of a new tax system, the government should take heed of the pension strikes precedent. Sensitivity and improved communication methods on the part of state and management are needed. The need for an ongoing advice service is emphasised.

The author points out that although the new tax system emanates from the government, it is management who will ultimately face the "pay packet" reaction of employees once deductions commence. Final sections of the report present recommendations which might overcome difficulties arising from premature implementation:

- Managements should take great care to consult with worker representatives on the course of action to be adopted in communicating tax changes to workers in both the short and long term
- Larger companies should provide an advice centre at the workplace to facilitate better management/worker communication on such issues
- DIR should undertake a more intensive media campaign through press, radio, television, audio-visual programmes and pamphlets, including the creation of mobile tax advice bureaux to operate in the community and workplace throughout the tax year. *IPCA*

G W Howe

Worker Perceptions of the New Income Tax System

How accurate were predictions that the new income tax system introduced from March 1 would result in confusion and mistrust among black people? How likely is labour unrest around the issue? Whose responsibility is it, from the point of view of black workers themselves, to provide information and guidance in the transition period? In an attempt to throw light on these and other questions, a snap survey of the perceptions of a balanced sample of black workers in the Durban-Pinetown area was undertaken for INDICATOR SA by the Centre for Applied Social Sciences.

The survey took the form of interviews conducted by trained black interviewers in the period from February 6 to 13, 1984. A balanced cross-section of 64 black workers was interviewed in the industrial areas surrounding Durban and Pinetown. A total of 31 women and 33 men were interviewed, ranging in age from 18 to 50 years with the highest concentration between the ages of 26 and 35 years (41 percent) and 36 and 49 years (39 percent). Skilled workers comprised 33 percent of the sample, with semi-skilled and unskilled workers comprising 48 percent and 19 percent respectively.

Both open-ended and closed questions were asked and the answers cross-tabulated. In the case of the open-ended questions, some respondents gave more than one answer. These answers were content analysed and categorised under generalised headings. For this reason, percentages in some cases total more than 100.

It should be borne in mind that the survey was conducted less than three weeks before the new system was due to be implemented. The general lack of complete information and level of confusion which the survey brings to light is especially serious in view of the proximity of the survey date to the date of implementation.

Sources of Information

Of those workers approached who knew about the new taxation system, 50 percent obtained their information from their employers at the work place, and 33 percent from newspapers, television and radio. Other sources given were home discussions and bus and train conversations.

1 Extent of Knowledge

More than 200 workers were initially approached by the team of interviewers. Of these, only 64 had sufficient knowledge of the new system to be able to answer the questions. The 64 respondents were then asked a series of questions to determine the extent and depth of their knowledge of the new taxation system.

The 64 respondents were asked: "What do you hear about the new tax system?"

Answers were categorised as follows:

Minimal knowledge of new system	55%
Confused by information received	27%
Fairly complete basic understanding	13%
New system will affect single persons or married women	24%
All race groups to be taxed on the same basis	22%
Difficulty will be experienced in claiming rebates	17%
Difficulty in understanding about dependants	14%
Unfair system — no provision for illegitimate children	11%

In short, of the 64 workers interviewed, only 13 percent had a fairly complete understanding of the new system. A more valid estimate for the worker population, however, may be derived from the fact that this 13 percent is only some 4 percent of all the workers approached during the small survey. It suggests that well under 10 percent of black workers have a clear concept of what the new tax dispensation means.

The answers concerning rebates, dependants and illegitimate children, although they reflect the perceptions of smaller numbers of the sample, are significant because they are specific answers given to an open-ended general question. They may be taken as pointers to areas of concern among workers in general.

That a significant percentage (24 percent) is aware that single persons and married women are to be affected may be taken as an indicator of worker awareness of an important implication of the new tax, even where information is otherwise incomplete.

2 Reactions to the New System

The respondents were asked:
"Is the new tax a good thing, a bad thing, or just the same as before?"

Answers were categorised as follows:

It is a bad thing	47%
It is a good thing	25%
It is both a good and a bad thing	14%
Not sure	9%
It is the same as before	5%

These reactions were qualified by a range of opinions, illustrated by the following selected quotes from the questionnaires:

"It is utterly unfair because prices are rising several times a year whereas our increment rises upon our salaries once a year. Now the tax is extra."

"It really is a bad thing because it was decided for us without our opinion."

"It is good because those who earn too little will not pay tax."

"It is good because now our money will be increased by less deduction and dependants will be covered."

In general, the answers of those who perceived the new tax as a good thing indicate a measure of clear understanding of the mechanics of the changes. The negative answers generally focussed on grievance areas such as lack of consultation, other economic stresses and a perceived increase in government control or manipulation of black workers. However, confusion and inaccurate information is also evident in many answers. In some cases inaccurate information has evidently led to the raising of false expectations as illustrated in the following selected quotes:

"Because the firm says we can apply for the money back after some time."

"It is a good system. If you have worked overtime you will not be charged for tax."

3 Perceived Effects of the New System

The respondents were asked:
"What will the effects of the new tax system be, do you think, for a person like yourself?"

Answers were categorised as follows:

People will benefit from the new system	17%
Personal hardship will result	27%
Disturbances, boycotts or strikes will result	23%
Allocation of tax money not to the benefit of blacks	14%
Blacks will pay more tax	11%
Too early to assess effects	8%

“ Sixty seven percent of the respondents were suspicious of official motives for introducing the new tax system ”

In short, while only 17 percent saw the new system as benefitting blacks, a combined figure of 50 percent thought that it will cause personal hardship or lead to disturbances. It is significant that, while official statistics categorically state otherwise, 11 percent of the sample felt that the new system will increase the taxes already paid by blacks.

4 Perceived Reasons for New Tax System

The respondents were asked:
"Why do you think this new tax is being introduced for black people?"

The answers were categorised as follows:

An extension of government control over blacks	52%
For government use — eg defence, propaganda	15%
A move to help blacks	19%
Uncertain	14%

In short, a high percentage (67 percent) were suspicious of official motives for introducing the new tax system, while only 19 percent felt that it is a move to help blacks.

Further light is thrown on worker perceptions of official motives by the following selected quotes:

"I just think that it must be for bad as the government does not do good things for us black people."

"It is a joke to tell us it is something better when we earn such lesser wages than anybody else and cannot afford to pay any tax at all."

"I don't think it is something specially for black people's good. I think it is introduced to harm everybody just so the government is able to buy weapons for defence."

"It is for propaganda reasons. South Africa wants to show the other countries' peoples that everything is the same for everyone here even where it is not."

"It is a bluff to pretend to blacks they'll be the same as other races."

"According to the PAYE system, if you earn more you will be taxed more and if you earn less you are charged less, so black people are earning less and the government saw the black man is always losing and must be helped by the new tax."

"I think the government has realised we have poor wages and we cannot therefore be made to pay more than the whites."

"It is not new for us to pay taxes, we have paid before but now it will be less because of the rebates."

In general, those who saw the new system in a positive light, though in the minority, gave cogent replies which suggest a more detailed understanding of the new system than the replies of those who were negative. The latter tended to be sceptical of the government's intentions towards blacks generally.

“ Less than one fifth of the workers interviewed thought that blacks would benefit from the new tax system, while half thought that it would cause personal hardship or lead to strikes, boycotts or disturbances. ”

5 Perceived Employer Responsibility

The respondents were asked:
“As regards the new tax, what do you think employers should do to help workers like yourself?”

Answers were categorised as follows:

Explain and advise	44%
First consult employees, then advise	17%
Increase wages	17%
Make representation to the government to improve conditions for blacks	13%
No help anticipated	9%

In short, 61 percent of the respondents felt that their employers have a direct responsibility to advise them about the new taxation system, while a further 30 percent felt that their employers have a more general responsibility for their welfare. A small minority expressed no confidence in their employers taking action on their behalf.

The general tenor of answers given to this question strongly suggests that expectations of employer assistance arise more from a grievance base than from a belief in the employer as protector. The following selected quotes are fairly representative of the attitudes of respondents in general towards their employers:

“Employers are the ones who must tell us because they are the ones who pay us our low wages.”
 “Mostly they are failing to help us, therefore I am hopeless about them but they are the ones who know about the tax system, therefore they must help us with advice for all the forms.”

6 Trade Unions' Role

The respondents were asked:
“As regards the new tax, what do you think trade unions should do to help workers like yourself?”

Answers were categorised as follows:

Limited or no knowledge of trade unions	25%
Advise members on action to be taken	25%
Advise members how the new system works	16%
Negotiate with employers to advise workers	20%
Negotiate with government about the new tax system	16%
Government control prevents trade union action	8%
Trade unions of no help	3%

These responses, apart from the 25 percent who had little or no knowledge of trade unions, indicate a high level of worker expectation of trade unions, and show a considerable degree of trust in their ability to represent workers on this issue; eight percent perceived trade union activity to be inhibited by the government.

Discussion

Certain findings emerge clearly from the results of the survey:

- There is a widespread lack of knowledge and information about the new taxation system among the workers initially approached.
- There is a considerable degree of confused or incomplete information among those workers who were aware that a new system was impending.
- Nearly half the workers interviewed thought that the new system is a bad thing, while only one quarter saw it as a good thing.
- Less than one fifth of the workers interviewed thought that blacks would benefit from the new tax system, while half thought that it would cause personal hardship or lead to strikes, boycotts or disturbances.
- More than half the workers interviewed thought that the new tax system would extend government control over blacks, while less than one fifth thought that it had been introduced to help blacks.
- Nearly all of the workers interviewed thought that their employers have a responsibility to advise them about the new tax system, or to intervene on their behalf.
- Nearly three quarters of the workers interviewed thought that trade unions have a role to play on behalf of workers with regard to the issue of the new taxation system.

Other factors which emerged from the answers given to questions in the survey are:

- There is a danger in partial information, especially when it is confused or inaccurate. It is clear that a single interview, audio-visual programme or talk is seldom sufficient for the conveying of complex information to workers. The need for ongoing training programmes and advice/information centres is strongly indicated.
- Those workers who responded positively to the new taxation system were generally those who showed a better understanding or more complete knowledge of the system. This may illustrate the positive results of good communication on the subject either between government and employee or employer and employee.
- The built-in distrust of the government's motives reflected in many of the answers should give rise to concern.
- Lack of knowledge about the new taxation system has increased worker expectations of their employers' role and responsibility to provide information. However, these expectations are grounded more in a grievance base than in a perception of the employer as protector.
- General political grievances, economic pressures and other social disadvantages are often entangled with perceptions about the government's motives for introducing the new taxation system.
- The possibility of strikes or disturbances around the new taxation system cannot be ruled out, especially viewed in context with the increasing prices of staple consumer items, transport tariffs and the fairly recent increase in GST. *IPQA*

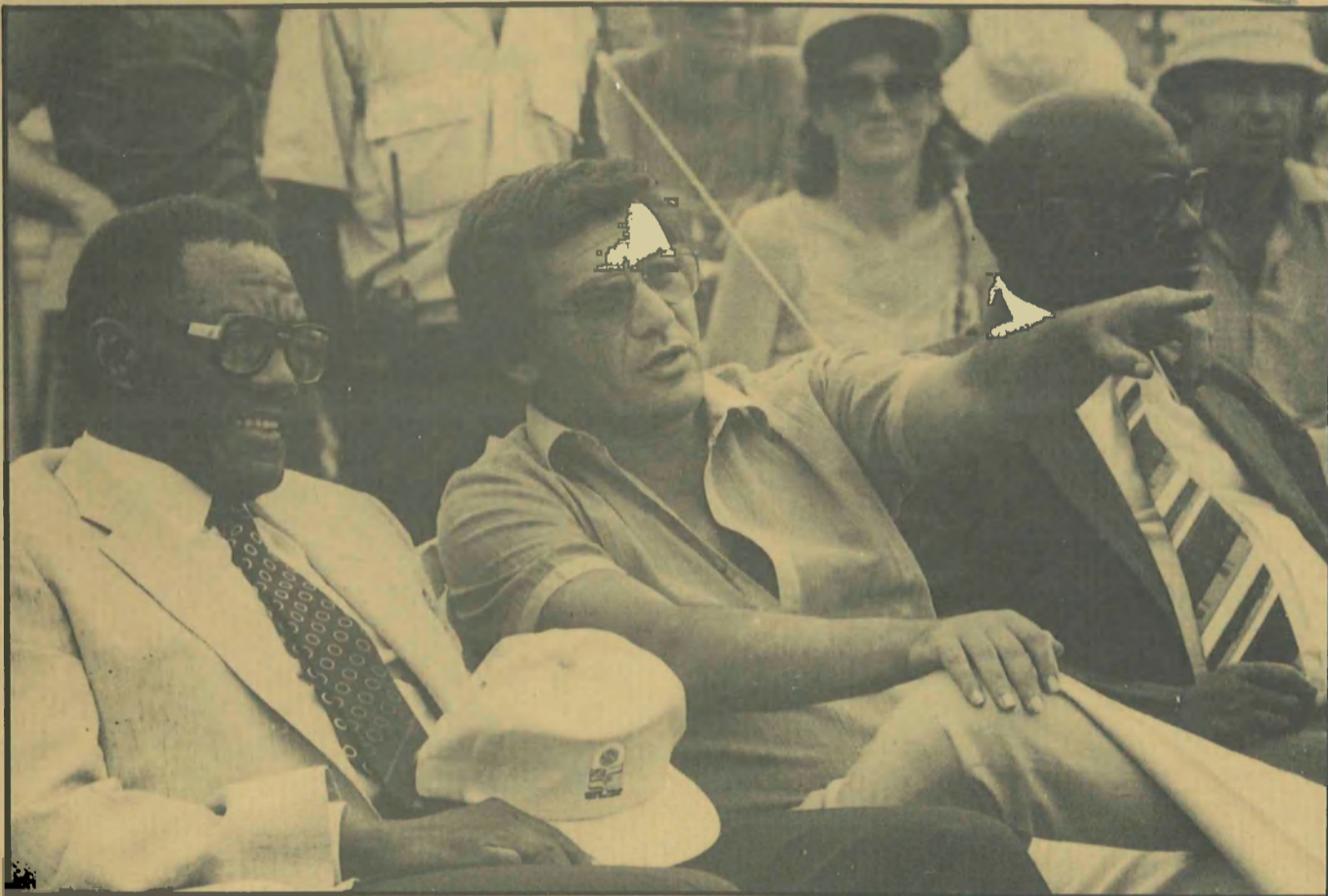
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Hotel magnate Sol Kerzner and Bophuthatswana President Lucas Mangope photographed at a recent golf tournament at Sun City.

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- 7** *Small Sugarcane Producers and the Drought* R F Bates
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Before the flood: Cattle cross the dry Umfolozi river bed in KwaZulu prior to the flooding caused by Cyclone Doina

Does Rain mean Relief for Rural Areas?

The Rural Monitor's Issue in Focus of Vol 1 No 2 directed attention to the critical impact of the protracted drought on living conditions and agricultural output in the rural regions of Southern Africa. What had become clear was that the effects of the drought had worsened an already disastrous situation in many parts of the country. Officials and agencies responsible in the field reported that it had become increasingly difficult to distinguish directly drought-related problems from conditions "normally" prevailing in these areas.

The recent seasonal rains have been sufficient to raise the levels of major metropolitan supply dams and allow for an easing of restrictions on water consumption in the cities and some towns. However large areas of the country, particularly the north-eastern and eastern Cape, are still experiencing severe drought conditions and receiving substantial state assistance.

In the north-eastern parts of Southern Africa the cumulative effects of the drought have been drastically exacerbated by the killer cyclones Demoina and Imboa, which have generated floods, destruction, disease, death and misfortune on an unprecedented scale. Existing agricultural production has been set back by at least four years in some areas and substantial aid funding and technical assistance are being directed to flood relief operations from both government and voluntary agencies.

The effect of the drought and the cyclones highlight the critical issues for Southern Africa's rural regions. Rural poverty is endemic and peripheral areas have suffered from a long history of official neglect, abuse and underdevelopment. If continual and repetitious crisis conditions are to be avoided, an increasing level of effective and well-reasoned commitment from the government, the private sector and voluntary organisations will be required. In this issue a review of two relief programmes and a case study concerning the seriousness of the effects of the drought are presented. Future issues of the Rural Monitor will examine the effectiveness of drought and flood relief operations presently being undertaken in the stricken areas.

THE NEED FOR ONGOING RELIEF IN RURAL AREAS:

A Review of two Aid Programmes

Crisis relief programmes, in which aid is administered to stricken communities, have become increasingly necessary in South African rural areas in recent years. Those involved in the implementation of such programmes point out that crisis has become the norm in many rural areas. Catastrophes such as drought or flooding exacerbate pre-existing conditions of underdevelopment and extreme poverty. Information on rural crisis conditions and the implementation of two relief programmes is supplied by INKA MARS, Director of the Red Cross Society's Natal Region Emergency Relief Fund and INA PERLMAN, Director of the South African Institute of Race Relations' Operation Hunger Campaign.

RED CROSS RELIEF FUND

The Red Cross Fund was set up in 1980 under the patronage of the Chief Minister of KwaZulu and the Administrator of Natal. Its object was to collect finances to provide for immediate and large scale crisis relief to communities devastated by drought.

Depots were set up in rural hospitals and other safe storage centres. Since then over R2 million worth of food has been distributed from these centres. Most of the funds were raised by public appeal with more recent assistance from the governments of the Federal Republic of Germany and the United States of America. South African commerce and industry has responded with donations in kind, supplementing the basic maize meal supplied by the fund.

Ms Mars notes that crisis relief programmes, usually administered in response to conditions caused by natural disasters, are normally of a relatively short duration. However the length of the current drought period has necessitated providing ongoing support. The Society has found it necessary to examine the future long-term effects of the drought on disadvantaged rural communities. Without research facilities at their disposal, the Society has had to rely on reports from community leaders, doctors, teachers and nurses. However these reports are consistent in their indication of certain key factors.

Long-Term Effects

The long-term effects of the drought on the rural population appear to be as follows:

- Malnourishment and frank malnutrition with an increased susceptibility to infectious diseases. An increase in the incidence of Tuberculosis and all other debilitating diseases is directly associated with malnutrition.
- Reduced cash incomes. The minimum cash requirement per rural family of five was established at R86 per month. Benso's recent research results put the average actual income at R55,90. Many rural families have more than five members, most in the vulnerable groups, ie the very old and the very young.
- A reduction of "wealth" due to cattle dying in their tens of thousands. Cattle represent funds to be used in emergencies. Most rural families have had substantial losses and will need time to recoup. However, grazing has rendered many areas unsuitable for future use, which will be unable to sustain cattle numbers at previous levels.
- Continuing adverse weather conditions. Some areas have not had necessary planting rains, while others have suffered from flooding. Seed is not readily available to many rural communities and "traditional" methods of using seed are not possible, due to the lack of harvests in recent years.
- Redundancy of farm labour. Many labour intensive farming operations have been unable to absorb their usual quota of part-time farm labour because of drought conditions.

Counter Measures

At present a three-pronged approach is being used to deal with medium to long term problems. These are family feeding programmes, school feeding programmes and water development programmes.

Family Feeding Programmes:

This support programme will have to be continued until crops have been harvested. It may well be necessary to identify those communities who are unable to "live off the land" for a specific support programme which will tide them over until the labour situation has eased, and employment becomes available.

School Feeding Programmes:

At present about 80 000 children receive one cup of fortified soup a day. Probably the most significant investment society can make is to ensure that such programmes are introduced into all rural schools. Feedback from teachers indicate an increase in actual enrolment, consistency of attendance, a decrease in the "drop-out" rate and greatly enhanced attention span as a result of these programmes.

Water Development Programmes:

Linked to a University of Witwatersrand water development research project, this project aims to establish ways of fully utilising existing water resources. Pumps have been developed to:

- supply water to an irrigation scheme enabling women to establish communal vegetable gardens on a

rational basis;

- provide water to settlements enabling individuals to utilise land around their dwellings for food production; and
- provide mechanised chlorinators to ensure clean drinking water thus combating water-borne diseases such as cholera.

The water supply project has been in operation for a year and enables 220 women to grow three crops on individual 1/8 hectare plots. The appropriate technology developed and tested here should provide a stimulus to similar projects, wherever water is available but under-utilised and contaminated.

Ms Mars recognises that, having developed and identified these support mechanisms in response to the drought crisis, it is imperative for them to be sustained, in order to avoid more suffering and further backlogs. The actual situation is far worse than most observers appreciate. The poverty-malnutrition link exacerbated by the drought needs to be continually emphasised. All programmes tackling any aspects of the problems of rural survival need to be supported on an ongoing basis.



A water supply project developed by the Red Cross and Wits University has given communities in KwaZulu access to previously contaminated or under-utilized water supplies, enabling them to grow vegetables and other crops.

DROUGHT RELIEF

“OPERATION HUNGER”

The Operation Hunger Campaign provides food, clothing, utensils and equipment to severely disadvantaged communities with an emphasis on grass root community involvement in relief projects.

In a press statement of 17 January 1984 Ms Perlman said: “The substantial rains in the urban areas have brought with them a grave danger — that the public, which supported Operation Hunger so magnificently in 1983, will feel that the rural crisis is over. Nothing could be further than the truth. Operation Hunger is fully aware that:

- even in those parts of the homelands where it has rained adequately, the situation will be alleviated only by March or April 1984, when crops are harvested;
- there are many areas, notably in the north, where planting rains did not occur;
- the drought of the last three years has exacerbated, rather than caused, the situation of chronic malnutrition, poverty and disease which is the norm in the black rural areas.”

Ms Perlman notes that the crisis of 1983 was brought about by the following combination of factors which show every sign of continuing in 1984:

- Urban retrenchment. This has hit the migrant workers hardest, effectively cutting them off from any further job opportunities. At present there is no sign that the urban unemployment scene has improved in any way.
- The large scale lay-off of permanent labour and the non-employment of seasonal labour by white farmers. The renewed threat to the maize crop in many parts of the country this year indicates that there is little likelihood of improvement in this area. In addition there is reason to believe that the gradual mechanisation of farms has been stepped up considerably, with the result that many job opportunities have been eliminated.
- The destruction of the minimal crops which would have supplemented black rural family incomes. There are many areas in the north where there have been no planting rains this year. In others, where communities did overcome the problems of ploughing and lack of seed, and planted after the early rains had occurred, there have been

no ongoing rains to sustain their crops. A repetition of last year's tragedy is imminent.

The indications are that the emergency feeding schemes of 1983 will have to be continued in many parts of the country in 1984. The following list is an estimate of Operation Hunger's feeding needs for 1984. The reduction in numbers to be fed has been based on the hope that the rains will continue, that crops will be harvested and full-time seasonal employment on farms will return to full strength. However these estimates are at best optimistic guestimates. The situation threatens, especially in the north, to be worse than the 1983 situation.

Dependency

Ms Perlman questions whether, in the absence of the massive state aid which should be rendered to stricken rural communities, private sector contributions can effectively combat a crisis of such dimensions.

She identifies the danger inherent in such aid programmes, which lies in the relationships of dependence which are perpetuated, and which do nothing to solve the real problems of these communities.

In order to prevent disadvantaged communities becoming overly dependent on outside aid, Ms Perlman suggests that the communities concerned be consulted and involved at all levels of decisionmaking in the application of aid programmes.

A priority for aid should be the daily provision of protein to schoolchildren, pregnant women and infants. The positive results of school feeding programmes indicate that a daily supply of food is the single most important contribution which limited aid can make to the development of communities which are willing and able to help themselves.

In the context of the rural situation in South Africa as a whole, Ms Perlman recognises that the degree of positive achievement possible with the funds available at present is small. However, the results achieved by the programme to date, though limited, have been positive, and have served to illustrate the high level of determination, enthusiasm and drive of the people involved to help themselves.

It is clear that, to be effective, aid programmes in the rural areas should be operative in the context of an ongoing long-term plan for rural development, rather than simply a response to specific conditions of crisis or natural disaster. *UPA*

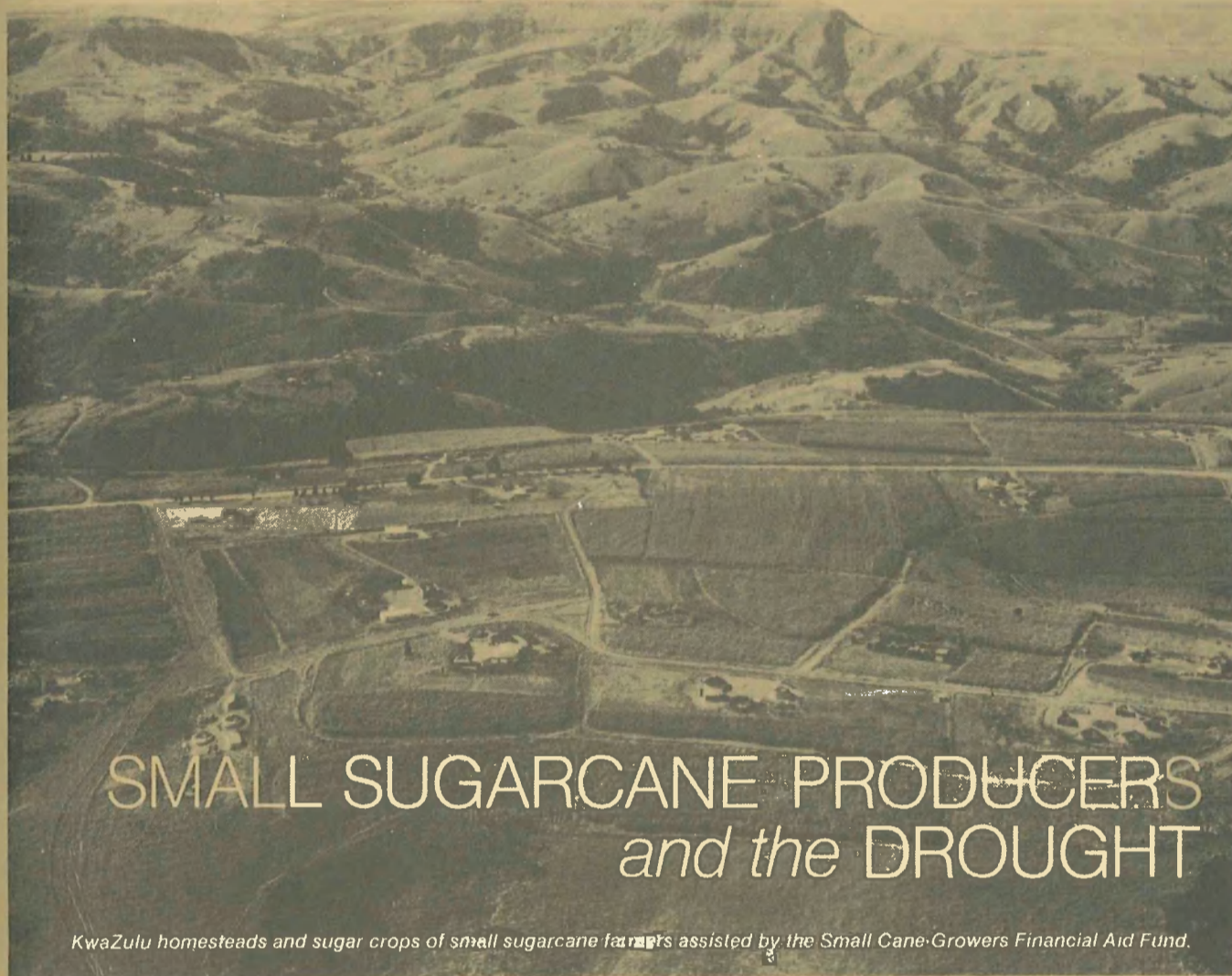


Paul Weinberg / Afrapix

While care should be taken to prevent disadvantaged communities from becoming overly dependent on outside aid, the provision of food, especially to school children, pregnant women and infants, is the single most important contribution limited aid can make.

OPERATION HUNGER PROJECTION AFTER MARCH 1984

	Numbers receiving Aid until March 1984			Aid planned from April 1984	
TRANSKEI	40 000	people	Continue till March 1984 then review	10 000	children
CISKEI	150 000	people	Cut to school & creche feeding	62 000	children
NORTHERN CAPE	10 000	people	Cut back to pre- & primary school feeding	5 000	children
KWAZULU	80 000	children	Must maintain	80 000	children
	20 000	adults			
BOPHUTHATSWANA	2 000	children	Must maintain	2 000	children
Uitkyk					
Ramatlabama	20 000	people	Cut back to children and aged	6 000	+200
Thaba-Nchu—Onverwacht	5 000	people	Must maintain	5 000	(family feeding)
Kuruman Area	20 000	people	Must maintain	20 000	(family feeding)
P W V	20 000	aged & children	Must maintain	20 000	(family feeding)
ORANGE FREE STATE					
Brandfort	23 000	people	Cut back to children & aged	2 000	children
VENDA	30 000	people	Cut back to children	10 000	children
GAZANKULU	40 000	people	Cut back to children	22 000	children
LEBOWA	180 000	people	No rain yet no crops	20 000	(family feeding)
Bochum					
Sekhukhuniland			Maintain schools & pre-schools	40 000	
Zebedielah Area			Maintain schools & pre-schools	10 000	
Sekuroro Area			Rain late — maintain	20 000	(family feeding)
Subiaco Area			Cut back to children	22 000	
KWANDEBELE	8 000	people	Maintain	8 000	(family feeding)
TOTAL	628 000			364 000	



SMALL SUGARCANE PRODUCERS and the DROUGHT

KwaZulu homesteads and sugar crops of small sugarcane farmers assisted by the Small Cane Growers Financial Aid Fund.

Acknowledgement: SA Sugar Association

CASE STUDY

The Small Cane Growers Financial Aid Fund has been established by the South African Sugar Association to co-ordinate the provision of financial services, financial aid and technical advice and assistance to a large number of sugarcane producers in Natal and KwaZulu.

In this case study RICHARD BATES, manager of the Financial Aid Fund, outlines seasonal rainfall trends and the effects of the drought seasons on the "small" cane growers. Along with the rest of the industry the black growers have suffered a harsh blow to their production. The magnitude of the stress on the small farmers and the rural economy has yet to emerge.

Sugarcane has been produced by black growers in Natal for over 100 years. The basic methods of producing sugarcane and the needs of the crop are probably as well known in the climatically suitable areas as those of staple food such as maize.

Presently the majority of small cane growers in the scheme are what may be called "supporting" farmers. They supplement their income from cane production by selling their or their families' labour, largely in the greater Durban area and the Empangeni-Richards Bay complex.

Another group involved in the scheme are black contractors, some of whom are also growers. They provide contract services for the ploughing of land for planting, for

cutting cane and transporting the product to the mills. Large development companies attached to the major sugar companies are also involved. There is approximately R20 million invested in agricultural machinery which serves the small farmer directly. This does not include equipment such as large heavy duty vehicles involved in hauling cane to the mills.

Sugarcane seasons do not follow a calendar year and run from May 1 to April 30 of the following year. The industry is now almost through the current 1983/84 season. The recent rains will benefit the 1984/85 cutting. Simplifying the effect of rainfall one could say there is a lag of one season.

From rainfall statistics a deteriorating pattern, beginning

during the 1977/78 season, has emerged. This pattern culminated in the drought of 1979/80 which affected the 1980/81 sugarcane crop. This 1979/80 drought was followed by a better 1980/81 season, although rainfall was still below the long term mean. The following season of 1981/82 again had a reduced level of rainfall and this was followed by the critical drought of 1982/83 which was much worse than the severe 1979/80 season.

A general observation is that the rainfall pattern showed a deterioration from the south of KwaZulu, moving north. The area commonly known as Zululand experienced the greatest reduction in precipitation. The production of sugarcane from KwaZulu for the period is reflected in Table 1.

Table 1

●METRIC TONS OF SUGARCANE HARVESTED●

SEASON	
1977/78	637 741
1978/79	866 703
1979/80 <i>drought year</i>	921 541
1980/81	677 738 DROUGHT AFFECTED CROP
1981/82	1 227 366
1982/83 <i>drought year</i>	1 228 720
1983/84	855 010 DROUGHT AFFECTED CROP

Table 1 shows that the reduction in production of the drought harvests was 26 percent in the case of the 1979/80 season and is estimated at 31 percent for the 1982/83 season. Some crops have been totally destroyed, and planting of new crops delayed or written off due to lack of sufficient moisture.

Notwithstanding the harvests affected by the drought years there has been an increasing trend in production, due to an increase of areas being allocated to sugarcane and improved husbandry practices.

In monetary terms the effects are:

- a reduction in returns from sugarcane in the season following the drought;
- a delay in planting certain areas resulting in returns being deferred one or more seasons later; and
- a loss of capital invested due to crop destruction and the requirement that additional money be invested to re-establish crops. This also has the effect of deferring returns a season or two later.

After the effects of the 1979/80 drought became apparent the South African and KwaZulu governments made approximately R1,3 million available to assist with the re-establishment of the growers which were affected. The amount required to re-establish growers affected by the 1982/83 drought has not yet been determined but will be in the region of R2 million. The recent devastating flooding in northern Natal/KwaZulu has fortunately only affected 3 percent of growers in the scheme, largely those in the vicinity of the serious silting damage of the Umfolozi rivers.

In most cases growers receiving drought relief assistance to replant lands damaged by last year's drought and flooding will only do this in the spring of this year. This means they will lose another season's income for which they will not be advanced any assistance funding. UPIA



Acknowledgement: SA Sugar Association

Notwithstanding the harvests affected by the drought years there has been an increasing trend in production, resulting from the capital made available to small cane growers through the Financial Aid Fund

After the 1979/80 drought the South African and KwaZulu governments made approximately R1,3 million available to assist affected growers to re-establish their crops



Acknowledgement: SA Sugar Association

The amount needed to re-establish growers affected by the 1982/83 drought will be in the region of R2 million

Fortunately the recent flooding in northern Natal/KwaZulu has only affected 3 percent of growers in the scheme

Research in Brief

Malnutrition in South Africa

T Vergnani

Occasional Paper published by the Unit for Futures Research, University of Stellenbosch, February 1983.



MALNUTRITION

Recent research into the degree and incidence of malnutrition provides a startling insight into the health conditions of a significant proportion of South African children. A conservative estimate based on comprehensive research samples across South Africa, including government research, indicates that at least 2,9 million children show signs of nutritional deficiency or malnutrition, and of these 1,5 million suffer from second degree malnutrition.

Tanya Vergnani of the Unit for Futures Research at the University of Stellenbosch provides critical information about the nature and extent of malnutrition in this country.

Malnutrition, scientifically named Protein-Energy Malnutrition (PEM) refers to a deficient intake of food, and is clinically manifested as either kwashiorkor or marasmus.

- Kwashiorkor is caused by a diet lacking in protein and results in swelling, growth retardation and muscle wasting.
- Marasmus is caused by a diet lacking in protein and energy calories and results in emaciation, muscle wasting and growth retardation.

Malnutrition, generally, depresses a person's immunity and increases susceptibility to infectious diseases which in turn result in increased malnutrition. The most at risk members of the population are

young children, school children and pregnant or nursing mothers.

The younger a child is affected, the more lasting the physical or mental damage. Schoolchildren who are "survivors" of malnutrition during infancy suffer from apathy and low concentration, resulting in low achievement, absenteeism and repeating of standards. Many such children eventually drop out of school.

Undernourished and underweight mothers are more likely to give birth to underweight babies which will have poor physical and mental development and a higher incidence of congenital abnormalities. A higher incidence of peri-natal mortality also results.

Measurement

Measurement of the prevalence of malnutrition is done using internationally set anthropometric measures of weight for age, height for age and weight for height. As far as official statistics are concerned kwashiorkor is no longer a notifiable disease, with the result that its prevalence can only be surmised from a limited number of sources. The most important sources of statistics are infant mortality rates and death rates from diseases associated with malnutrition.

An additional problem is that no comprehensive figures are available for blacks in rural areas and the homelands. Official statistics apply

only to a few selected magisterial districts.

The best indication available at present of the size of the malnutrition at risk group is provided by a survey done by the state Department of Health and Welfare which was based on a national sample of 20 000 schoolchildren of all races.¹ Using the results of this survey, as well as the 1980 census data and population estimates for the independent national states, the following general figures have been calculated:

- 2,9 million children under 15 years of age are underweight for age, and
- 1,5 million fall below 75 percent of the international standards and suffer from second degree malnutrition.

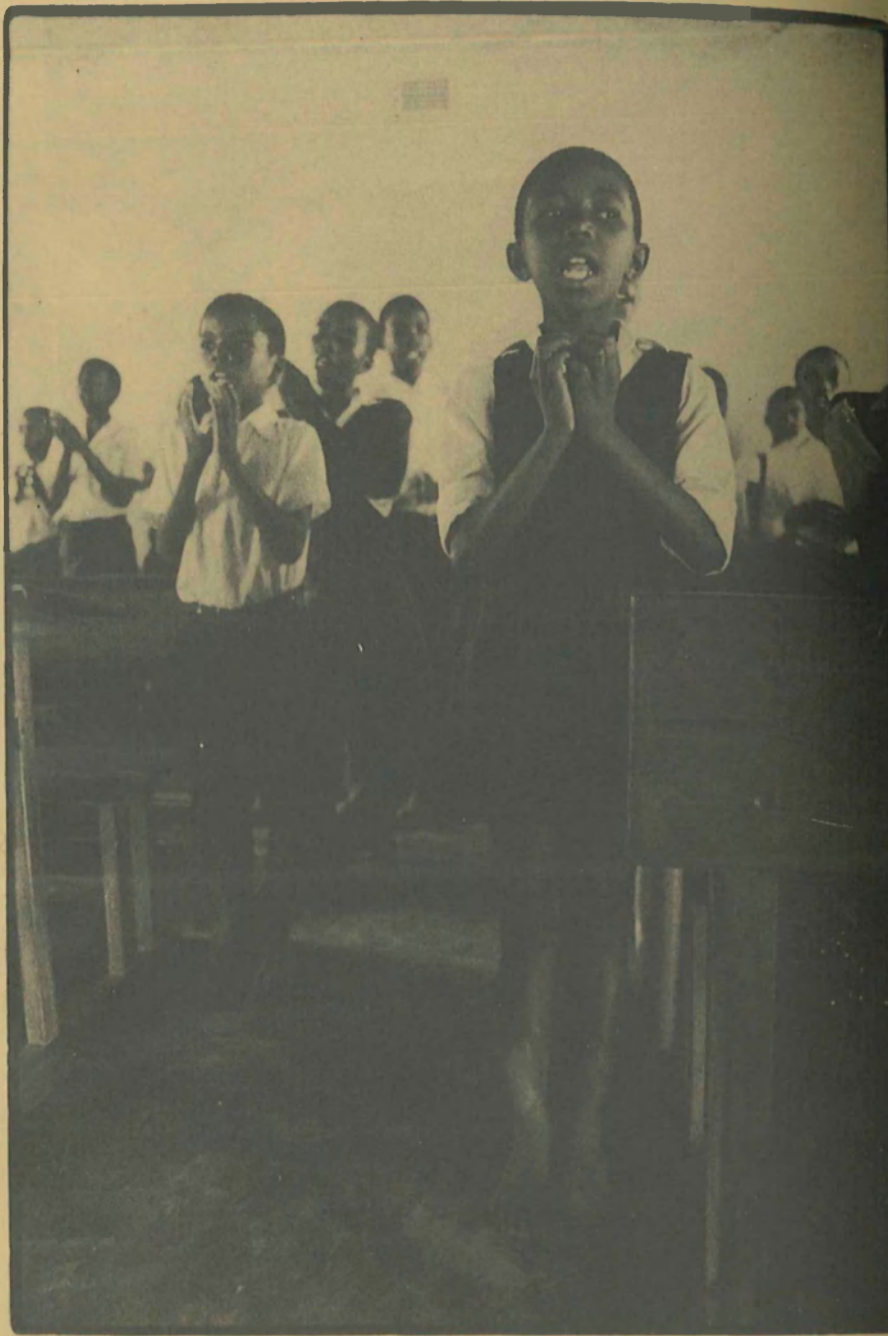
The base survey revealed that 36 percent of coloured, 44 percent of Asian, 27 percent of black and 5 percent of white schoolchildren between the ages of six and nine years were below the Boston 3rd percentile of weight for age.²

Infant Mortality

Ms Vergnani documents an analysis of the main causes of the high incidence of infantile deaths among the black, coloured and Indian communities, as compared to the white community. Malnutrition is shown to be a contributory factor in deaths from immaturity, diarrhoea, pneumonia and other infectious diseases. The incidence of infantile deaths from these causes is shown to be very much higher in the black, Indian and coloured communities than it is in the white community.³

Hospital admission rates and hospital mortality rates also point to the high prevalence of malnourishment among the poorer groups in South Africa. However, only the most severe cases are admitted to hospital and the true incidence of malnutrition is much higher.

Malnutrition never occurs in isolation and always forms a link in the chain of poverty, socio-economic deprivation, "ignorance" and ill health. The cycle of malnutrition, slow learning, poor education and resulting malnutrition has become entrenched, especially in rural areas. With widespread poverty in rural areas, homelands and independent states,⁴ and taking into account future estimations of population growth, housing needs etc, as against projected economic growth, it is doubtful whether the present vicious circle of malnutrition — poverty — underdevelopment will be broken in



Schoolchildren who are "survivors" of malnutrition during infancy suffer from apathy and low concentration, resulting in low achievement and a high drop-out rate, thus perpetuating the cycle of malnutrition, "ignorance", poverty and resulting malnutrition.

Paul Weinberg / Afrapix

the foreseeable future. Malnutrition is part of the poverty situation and as such will remain a major problem in South Africa.

Comment

Curative and preventative measures such as food subsidies, health and welfare services, agricultural development schemes, the distribution of powdered milk, research into food technology and deficiency diseases, malnutrition surveys and educational programmes, have been shown to be valuable and effective. However, malnutrition is a symptom of underdevelopment and official neglect. These measures will do little or nothing to eliminate the basic social, political and economic causes of malnutrition.

Any policy action on malnutrition should acknowledge that its causes are embedded in the structural conditions which perpetuate poverty and social helplessness among the non-white population of South Africa, especially in the homelands and independent states. (An analysis of some of these causes is presented by Jill Nattrass in the Economic Monitor p2.) **UPWA**

Jeff Zingel

FOOTNOTES

- 1 Kotze J P et al *Anthropometric Survey of Different Cultural Groups in South Africa*, quoted in Vergnani T *Malnutrition in South Africa* Occasional Paper published by the Unit for Futures Research, University of Stellenbosch, February 1983
- 2 *Ibid* p9
- 3 Van Rensburg H C J and Mans A *Profile of Disease and Health Care in South Africa*, quoted in Vergnani T op cit p13
- 4 Thomas G C *The Social Background of Childhood Nutrition in Ciskei*, quoted in Vergnani T op cit p20

Planning for ECONOMIC DEVELOPMENT in BOPHUTHATSWANA

In a recent keynote interview President Lucas Mangope of Bophuthatswana has once again emphasised his commitment to a federation of South African States (Rand Daily Mail 21 February 1984). Many observers find this commitment difficult to understand in the light of his enthusiastic acceptance of complete independence for Bophuthatswana in 1977.

Claims of a commitment to federation also do not coincide with the approach to economic development in the territory.

In this article PROFESSOR KARL MAGYAR, who was until recently the Economic Advisor to the President of Bophuthatswana, provides a critical but constructive analysis of the problems of planning for economic development in Bophuthatswana. Karl Magyar is now a Professor at the Department of Philosophy and Political Science at the University of Durban-Westville.

Analysing economic development planning may be done in one of two ways:

- by examining the formal institutions, structures and schedule of the development plans; or
- evaluating the results over a prescribed time frame.

The institutional structural approach may serve a useful public relations function, in that it focuses on the existence of offices and officials, but offers little insight from the perspective of those affected by such development. The problem with the overall evaluative approach is that it requires a great deal of data and information¹ which is scarce in the Third World, and, in any case, will still be subjected to interpretive disputes.²

This analysis of Bophuthatswana's economic development will, however, focus on the latter method as it is arguable that Southern Africa's black people judge the results of any political changes not so much by the extension of political rights as by the direct implications these hold for their economic welfare.³

Defining the operational terminology of economic development remains an academic exercise in its own right. There is no paucity of literature on this topic. Two broad approaches towards economic development are described by William A Hance as:

- the socialist-structural transformationist
- the capitalist-gradualist.

The former stresses the goal of equity in income distribution, while the latter is more concerned with economic efficiency and growth.⁴ Both of these approaches are in need of modification as they assume that all

states, like the inappropriate models offered by the world's great industrial states, have available to them a clear choice among these two options.

However, socialist Third World states have rarely gone beyond an equitable distribution only of poverty, while the attempts to implement capitalism in the Third World have rarely gone beyond state capitalism as the government is usually the greatest producer as well as consumer.

Bophuthatswana may be viewed as:

- a permanent appendage of a greater South Africa;
- a political entity experiencing essentially the same plight as the multitude of other black African countries; or
- a political unit with unique properties and problems deriving from the sheer factor of small size.⁵

The fact that Bophuthatswana may be analysed in such different contexts suggests that traditional theorising about economic development remains only marginally useful due to the unique characteristics which prevail.

Bophuthatswana: An African Perspective

Bophuthatswana demonstrates a remarkable degree of conformity to the prevailing characteristics of most African states as well as those of many small states in the rest of the world. Percy Selwyn identifies the usual problems of small countries within a greater regional economic context:

- they have too few industries, hence they

It is argued that South African blacks judge political changes not so much by the extension of political rights as by the direct implications these hold for their economic welfare

Bophuthatswana demonstrates a remarkable degree of conformity to the prevailing characteristics of most African states

Instead of recognising the inherent limitations of size, location, finances etc, many small states attempt to emulate the industrial leaders

Liberal attitudes towards commercial enterprise and faith in the free market economy have little relevance to the majority of blacks in Bophuthatswana who have no surplus capital

The integral ties to the South African economy are reluctantly acknowledged, but they are not fully incorporated into development plans

The political significance of Bophuthatswana's "independence" is severely prejudiced if the full extent of its economic reliance on South Africa is admitted

cannot afford highly protective tariff structures;

- they are less likely to be self-contained in production factors; migration is important; financial institutions are weak and rely on external financial centres;
- they have weak integrated economies internally and hence they rely more on specialisation; and
- they are viewed as part of a greater economic region by external investors.⁶

Hance refers to the limited organisational capacity of governments in Africa; their inability to generate enough local capital; the shortage of educated and technical personnel; and the small number of entrepreneurs.⁷

Erich Leistner observes that the weaknesses of many African countries lie in the institutional framework which fails to implement, enforce, supervise and monitor developmental progress. High growth rates may be misleading if the increases accrue to only a fraction of the total population and if a significant share of the GDP goes to foreign shareholders.⁸

These characteristics, common to many African and other small countries in the world, are a fair assessment of the environmental constraints in Bophuthatswana. Yet these are not routinely acknowledged by poor developing states or in the ongoing economic evaluations in Bophuthatswana.

Instead of proceeding from a recognition of inherent limitations to the goal of full economic diversification imposed by the factors of size, population, location, finances etc, many small states attempt to emulate the developmental histories of the industrial leaders. And in the case of Bophuthatswana, the model is overwhelmingly that of South Africa.

The President gives repeated assurances of liberal attitudes towards commercial enterprises and faith in the free market economy.⁹ But this has little relevance to the great majority of blacks within the borders of Bophuthatswana who cannot enjoy the fruits of capitalism if they have no surplus capital in the first place.¹⁰

Economic planning, then, concerns essentially the management of state enterprises and the attempts to attract external finances with the promise of liberal returns. This is the case in the Third World as it is in Bophuthatswana. Michael Ward neatly summarises the dilemma:

One of the fundamental questions a small developing country therefore has to answer is not how can it best integrate foreign direct investment and capital into the proposed development plan, but how can the plan itself best fit into the foreign investment to serve its principle objectives?¹¹

The Economics of Dependence

The negative aspects of Bophuthatswana's developmental environment are easily identified, but the

positive dimension needs to be reviewed. First and foremost, the integral ties to the South African economy are reluctantly acknowledged, but they are not fully incorporated in developmental plans which are occasionally described as pursuing a "self-reliance/basic needs strategy". This, of course, is problematic for the following reasons:

- Bophuthatswana's infrastructure was built by South Africa;
- all development aid derived and much still derives from South Africa;
- most of the capital and investments are South African;
- most of the key expatriate personnel are South Africans;
- two-thirds of the labour force of Bophuthatswana works in South Africa;¹²
- the mines, which are the largest employer of Bophuthatswana's citizens, are South African controlled;
- tourism development is financed by and predominantly frequented by South Africans; and
- the separate parcels of Bophuthatswana are geographically and economically surrounded by South Africa.

The tendency has been to treat this relationship as though it were but a coincidental attribute. Yet this symbiotic relationship with South Africa should form the basis of Bophuthatswana's single greatest economic advantage.

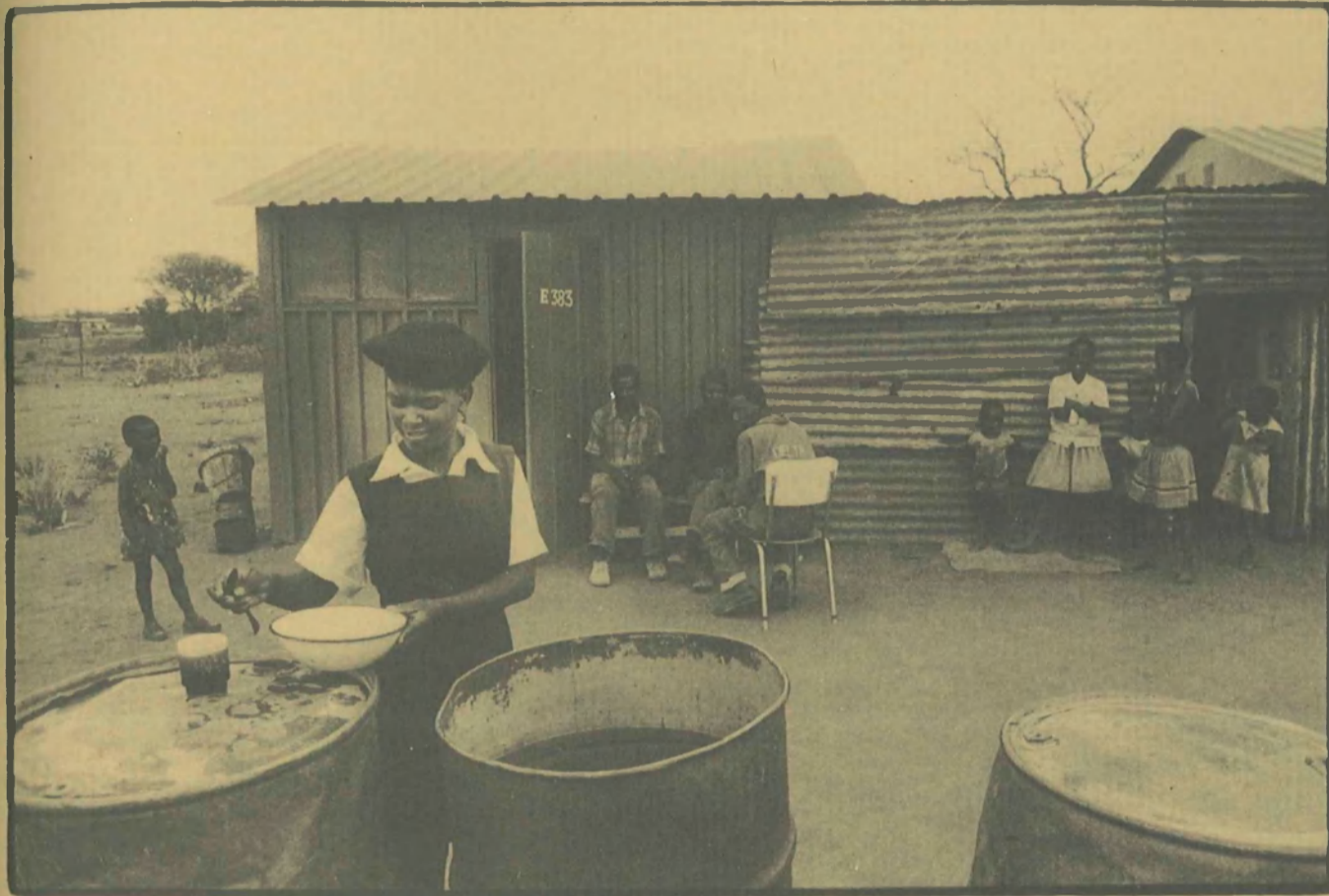
The Politics of Independence

Political and social development in Bophuthatswana pursues an independent path. Where this tendency is carried over into the economic planning sector, however, a serious problem results. This problem is one of a lack of realism, in that the inextricable links to South Africa's economy are not structurally incorporated in the planning process.¹³

The origins of this failure or refusal to acknowledge the ties to South Africa as being the overwhelming single economic characteristic stem from two sources:

- The political significance of Bophuthatswana's "independence" is severely prejudiced if the full extent of its economic reliance on South Africa is admitted; and
- President Mangope has constantly vacillated in his attitude to the institutionalisation of a permanent and consistent relationship with Pretoria, with the result that the desired level of political links is still unclear.

The pursuit of independence offered a respite from decisions on this matter until the 1980's, when it became evident that South Africa's policy of separate development was not going to produce the easily-discarded black homelands which the original plans called for. The South African government under P W Botha then took the integrative initiative by offering the prospects of constellation and confederation.



Paul Weinberg / Afrapix

Development strategies for Bophuthatswana should take into account the needs of the majority, most of whom are poor, argues Professor Magyar. Many people live in resettlement areas, supported by wages earned in South Africa by daily commuters or migrant workers.

DEVELOPMENT FOCUS

Despite the invitation to join in such regional political and economic efforts, President Mangope became tantalised with the prospect that Bophuthatswana just might be able to achieve its independence goal, given the visible economic progress indicated by the growing GNP — albeit within the intensified economic relationship with South Africa.

He has recently produced a series of statements rejecting any extensions of political ties but welcoming greater economic co-operation and especially the Southern Africa Development Bank.¹⁴ He has never explicated his reasons for this political stance, beyond the mandatory statements that political co-operation would lend credence to South Africa's apartheid policy, and therefore should be eschewed. However this political standpoint has not deterred him from expanding his economic relationship with the apartheid government. Probable reasons for this dual approach would be the disdain of other homeland leaders which closer political links would bring; the attempt to sweep under the rug the realities of total reliance on South Africa; and the fear that intensifying political ties to the majority of blacks outside Bophuthatswana may imply eventual communal control over the mineral wealth of Bophuthatswana.¹⁵

In terms of planning for economic development in Bophuthatswana, this

vacillative attitude towards federal relations within South Africa has two major implications.

The first is that Bophuthatswana is too much the personal reflection of President Mangope. He alone dominates the policies which determine the relationship with South Africa which, as noted, constitutes by far the most important economic variable in Bophuthatswana's development. President Mangope may be compared in this respect with the majority of African independence leaders, whose personalities stamped the initial directions of their countries during the early days after attaining independence. And, as in the case of other African countries, these leaders developed their expertise primarily in the political realm, but few could conceptualise the long-term, technical intricacies of economic development within the constraints so evident in the Third World. In Bophuthatswana, expatriates were engaged to fill the gap in expertise, as few Tswanas were equipped to fill these roles.

The President is inclined towards the investment of scarce governmental funds on a few grandiose public projects. This suggests that development of the welfare of the population at large is to flow indirectly from "state-capitalist" enterprises via the much-vaunted "trickle-down" and "multiplier" effects.¹⁶ There is investment in jobs, to be sure; but at issue is the proportion of

President Mangope alone dominates the policies which determine the relationship with South Africa, which constitutes the most important variable in Bophuthatswana's economic development

Failure to offer a clear policy towards permanent political ties to South Africa offers the economic planner a very weak base on which to formulate an appropriate strategy

At issue is the proportion of expenditure on projects which focus only on the GNP as against those which benefit the masses directly

The state has in fact assumed the function of a commercial conglomerate and a partner in business ventures with external investors

expenditure on projects which benefit the masses directly as against those which in the end focus on only the GNP but which encourage a widening chasm between the elites and the masses. Expatriate advisors themselves cannot make such a fundamental developmental choice, as it undoubtedly involves political value judgement which can only emanate from the presidential office.

The second implication of the failure to offer a clear policy towards permanent political ties to South Africa is that it affects economic planning adversely. The accommodation of federal forms, for example, requires quite different policies from those which seek to develop genuine self-sufficiency as in the case of independent countries. The former must plan for a permanent relationship in the areas of employment, capital movements, aid, infrastructural extensions, fiscal policies and overall policy co-ordination. The latter orientation calls for a reduction of such ties and for the more painful attempt to develop diversification and self-sufficiency at any cost.

The failure of President Mangope to clarify the long-term intentions as between some form of political integration and independence offers the economic planner a very weak base on which to formulate an appropriate strategy.

The "White Paper on Development"

Bophuthatswana established a Development Council in 1979 with a number of external experts to advise on all aspects of development.¹⁷ This group has laboured to produce a "White Paper on Development", based on their conceptions of the desired strategy and objectives. The result is what may be expected — a list of recommendations quite inoffensive and well-meaning, but lacking an essential priority framework and a clear statement of long-term objectives. There is insufficient input into this plan by the government itself, which must offer the ideological parameters in order to avoid the emulation of an inappropriate external model. The plan, the Development Council and a Directorate of Planning Co-ordination exist, but crucial decisions concerning major governmental expenditures and investments still emanate from the President's office.

The plan is based on what is referred to as the "development administration model", which stresses governmental policies within a mixed economy and governmental central planning and administrative controls via the existing bureaucracy. However the plan is also characterised by a de-emphasis on project planning and on planning agencies, and by a lack of implementation.¹⁸

The Pattern of the Past

Reviewing the directions of developmental progress in Bophuthatswana in the years

since independence yields a rather definite pattern of governmental efforts. These do not reflect a studied, long-term approach based on a disciplined assessment of the requirements for developing a new African society.

Instead, the government's approach has been largely a succession of grandiose high profile projects geared towards putting governmental revenues to profitable use. These have been commercial rather than development ventures. The state has in fact assumed the function of a commercial conglomerate¹⁹ and a partner in business ventures often enjoying the marginal level of comparative advantage afforded by the right to engage in activities not tolerated in South Africa.

Reference may obviously be made to the Sun City phenomenon,²⁰ which has become the prevailing model for all-round development. This tendency poses the greatest danger to Bophuthatswana.

Reviewing the list of projects in which the government is taking the initiative and investing its funds, one finds the following: a game lodge in Pilanesberg; an extension and possibly new hotel near Sun City; a hotel, casino and game reserve at Thaba Nchu; a new parliament building and a series of new governmental office buildings in Mmabatho; the establishment of BOP-TV²¹; a new international airport and a second hotel at Mmabatho; a very costly visitor's residence in London; a possible horse-racing track at Garankua along with another hotel and tourist facilities nearby; the erection of shopping centres at Mabopane and elsewhere; the extension of the Mmabatho Sun Hotel, etc.²²

A definite evaluation may be made about these projects. They are of only indirect relevance to the population of Bophuthatswana, and provide relatively few jobs in menial staffing capacities. In fact, these investments are aimed solely at the white South African spender in Bophuthatswana. Even if profitable, they still tie up funds which could be invested in development.

From the perspective of the irrepressibly rising expectations of the rural poverty-stricken Tswana, this is only marginal economic development which has replaced the traditional economic gap between the white elite and black masses with a new but very limited black elite, still divorced from the masses.

However, it must be stated that projects which are orientated towards capitalising on marginal white requirements do not represent the only type of economic activity which is supported by the government. There is a respectable degree of industrial and agricultural development taking place under the auspices of the Bophuthatswana National Development Corporation (BNDC) and the Agricultural Corporation (AGRICOR). These two organisations are to be highly



Paul Weinberg / AFRICA

The Sun City phenomenon has become the prevailing model for development in Bophuthatswana. Such developments provide the population with relatively few jobs in menial staffing capacities

commended for their successes, but they operate under two constraints. They are not integrated into an overall development plan, and hence are also subject to directives by the Executive Office, and they operate under the constraints of a limited budget determined by the government.

State Capitalism: Style vs Progress

When reviewing the list of government-sponsored and planned projects, it is soon evident that the capitalist strategy adopted is without consequence at the mass-public level. With the abysmally low salaries of most of the gainfully-employed workers, no savings will accrue which may form the base of mass capitalism. Instead, what exists is state-capitalism, with the government taking on the functions of the directorate of a corporation. This is symbolised but also operationalised in President Mangope's ancillary role as Economics Minister.

Under this system, economic planning can only be a reflection of the Chief of State with the Minister of Finance seeing that the presidentially-preferred projects are enacted. The Department of Economic Affairs has never offered leadership but only administers those projects determined by the front office.

The reference to the overwhelmingly preponderant influence of the President is not meant to suggest that there exists a dictatorial state of affairs. The government of Bophuthatswana has gained a genuine respect by the electorate in the 1982 election and in this sense, it can be argued that the path undertaken by the government reflects broad consent. But the student of African affairs recognises that the lack of political sophistication — so evident in Bophuthatswana — is very wide-spread

throughout Africa and that this may be seen to produce a pervasive form of "democratic paternalism". The effect of this allows for the visible expression of great style but for very little measurable progress at the mass-level.

President Mangope, like his counterparts among the African political leaders who introduced the initial structural political changes from external domination to at least self-rule, deserves much credit. But again, as in the rest of Africa, economic development requires a cadre of highly educated indigenous specialists with the government offering only a supporting role and not the dominant role, if the free market strategy is to be followed.

Future Prospects for Development

Looking towards the future, the next generation of leaders will hopefully offer a clearer conception of Bophuthatswana's ties to South Africa and its relationship to the black majority sector. While it is scarcely conceivable that the path of total independence will be pursued, no rational plan of development will proceed without this issue being clarified.

However, regardless of the next generation's choice of independence or re-integration into a restructured South African community, Bophuthatswana will retain its integral economic relationship with South Africa.²³

No broad social progress can be expected until two requirements are met, namely the rapid extension of higher education and the provision of jobs. These two requirements can only be realised by the re-direction of government investments away from those sectors which serve essentially public relations functions towards those which are directed at the establishment of an industrial

Development projects such as hotels, shopping centres, government buildings and recreational facilities are only of indirect relevance to the majority of the population of Bophuthatswana

The economic strategy adopted by the government of Bophuthatswana allows for great style but for very little measurable progress at the mass-level

DEVELOPMENT FOCUS

No social progress can be expected until higher education is extended and jobs are provided through the establishment of an industrial infrastructure

It is the educated, trained and gainfully employed worker in the modern sector who must form the basis of the free market economy in Bophuthatswana

Hopefully a new generation of leadership will emerge which will redirect governmental efforts away from its present corporatist inclination, towards improving the social welfare of the masses

infrastructure and the creation of jobs.

These two changes presuppose a tacit modification of the simple free market system, which remains irrelevant to Bophuthatswana's needs, and, at any rate, does not exist beyond state capitalism and the handling of foreign investments. Furthermore, the government needs to realise that economic diversification and self-sufficiency cannot be attained without a cadre of trained work force.

However, training without prior education is of little real benefit as the uneducated trained worker is still likely to rely on external investors to provide employment opportunities.²⁴ It is the educated, trained and gainfully employed worker in the modern sector who must form the base of the free market economy in Bophuthatswana.

Conclusion

Governmental paternalism in Bophuthatswana, with its unifocal leadership and tendency towards showpiece projects, has not undertaken policies to encourage the circulation of public funds among the masses. Within sight of the spectacular new government offices, shopping centres and residences in Mmabatho are tin shacks whose occupants have seen governmental revenues used to form a new indigenous privileged upper class and to finance projects designed and constructed by external contractors.

Those who find employment in the newly created industries are but a small proportion of the population (some 20 000 at the new industrial centres) whose wages compare very unfavourably to those offered in the PWV area.²⁵ Many commute several hours each day for wages of less than R20 per week. In several industries, this results in an annual workforce turnover of 100 percent. These are

scarcely the citizens who are to build a modern viable and independent free enterprise system.

Bophuthatswana's short developmental history can be seen to reflect the history of economic development in the rest of Africa. There is one difference, however, between Bophuthatswana and most other African countries. Bophuthatswana has the prospects and option of remaining an integral part of South Africa with its well-established economic infrastructure. This is not the case for the rest of the continent. The South African economy needs the labour available in the homelands and they in turn need the managerial, capital, technological and organisational leadership offered by white South Africa.

Bophuthatswana, as an unrecognised entity, with its small population and fragmented nature, relying so heavily on minerals and on migrants' incomes, ought not to discard its ethnic identity which holds some advantages for the social aspirations of the Tswanas in Bophuthatswana. But this may best be realised within the context of a federal or suitable confederal relationship with the rest of South Africa.

Should this path be decisively adopted, progressive economic development planning could finally proceed without the impediments and restrictions which the rhetoric of independence imposes on this homeland.

However, such a move towards political realism may have to await the transition to a new generation of leadership which will hopefully redirect governmental efforts away from its present corporatist inclination, and attempt to realise the just expectation of the masses that their social welfare could be improved more rapidly. *IPJA*

FOOTNOTES

- 1 When I left my position as Economic Advisor to the President of Bophuthatswana, I made repeated requests to take with me the files on Bophuthatswana's economic situation which I had laboriously accumulated. I requested only the information which was publicly available for purposes of scholarly research. The President denied this request.
- 2 See the controversy surrounding precise homeland data which was presented in *The Star* 16 November 1982 and challenged by BENSU in *The Star* 8 December 1982.
- 3 I have developed this theme at greater length in "Federation vs. Confederation in Southern Africa: The Neglected Economic Dimension" *International Affairs Bulletin* vol 7 no 2 1983.
- 4 Hance W A *Black Africa Develops* African Studies Association Brandeis University Wallham Massachusetts Crossroads Press, 1977 p47. See also Seidman A *An Economics Textbook for Africa* London, Methuen, 1980 p10, and Baker D G "Development Models and Strategies: The Problem of Human Motivation" *Journal of Contemporary African Studies* vol 1 no 2 1982 pp211-213.
- 5 A good introduction to this problem is that by Selwyn P. ed. *Development Policy in Small Countries* London, Croom Helm, 1975. Also Robinson A. ed. *Economic Consequences of the Size of Nations* London, Macmillan and Co Ltd, 1963.
- 6 "Industrial Development in Peripheral Small Countries", in Selwyn P. op cit p78.
- 7 Hance op cit p48.
- 8 "Black Africa in Search of an Appropriate Development Strategy", in *Southern Africa: Challenge of the Eighties* Pretoria, Africa Institute, 1981 pp70-71.
- 9 President Mangope has stated "... we subscribe to the principles of free enterprise ... we have firmly pledged ourselves to a policy of non-nationalisation and non-interference by the State ..." Speech to the Johannesburg Chamber of Commerce, 23 May 1978. Mangope L M *A Place for All Goodwood*, Via Afrika Limited, no pp17-18.
- 10 Jill Nattrass observes that the capitalist mode of development of a traditional society results in a highly organised capitalist system facing virtually unorganised labour. This is an apt description prevailing in Bophuthatswana. Chapter 4 in Schlemmer L and Webster E eds *Change, Reform and Economic Growth in South Africa* Johannesburg, Raven Press 1978.
- 11 *Op cit* p129.
- 12 *The Star* 1 June 1983.
- 13 In the words of Alan Paton "... the happy homelands are a myth" *The Star* 30 December 1983.

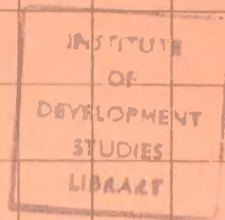
- 14 Speaking at the fifth anniversary celebrations marking Bophuthatswana's independence, President Mangope asserted "... it is unthinkable that we should desire to enter into any relationship, constellation or co-operation with South Africa, which is tainted with any political connotation or implication whatsoever." *The Mirror* 11 December 1982. And elsewhere, he noted "I have not accepted any part of the constellation of states concept." *The Star* 14 March 1983.
- 15 This latter problem should not be underestimated. Bophuthatswana's Department of Economic Affairs noted that the share of mining activities in Bophuthatswana's GNP rose from 41.7 percent in 1977 to 52.6 percent in 1980. This forms the entire backbone of Bophuthatswana's economy. Reported in *Growth* December 1982.
- 16 Coetzee S F discusses the tendency but fallacy of identifying economic growth with development and the failure of the multiplier effect in "Development: False Hopes and New Directions" *op cit* pp29-30.
- 17 Schoeman D and Moody E "Planning and Regional Development in Bophuthatswana" *Development Studies Southern Africa* vol 4 no 3 1982.
- 18 *Ibid* pp337-338.
- 19 Schoeman and Moody refer to the fact that the government of Bophuthatswana is the main investor and that this will have a tremendous impact on the country. *Ibid* p333.
- 20 This is not to criticise the managerial capacity of the Sun City venture, which should be commended, but rather the appropriateness of this model for all-round development in Bophuthatswana.
- 21 The *Rand Daily Mail* reported that BOP-TV alone will cost R72 million to become fully established, 29 December 1983.
- 22 Care has been taken to refer only to those projects which are publicly known and which have been referred to in the public media. It is not the author's intention to reveal any privileged information. Most of the itemised projects were reported in *Growth* July 1983.
- 23 In fact migrant workers from Bophuthatswana to South Africa increased from 197 000 in 1981 to 236 000 in 1983. Lighthelm A A "The Development of the TBVC Countries: A Review" *Development Studies Southern Africa* Vol 5 No 1 1982. And a Corporation for Economic Development Study noted "... it is clear the export of labour by the black states to South Africa is a permanent feature of the economy of South Africa." *The Star* 1 June 1983.
- 24 Concerning education, the available data is not encouraging. Based on a report by BENSU, *The Star* reported that Bophuthatswana's matric pass rate dropped from 81 percent in 1976 to 66 percent in 1980. 16 November 1982.
- 25 In fact, both in terms of numbers but also in terms of ratio unemployment in Bophuthatswana rose from 15.7 percent in 1977 to 19.4 percent in 1981. Schoeman and Moody *op cit* p337.

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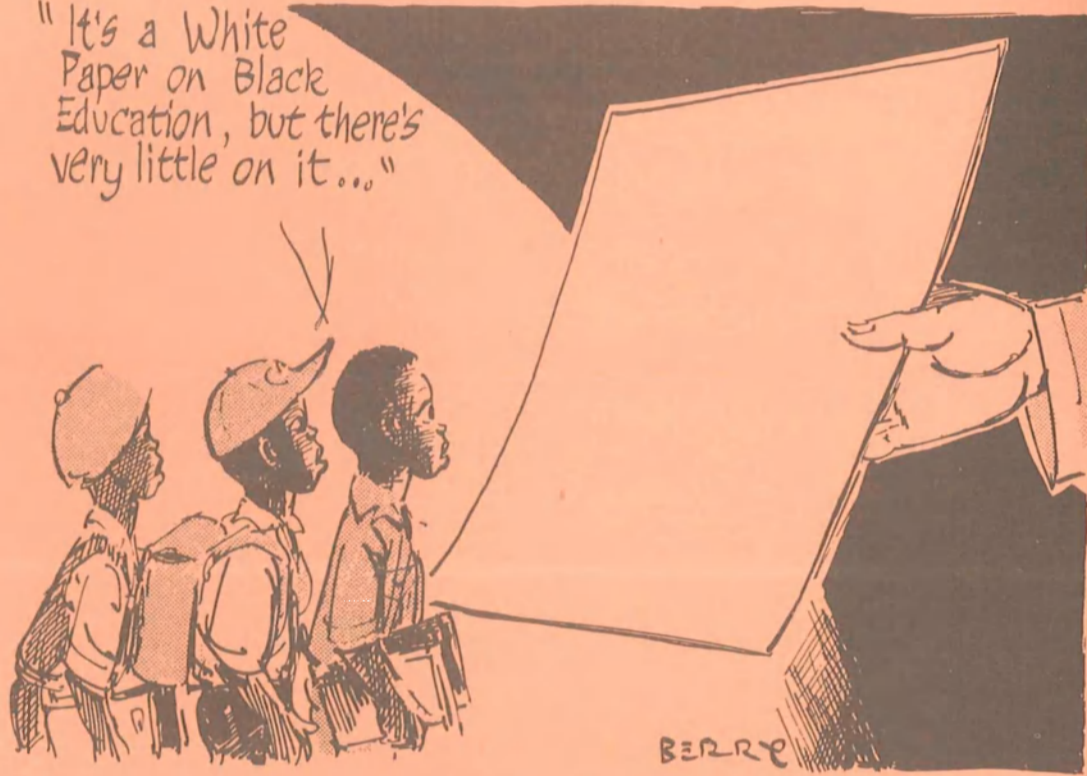
Paul Weinberg / Afrapix

The extent of the crisis in black education is illustrated in this photograph of a rural school in Kwandabele.

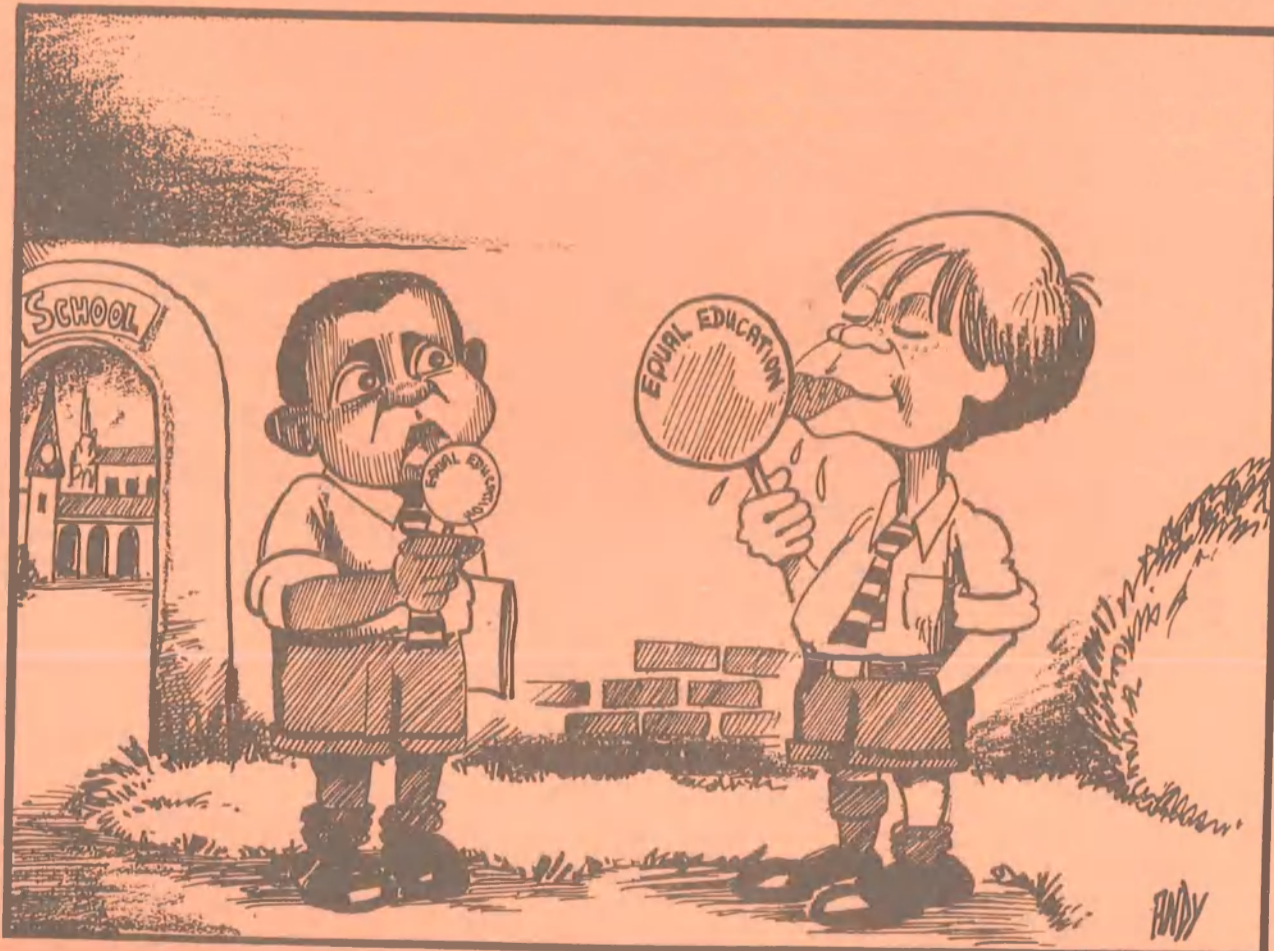
- 3** *Perspectives on the Government White Paper on Education*
- 7** *Can Separate Mean Equal?* K Hartshorne
- 8** *The Stanine Decline* M Bot
- 10** *Black Teachers: Caught in the Middle* M Bot
- 12** *The Government's New Housing Policy* V Moller
- 16** *Report on Road Passenger Transport Policy* T J Markman

How Cartoonists saw the White Paper

"It's a White Paper on Black Education, but there's very little on it..."



By courtesy of the Star



By courtesy of the Rand Daily Mail

PERSPECTIVES ON THE WHITE PAPER

On November 23, 1983 the government published the long-awaited White Paper on the Provision of Education in the Republic of South Africa. While in general there have been positive responses to some of the more practical recommendations of the White Paper, many commentators are highly critical, notably where the government has overruled or deviated from key recommendations made by the De Lange Commission.

THE PRESS

Twelve newspapers were monitored, of which nine were English and three Afrikaans. MONICA BOT summarises responses from various quarters to the White Paper, as reported in the newspapers.

Control of Education

The most controversial and frequently discussed issue in the press pertains to the proposed management structure, and in particular, the government's rejection of a single ministry of education. The White Paper makes provision for five ministries, a division between "own" and "general" affairs, and a plethora of advisory bodies and councils, the most important of which are the multiracial South African Council for Education (SACE), which will serve as a bridge between the ethnically separated departments, and the Central Certifying Council and Curriculum Service, aimed at promoting common standards.

The Group Areas Act will not be waived with regard to the use of schoolbuildings and teacher training colleges by any population group other than the one they were originally meant for.

Of the 12 newspapers monitored, only one expressed the view that, in terms of the White Paper, the "general" aspect of education comes into its own right.

In general, English language newspapers were far harsher in their criticisms than the Afrikaans press. They pointed to the negation of the De Lange recommendation of a single unitary department of education as the biggest disappointment of the White Paper. Some descriptions were: "disastrous"¹; "saddening and disheartening"²; and "a cynical rejection of the most crucial area of reform"³.

Several editors criticised the fact that coloureds and Indians are left to struggle with existing problems as an "own" affair. Comment in the *Sowetan* suggests that the White Paper reveals a "so-called hidden agenda" and provides for the streamlining of an educational structure which "tends to be far more sinister" than the present "disastrous educational system"⁴. The editorial concluded that the recommendations of the White Paper would serve "to reinforce apartheid".

In contrast the Afrikaans press tended to perceive the proposed management structure as a necessary concomitant of the need to ensure racial separation. *Beeld* stated with regard to the policy of five education departments that "in South Africa with its urge to protect group identities, it is in fact practical politics"⁵. *Rapport*, however, expressed the opinion that "The constitution itself, the educational structure and the Group Areas Act are surely matters which should remain on the agenda"⁶.

Of nine education experts interviewed in the press, eight expressed regret — in varying degrees — about the fact that education is to remain within the apartheid mould. Some expressed fear of increasing alienation and a widening of present inequality.

Of the seven teachers' associations interviewed in the press, two were in favour of self-determination over own affairs and the maintenance of the Group Areas Act. The reactions of the others varied from support to the government's rejection of one single ministry but concern over the tremendous cost involved, to a more outright rejection: "The White Paper is linked to the constitutional proposals, which perpetuate inferior education and racialism"⁷; "the White Paper will serve to further polarise groups in South Africa and entrench the status quo"⁸.

Responses to the proposed Central Certifying Council were positive, as were responses to SACE, although in respect of SACE the following reservations were noted:

- its effectiveness depends on the composition, clout and initiative allowed to the body;
- it is limited to school education and teacher training;
- it is not an independent body;
- the minister is not obliged to consult SACE before making decisions; and, from a more conservative viewpoint
- each group should have their own advisory body in this regard.

The English press viewed the rejection of a single Ministry of Education as the biggest disappointment of the White Paper

Some educationalists expressed fear of increasing alienation and a widening of present inequality

The effectiveness of the South African Council for Education will depend on the composition, clout and initiative allowed to the body

Although the White Paper encourages professional decisionmaking in educational planning, some felt this deserved even greater emphasis

The government's commitment to equal opportunities and standards, and to parity in per capita expenditure in education is generally welcomed

Some feel that the financial contribution required of parents and communities will be an obstacle to achieving equality

Most commentators gave cautious approval to the government's commitment to equality in education and to the more practical aspects of the White Paper

Recommendations with Regard to the Teaching Profession

The White Paper recommends one central registering body, four professional councils and a consultation system to decide on service conditions and remuneration. Teaching requirements are standard 10 and three years professional training. Universities and technikons are to become more involved in teacher training in future.

Press, educationalists and teachers' associations alike were positive about the encouragement of professional decisionmaking in educational planning, supported moves to upgrade the present teaching force and the central registration body for all teachers, and welcomed the fact that salaries and employment conditions are to be a general affair.

However, concern was expressed that:

- there seems to be little sense of urgency about upgrading and in-service support of the 100 000 underqualified black and coloured teachers;
- a timelag can be expected with regard to equal salaries because of the different quality levels in the groups;
- the teacher bodies are to be racially separate;
- the investigation of an arbitration mechanism for education has been referred to the Commission for Administration, one of the partners involved in the arbitration process;
- teachers at teacher training colleges, technikons and universities are not included in the groups involved with registration;
- the rejection of a single body to control professional aspects of registration, training and discipline;
- there is not enough emphasis on professional control by the educational profession itself.

Financial Provisions

In relation to the aim of equal opportunities and standards, the White Paper outlines what is implied by "free education", and the financial contributions expected of the government, communities and parents in the future.

Press, educationalists and teacher associations alike welcomed the government's commitment to equal educational opportunities and standards, and to parity in per capita expenditure in education of the various racial groups.

Some were in favour of parents' and communities' involvement regarding financial accountability, although others saw this as an obstacle to achieving equality: "Black communities will have to make good the drastic underprovision of facilities caused by decades of government neglect"; "Equality is not possible if black parents carry the main financial burden of achieving equal quality" and, furthermore: "What will they (parents) be paying for? Reform and educational

improvements or an ideological structure that has needlessly duplicated expensive services?"¹¹

There was concern about how the backlog is going to be resolved, where funds will come from for the administration of coloured and Indian schooling and the fact that the financing of education is not singled out for special budgetary provisions, which "casts doubt on the promise of a better deal for all"¹²

A positive note is registered, however, in that the government has gone on record as stating that education should be equal. Some sources have expressed the hope that in the end the government might be forced to admit that racial separation must be surrendered if equality is to be achieved.

The Delivery of Education

The last section of the White Paper deals with the actual delivery of education itself. Norms are set out regarding length and content of schooling, space and costs of buildings, transportation etc.

The groups whose comments were reported in the press generally felt that these norms reflect a movement, however slight, towards parity in the delivery of education.

Specific mention was made of the proposed:

- supportive services (curriculum design and development, educational technology, health and guidance services)
- links between formal, informal and non-formal education
- expansion of technical education and greater balance between academic and technical education
- assistance to school-leavers
- the expansion of pre-basic education and the criterion of schoolreadiness
- the space, cost and building norms.

In general, while criticism centred upon the restrictive ideological parameters of the government's approach and the rejection of a single education department as recommended by the De Lange Commission, most commentators gave cautious approval to the government's commitment to equality in education, and to the more practical and less directly political aspects of the White Paper.

The question remains whether this commitment to equality can be realised within the ideological framework of separate development, and in the face of the situation of inequity which presently exists, the unequal financial resources available to the different racial communities, and the duplication of resources and manpower involved in the maintenance of five separate educational departments. *JPA*

FOOTNOTES

- 1 *Sunday Tribune* 27 November 1983
- 2 *From the Cape Times* in *Bulger* 26 November 1983
- 3 *The Star* 24 November 1983
- 4 *Sowetan* 25 November 1983
- 5 *Breid* 24 November 1983
- 6 *Rapper* 27 November 1983
- 7 *Post Natal* 30 November—3 December, 1983
- 8 *Daily Dispatch* 25 November 1983
- 9 *Financial Mail* 2 December 1983
- 10 *Rand Daily Mail* 25 November 1983
- 11 *Post Natal* 30 November—3 December, 1983
- 12 *Natal Mercury* 24 November 1983

ACADEMIC PERSPECTIVES

Responses to the White Paper on Education from academic sources were obtained in a small survey of expert opinion conducted by MONICA BOT. Pre-arranged telephonic interviews were held with Education Faculty heads or senior staff members at fourteen South African universities. As a basis for these interviews, a list of six questions was mailed to the respondents for their consideration two to four weeks before the interviews were conducted. The respondents were drawn from the following universities (in alphabetical order): Cape Town, Durban-Westville, Natal (Durban), Natal (Pietermaritzburg), the Orange Free State, Port Elizabeth, Potchefstroom, Pretoria, Rhodes, Stellenbosch, South Africa, Western Cape, Witwatersrand and Zululand.

Do you feel the three-tier financial structure could achieve equal opportunity education within a realistic time-frame?

Six respondents doubted this, for the following reasons:

- Despite the government's stated aim of attaining parity in expenditure on education, the supplementing of financial resources for education by the different population groups themselves will perpetuate inequality, as some groups will be able to contribute more than others.
- The majority of blacks, those in the national states, have been excluded. In addition, the government's budgetting procedure is so complex that blacks outside of the national states will almost certainly be at a disadvantage in spite of declarations about 'balance'.
- There is movement towards equalising opportunity and provision through more capital expenditure, but this is superficial and will not necessarily lead to equal education.
- Much will depend on the extent to which each 'own' ministry and the lower levels are allowed to diverge from the norms.

Four respondents saw possibilities for equal education. They felt that the input from the government would safeguard good standards, and that it is realistic to have parents and communities partially responsible for the financing of education, even though this might contribute to inequality.

Two respondents had difficulties with the term "realistic timeframe". They felt that no short term solution to the problems of education exist, but that the White Paper does offer solutions in the long term.

Four respondents were undecided, mainly because they felt that there are too many imponderables and not enough details, especially with regard to education management at the second level of government.

Do you feel that the recommendations with regard to teacher training are sufficient, and that they will alleviate the present backlog especially in respect of black education?

Seven respondents felt that the recommendations with regard to teacher training were totally inadequate. They felt that the recommendations dealt more with quality than quantity, while what is needed is an emergency scheme to produce the massive number of teachers needed over the coming years and an upgrading system to aid this. As one respondent said: "The White Paper doesn't seem to address itself to the backlog in black education". The opinion was expressed that because not enough finance has been set aside, it will take a long time to alleviate the backlog if this is going to depend on the communities' "goodwill". With this in mind, these respondents felt that it is distressing that the integration of teacher training has in effect been stopped, especially in the light of some white teacher training colleges having been forced to close down due to lack of student enrolments.

Six respondents were uncertain, mainly due to the complexity of the problem. One said: "I don't know what recommendations could result in alleviating the backlog". Other reservations were: "It is not spelt out sufficiently, and there are a number of contradictory statements"; "There is too much uncertainty . . . especially with regard to co-operation between universities, technikons and teacher training colleges."

One respondent recommended using personnel from the private sector in formal education, eg those who give literacy training. Another warned: "To solve the problem, more is involved than just the structure, much depends on improving the quality of training."

One respondent felt that the recommendations are "sufficient and realistic . . . taking into account the present backlog in education", while another said that "the number of teachers needed is within practical reach. No problem."

The maintenance of separate educational services for the different groups results in five ministries, four advisory councils, four teacher councils and four committees of rectors. Do you think that the umbrella bodies (SACE, Ministry of General Education Affairs) will be able to bring about sufficient co-ordination?

The majority (seven) of the respondents were very doubtful. Comments were: "Co-ordination will be difficult, co-operation will be highly improbable"; "Totally unrealistic. More problems have been created — bureaucratic ones"; "If they really wanted equality and co-ordination, they would have recommended one authority, one council and one department"; "The racially defined departments will have their own final say, so it's not really integrated". SACE was seen as "a token acceptance of a co-ordinating umbrella body", which "will only be able to make superficial decisions"

Four respondents were undecided. One commented: ". . . the different groups have widely different needs. Perhaps these umbrella bodies can co-ordinate the fundamental and necessary matters".

Three respondents thought that sufficient co-ordination was possible under the new structure. One said: "If you want change, you have to link up with the present situation . . . It takes into consideration the existing departments" and therefore "co-operation will be easier to obtain". One respondent felt that it is very

important that the implementation bodies have the necessary say in planning: "It doesn't help if one group plans and another one implements."

Do you think that the principle of equal opportunities can be achieved while maintaining this separation?

Half of the respondents did not think that equality is possible with separation. Comments were: "Separation is there to deny equal opportunities . . . It ensures that whites stay in power."; "As public funds, however raised, are limited, it is likely that the principle of equal distribution of resources will be difficult to achieve, and equal standards are to a large extent dependent on that"; "The communities are unequal, so how can you have equal opportunities?"

Three respondents were undecided. They adopted a "wait and see" attitude or argued that "some groups involved prefer segregation". One said "I haven't heard a convincing argument up to now that separate can't be equal".

Four respondents did think it possible to achieve equality with separation for the following reasons: ". . . it also works in other countries where they have a federal authority. There must be the necessary political willingness to work together"; "Equal is equivalent, not identical"; "Any administration must keep in mind both co-ordination, unity and acceptance of differences to keep in line with reality. All these committees will give far more co-ordination than in the past. It is better than the old situation. We'll see in future if it's enough."

How optimistic are you that the reform accepted in the White Paper will be effectively and speedily implemented?

The majority (eight) were confident of a speedy implementation, especially with regard to certain aspects which are already under consideration or which do not require drastic change. Certain other aspects, however, are more dependent on the implementation of the new constitution, on support from other social structures and the willing co-operation of all parties involved or on the release of finances.

Only one was undecided, or more correctly, sceptical. He saw the "phase of equalisation against a background of a need for skilled



Paul Weinberg / Afrapix

Can equality in education be achieved within the separate development model? The majority of academics interviewed think not.

manpower . . . A few bottlenecks will be removed . . . these changes will peter out once the numbers of black educated unemployed become a threat to those in power."

Five were quite pessimistic, not so much about the 'speedy' implementation but more about the effectiveness of the reform. Comments were: "Things are going to become worse"; "A number of the proposals are not scientific, they are irresponsible"; and "It's not a move forward. They've tightened up apartheid."

Do you feel that the recommendations in the White Paper adequately address the major problems as pointed out in the De Lange Commission Report? What are the major omissions?

A majority (eight) felt that in the main, the recommendations made in the White Paper address problems pointed out in the De Lange report. Some felt that the White Paper could have gone further, for example in the acceptance of one ministry, or even that De Lange could have gone further. With regard to the latter, some felt that it was a consensus document which "doesn't address certain touchy areas with definite statements." It was argued that better structures could have been created to give the teaching profession more decision-making power and a bigger say in teacher training.

One was undecided: "I haven't given it much thought . . . There is research still going on, and I think there will be another White Paper."

Five felt that there are major omissions or disadvantages: the rejection of one ministry and the philosophy of separation ("We're polishing the old system, making it

more humane"), the exclusion of blacks — which is in line with the new constitution — and the inadequately faced position of the national states, the inadequate focus on teacher training, the financial responsibility of communities and parents ("The rich will get richer and the poor poorer"), objections to the rigid entrance requirements for universities and the fact that the Joint Matriculation Board will be maintained, and, lastly, a regret that there is too little devolution of control with regard to what is taught and the admission of other races to a particular school.

Comment

Although a majority of the respondents were fairly positive that the White Paper does address the major problem areas identified by the De Lange Report, and that the stated reforms will be effectively implemented, a strong negative reaction is evident with respect to the possibility of achieving equal opportunity education within the separate development model and the three-tier financial structure. The majority was also doubtful about the adequacy of the recommendations for teacher training and whether the umbrella bodies will in reality be able to adequately perform a co-ordinating function.

In general, the respondents have shown a marked lack of faith in the complicated procedures which have become necessary to maintain separate educational structures in South Africa. Strong doubts have been expressed as to whether equity can be achieved within these structures. The contention that the government has placed ideological motives first, to the detriment of practical and realistic approaches to the education crisis, has been frequently implied, and in some cases, strongly emphasised. *IPAA*

CAN SEPARATE MEAN EQUAL?

by K B Hartshorne

Can Separate Mean Equal? A commentary on the White Paper on Education. Indicator Issue Focus, January 1984.

The government has committed itself to equality in education, the first and primary principle advocated by the De Lange Commission. This landmark statement of intent raises major ethical and practical issues on implementation. Is the goal 'separate but equal' attainable or are these two guiding principles mutually exclusive? Which premise will predominate at the political level? Dr Ken Hartshorne, prominent educationalist, comments on the White Paper on Education, raises these difficult questions and asks whether such apparent contradictions can elicit a clear answer.

The origins of the White Paper of November 1982 lie in the period of turbulent unrest in black educational institutions, between 1976 and 1980. Hartshorne identifies black rejection of separate, discriminatory and inferior education, inadequate for this community's needs and aspirations, as the central problem facing the De Lange Commission on its inception in mid-1980.

In this critique, the author suggests that as major political events such as the NP split and the referendum took centre stage, the impetus of educational reform was both inhibited and delayed. His major conclusion is the evident failure of the government's response to address the isolated and inferior status of black education. The attempt to reconcile the principles of equality and separation in education demonstrates the absolute limits of reform within the larger apartheid structures of South African society: "segregated, vertically segmented systems of education are to continue, reinforced and further institutionalised by being placed in the context of the new constitutional arrangements."¹

For example, the White Paper reaffirms the separation of four central, ethnic educational authorities, to operate within the revised political structures to be introduced. And though the government has accepted the eleven basic principles underlying the De Lange Report, these are qualified by the five "points of departure" expressed in the government's response.² It is the following "non-negotiables" that Hartshorne

severely criticises, as he believes they place sectional interests before national needs:

- the Christian and broad national character of white education;
- mother tongue education; and
- ethnic segregation of schools, educational authorities and residential areas (the Group Areas Act context).

The envisaged South African Council for Education (SACE), one of several umbrella mechanisms intended to co-ordinate 'own' (separate) and 'general' (common) affairs, received the author's cautious approval. This advisory committee to the executive Ministry for General Educational Matters might serve a crucial monitoring role in 'general affairs' and has the potential to perform a vital bridging role. However, both these functions will be dependent on the level of initiative the SACE is allowed and the nature of its appointed membership and relationships with the four other separate advisory councils.

Hartshorne lists other positive aspects of planned educational reform articulated in the White Paper:

- support for maintaining educational provision in the "national and independent homeland states";
- measures to upgrade educational services for schools in rural areas; and
- various "sound professional recommendations" to promote pre-basic schooling and to forge strong links between formal and non-formal education.

On the other hand, besides his major

criticism — "parity of provision in education cannot be achieved within apartheid structures" — the author indicates further negative aspects of the government's response:

- insufficient emphasis on the pressing need for in-service upgrading of the underqualified 100 000 black/coloured teachers; and
- use of conservative phraseology which does not reflect perception of education as a change agent in society, eg the motivating goals of education are expressed as the "moulding of people into civilised citizens . . . to fit into ordered society".³

In his concluding remarks on the conflict between the guiding principles of "separate and equal" education, Hartshorne expresses scepticism as to the viability of this dichotomy. The White Paper concedes that the ability of each "population group" to supplement financial resources granted by the central government will determine the practical application of the principle of equality. Yet given the historical inheritance of socio-economic inequalities between these communities, "the proposals would seem to be a recipe for the maintenance of inequalities, albeit at a much less discriminatory level than before".⁴ UJGA

G W Howe

FOOTNOTES

- ¹ Hartshorne K B Can Separate Mean Equal? A commentary on the White Paper on Education Indicator Issue Focus January 1984
- ² *Ibid* See Appendices A and B
- ³ White Paper on Education in Hartshorne: *ibid* p6
- ⁴ Hartshorne: *ibid* p4

THE STANINE DECLINE

Test scores on an educational rating system known as the "stanine" method, provide dramatic evidence of a marked deterioration in educational standards in KwaZulu. MONICA BOT investigates these results, and concludes that black education in KwaZulu is caught in a vicious circle of under-education.

A small article appeared in the Daily News a few months ago, stating that the educational standard of the KwaZulu schoolchild had markedly deteriorated over the last ten years.

Mr Alan Mountain, the Urban Foundation's Regional Director, said at the Foundation's annual meeting that an educational rating system had estimated an average of 4,7 on a scale of 0-9 for children in KwaZulu in 1973. In 1982 this had dropped to 1,9, which was extremely serious considering that a rating of 1,0 indicated that a child was regarded as "unteachable".¹

Poor Teacher Quality

A major reason for these disturbing results is undoubtedly the preponderance of inadequately trained teachers in the KwaZulu education system. According to Mr James E Ndlovu, Secretary of the KwaZulu Department of Education and Culture, "Almost 17 000 out of a total of 23 000 teachers in

KwaZulu are not qualified to teach their pupils . . ."²

The Urban Foundation gives the following details: "Of the total teacher corps of 22 100 teachers, only 512 are graduates with teaching diplomas; only 4 288 have matriculated; 8 091 have standard eight certificates and 3 106 have standard six qualifications."³

The poor quality of instruction is perpetuated with each new generation of student teachers. When one looks at the KwaZulu teacher training colleges, one becomes aware of a vicious circle of growing inadequacy. In these colleges the student teachers are tested one week after registering, and their scores are expressed as 'stanines', a measure of comprehension which indicates a student's understanding of subject matter and thereby reflects the quality of school instruction received by the student. Stanine levels of students registering for courses at these colleges have dropped markedly over the last decade.

The Situation at Four Teacher Training Colleges in KwaZulu

Tables 1, 2 and 3 show the steady and alarming decline of stanine levels of student teachers at four teacher training colleges in KwaZulu.⁶ Table 2 shows that the average stanine dropped from 4,2 in 1973 to 2,7 in 1979 — well below the expected normal average of 5. Mr J Schutte, Director of Madadeni College, one of the teacher training colleges in KwaZulu, told *Indicator SA* that he suspected the level had now dropped to about 1,75.

In 1979, 74 percent of the students had a stanine of 1, 2 or 3, all well below average. Such 'below average' students are likely either to fail during their course or, if they pass, to become inadequate teachers. It is unlikely that such 'below average' teachers will ever be able to bring their pupils up to a higher standard.

Many students with a stanine of 1

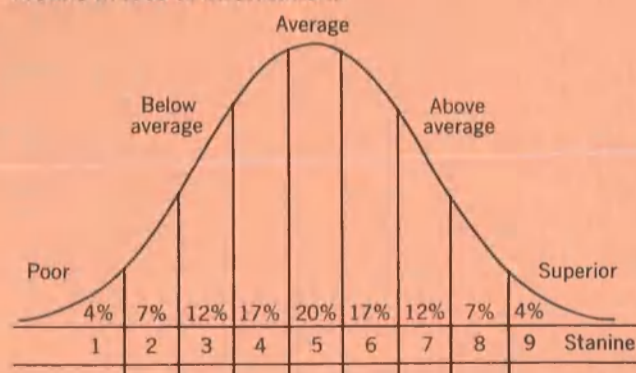
HOW STANINES ARE OBTAINED

The stanine was first developed for use by the US Air Force during World War II. It is "a normalised standard aptitude score of single-digit units ranging from the lowest, or one, to the highest, or nine, and having a median of five."⁴

Figure 1 is a graphic illustration of a stanine distribution, and gives an example of a convenient verbal translation of the scores.

The stanine method provides a convenient measurement because it uses a simple, single-digit, nine-unit score scale. After conversion into stanines all measures, ie scores from any source, carry equal weight in determining a composite scale. The method has been criticised because its

simplicity (some would say coarseness) results in loss of information.⁵



are trained as teachers; in 1979 they constituted nearly 44 percent of the total of students registered at the four colleges.

Some Causes

It is clear from the poor matriculation results this year in KwaZulu, that the standard of schooling in KwaZulu is dropping. A number of causal factors may be identified, including poor provision, lack of facilities and qualified teachers and an inability to meet the increasing demand for education.

Another contributory fact which has come to light is that not many matriculants are interested in becoming teachers. A number of school principals interviewed by Mr Schutte were unanimously of the opinion that:

- none of their more intelligent pupils want to become teachers, unless they fail to get employment in any other field;
- if they do become teachers, their classrooms become waiting rooms for better jobs;
- only matriculants with 3rd class passes or who have been condoned by the matriculation board will consider becoming teachers. Once they have obtained a teaching certificate, however, they are likely to use their certificates to obtain better jobs.⁷

In a wry comment, Mr Schutte concluded that, since all his best students left the profession for better paying jobs, in order to solve the teachers' shortage the colleges should only admit students with stanines of 1, as these will always remain teachers.

Conclusion

There can be no doubt that there is a serious crisis in black education in South Africa. Clearly, the poor quality of teaching results in under-educated matriculants, many of whom perpetuate the deterioration of standards when they become teachers themselves.

It is a vicious circle indeed, and one which bedevils easy solutions. Any attempts to reverse these trends are bound to fail unless they pay close attention to the following:

- The upgrading and in-service support of teachers presently working in the system.
- Since a major reason for the lack of qualified teachers is the very low salary offered, the teaching profession should be made more competitive by an increase in

Table 1

• COMPARATIVE TABLE — AVERAGE STANINE • 1973—1979

	1973	1974	1975	1976	1977	1978	1979
Applesbosch	3.3	4.3	3.0	2.7	2.1	2.2	2.1
Madadeni	4.6	4.1	4.0	3.7	3.7	3.2	3.4
Eshowe	3.9	4.3	3.6	3.9	2.9	3.2	4.1
Mpumalanga			3.3	3.5	3.0	1.5	1.2

Table 2

• TOTALS FOR THE FOUR COLLEGES •

YEAR	1973	1974	1975	1976	1977	1978	1979	Decline
Students	566	936	959	1086	980	923	911	—
Stanine	4,2	4,2	3,5	3,2	3,1	2,5	2,7	1,5
Percentile	26	26	14	11	10	5	6	20

Table 3

• COMPARATIVE RATES 1979 •

	No. tested	STANINES								
		1	2	3	4	5	6	7	8	9
Applebosch	227	97	71	30	15	9	4	0	1	0
Eshowe	70	10	12	8	8	14	9	4	3	2
Madadeni	408	79	82	68	59	46	36	23	12	3
Mpumalanga	206	193	2	5	2	1	0	2	0	1
Total	911	379	167	111	84	70	49	29	16	6
Percentage		43,7	18,2	12,2	9,2	7,6	5,3	3,2	1,7	,6
Normal Frequency %		4	7	12	17	20	17	12	7	4

Source: Schutte J *Decline of Stanine in KwaZulu*. Paper presented to the Professional Subject Committee Meeting at the Department of Education and Culture in KwaZulu.

salaries.

- The standard of teacher training should be raised. This implies both higher admission requirements for the teacher training colleges and higher standards of qualification.

The White Paper on the De Lange Commission Report⁸ has made favourable recommendations with regard to the latter two points. Unfortunately no definite statement is made about in-service support and upgrading of teachers presently working in the system. This is extremely unfortunate, since in the end the quality of matriculants —

and therefore of the future teacher corps — will depend on them.

IPPA

FOOTNOTES

- 1 *The Daily News* 8 November 1983
- 2 *Ibid* 13 October 1983
- 3 *Education in KwaZulu* A booklet produced by The Urban Foundation
- 4 *New Webster's Dictionary of the English Language*, College Edition, Delair Publishing Company, Inc. New York 1981
- 5 Information obtained from: Ebel R L *Essentials of Educational Measurement* Prentice-Hall, Inc. Englewood Cliffs, New Jersey 1972 and Mauritz Lindvall C and Nitko A J *Measuring Pupil Achievement and Aptitude*, Second Edition Learning Research and Development Center, University of Pittsburgh 1967
- 6 Schutte J *Decline of Stanine in KwaZulu* Paper presented to the Professional Subject Committee Meeting at the Department of Education and Culture in KwaZulu.
- 7 *Ibid*
- 8 See *Urban Monitor*

BLACK TEACHERS

Caught in the middle

EDUCATION

It is vital, in analysing the problems of black education in South Africa and the merits and demerits of the government's response to the education crisis, that the perceptions of the people most directly involved on the ground level - students and teachers - are taken into account.

MONICA BOT follows up the article on black matric students' perceptions in our last issue (Urban Monitor Vol 1 No 3) with an analysis of the perceptions of a small sample of black teachers in the Durban area.

The greatest problem in black education at present was seen to be not only the lack of qualified teachers, but a lack of teachers in general

A major reason advanced for the lack of teachers was the low salary level offered

The large class-size and poor conditions under which teachers are expected to work also make the occupation unattractive to black matriculants

In our last issue of the Urban Monitor we carried an article reflecting the perceptions of a sample group of black matriculants regarding their education. In brief, their criticisms centered on the lack of qualified teachers, the unhelpfulness and irregular behaviour of certain teachers and their dissatisfaction with certain regulations and facilities at school.

Considering the extent of criticism levelled at teachers, the response of teachers to these criticisms needs to be examined. Using the above mentioned article as a basis for discussion, a selection of five qualified black matric teachers in the Durban area were consulted in depth.

It is important, in evaluating these opinions, that the restricted size and spread of the sample should be borne in mind. The insights offered by the teachers consulted are, however, indicative of certain problems.

LOW JOB ATTRACTION

The greatest problem at present was seen by the teachers interviewed to be not only a lack of qualified teachers, but a lack of teachers in general. This is especially relevant in the rural areas where, according to these teachers, "they grab anyone" and very few teachers are qualified to teach.

The main reason for this, they said, is the very low salary. Until recently, a male teacher with standard 10 and two years teacher training started on approximately R210 per month, while females received only R150-R180. "The salary you get on the 30th is gone by the 5th", they said, and expressed the concern that low salaries might be a factor leading to corruption in schools.

Such low salaries make teaching unattractive even for those with a 'vocation'. As one of the teachers put it, "how can you teach on an

empty stomach?" As a result of the low salaries offered to teachers, most black trained teachers look for other, better paying jobs, primarily in industry, and only if unsuccessful do they go into teaching. Furthermore, because of the desperate need for teachers, even students without teacher training and with or without a matriculation certificate tend to be pushed directly into teaching.

TEACHING CONDITIONS

In addition to the low salaries offered, the conditions under which teachers are expected to work also make the vocation unattractive to black matriculants:

● Class size:

The teachers interviewed all teach five sections of some 60 students each per day. They are unable to get to know the names or monitor the individual progress of most of their students, and seldom have time to find out why any particular student is unable to do his/her homework or what personal problems might be affecting his/her studies. The teachers felt that they had little time to worry about anything else but completing the syllabus in time.

In a situation where there is little time to talk to or reason with individual students, they felt corporal punishment becomes essential to maintain order, however much they might personally dislike it.

On the issue of sexual harassment, raised by students in the previous study, the teachers said that some female students, in order to draw the teachers' attention to themselves, might sexually provoke male teachers.

● Lack of Funds and Facilities:

The teachers said that, due to under-subsidisation of black schools and alleged misuse of funds by some principals and

school committees, facilities are often sadly lacking in schools.

The buildings are often inadequate: they are too hot in summer (aggravated by overcrowding), unattractive to work in because of the asbestos ceilings and cement floors and, due to the latter, too cold in winter. They also pointed out that, because of a lack of equipment in classrooms, teachers do not feel confident in class. One science teacher, for example, is forced to draw a test tube on the blackboard to show his students what it looks like.

Books are also in short supply and many students have to do without. This situation was partly caused, they said, by a radio announcement which stated that free books would be available, as a result of which many parents had refused to buy any. Weeks later, only 50 books had arrived. The teachers were also not satisfied with the books which they have to use for instruction, as they feel that quite often prescribed books are irrelevant to the subject being taught or too difficult for the students. They suspected bribery was involved in getting certain books in. The teachers said that they often resort to buying their own instruction material.

They said that their school libraries were not able to adequately serve their function either, because the books they contain are all donations, usually old, without covers and "with three previous school stamps in them".

● The Position of the Teacher in the School:

THE PRINCIPAL

What causes some of these teachers a great deal of dissatisfaction and bitterness is their powerlessness with regard to their particular principal. The latter can have such a high degree of control and power over staff members that in some cases a teacher is even required to ask permission to hold a debate in class.

It was felt that young qualified teachers are often frustrated in their attempts to change certain teaching methods by so-called "experienced" principals who "want to keep everything as it was in their time". Experienced means, according to them, "underqualified, 15 years in teaching and a relative of someone in a powerful position". The teachers felt that a certain amount of jealousy is often involved in cases where, because of his inadequacy, a principal overrules good suggestions unless they are seen to be his own.

The teachers said that principals are often backed up by an equally unqualified school committee. As a group, they agreed that "there are lots of semi-literates in high education".

Not only did the teachers in some cases feel it is "quite useless" to make new suggestions to principals, but some also feared possible victimisation by principals as a result of any criticism.

THE STUDENTS

In general, the teachers had very few complaints about their students. An exception were "problem students", those that went from one school to another, not motivated to learn. These "problem students" were felt by the teachers to be trouble makers. The teachers perceived older students (± 25 years old) to pose no problems as a group, other than that the teachers said they found it difficult to "tell" them anything.

Otherwise, problems usually arose with regard to the scholastic aptitude of certain students. Two factors were seen to play a role here:

□ Because the principal makes the final decisions on the curriculum, these can differ per school. This can pose a problem for students moving from another school, who want to continue taking a certain subject not available in the new school's curriculum.

Sometimes the principal has to resort to appointing any teacher to teach the subject concerned, whether they know anything about it or not, up until such time when someone new is appointed.

□ Students may have suffered from being at a primary school, where one teacher might well teach up to four subjects. When such a primary school teacher is not very capable, the secondary school teachers have to cope with students who do poorly all-round, as a result of poor instruction received at primary school level.

Some Comments

Although the teachers interviewed do not foresee boycotts in the immediate future, they feel that the situation is nevertheless "quite explosive". They feel that "anything could happen". As potential causes of boycotts they mentioned the students' dissatisfaction with teachers, unfair school regulations, students taking sides in disagreements between teachers and the principal and, lastly, unequal treatment (favouritism) of students.

As a group, the teachers feel that they are caught in the middle, with thoroughly dissatisfied students on the one hand, and often an authoritative, unqualified principal on the other. They fully realise that students perceive them to be responsible in part for inadequacies in schooling, and would like to remedy the situation, but feel powerless in the light of the problems discussed above, the lack of funds, and possibly an unresponsive principal who is unable or unwilling to bring about positive change.

Briefly, their recommendations are:

- better qualified people in positions of authority in education. Increased professionalism and expertise was seen to be essential in order to improve the quality of education on all levels;
- smaller classes;
- more funds; and
- equal academic attraction between schools.

IPRA

Under-subsidisation of black schools results in a shortage of textbooks and teaching equipment, poor libraries, inadequate classrooms and a general lack of proper facilities

The high degree of control and power exercised by principals over their staff, especially where the principal is perceived to be underqualified, causes frustration and bitterness among teachers

The teachers alleged that there were many unqualified people in positions of power in education

Students are not seen as the cause of problems; their dissatisfaction with schooling is perceived to be understandable

THE GOVERNMENT'S NEW HOUSING POLICY: Who gains, who loses, who is confused?

The SA Institute for Housing held its 5th Biennial Housing Conference in Bloemfontein in October 1983. The conference was organised in conjunction with the Department of Community Development and top level government officials were invited to address various aspects of the "New Approach to Housing". DR VALERIE MOLLER of the Centre for Applied Social Sciences, outlines the main themes of the government's housing plan and identifies some potential problem areas.

South Africa's new housing policy represents a dramatic turnabout from government thinking during the mid-seventies. Reforms were brought about as the government came to accept that it could not meet the total housing demand on its own and needed assistance. As with all changes of heart on the part of the State, the new policy has been welcomed and lauded as a step in the right direction in some quarters, while other parties have been quick to criticise and show up the shortcomings of the new dispensation. (See *Indicator SA* Vol I No 2)

Whichever viewpoint is taken, it is clear that the era of conventional mass housing has passed. And the new policy stands only as firmly as the tenets on which it is built.

The new policy is based on three factors: partnership in housing provision, homeownership and the principle of self-help. These factors represent the major housing reforms which have been introduced in South Africa over the past five years.

Major Housing Reforms:

1 Partnership in Housing Provision

Government as Facilitator:

The government has now relinquished its sole responsibility for the provision of housing for low income groups, and limited itself to housing the very poor, the old and the disabled.

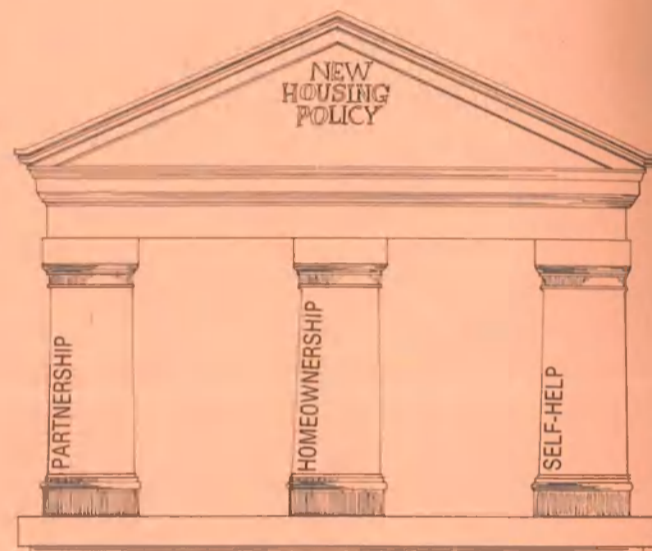
Other agents are now invited to share the government's responsibility for providing housing for the masses. The government's main contribution is to be the provision of suitable land for development. Thus, public sector involvement is not reduced, but redirected.

Private Sector Involvement:

Hitherto limited in scope, private sector involvement is now encouraged and actively promoted by the government. The way has been cleared for participation by:

- building societies, who have since 1981 been involved in the financing of low income and even self-help properties;
- utility companies, registered as Section 21 companies, which will be formed in major urban centres and will receive financial assistance in the early stages;
- private employers, who are urged by the government to assist their employees directly or indirectly to make maximum use of housing opportunities; and
- individuals, even those of modest means, who are expected to assume the responsibility of housing themselves. Exceptions are the elderly, the infirm and the very poor, whose housing will remain the responsibility of the State.

Of all the above private sector groups, utility companies are conceived of as the most ideal vehicle to give substance to the partnership concept in housing. Before 1981, there were only four such companies operating,



The Government's new housing policy stands on the pillars of the three major housing reforms introduced in South Africa over the past five years

mainly in the Cape. Today there are 11 registered utility companies.

2 Homeownership

The formal introduction in 1978 of the 99-year leasehold for black homeowners living in South Africa gives effective recognition to the permanent status of urban black people.

New schemes which have been developed to assist homeowners include:

- the improvement of the existing State-assisted homeowners' savings scheme administered by building societies (April 1983);
- a new scheme administered by building societies to assist buyers of first homes (June 1983);
- the present government housing sales programme (July 1983—July 1984).

This last scheme, referred to in the news media as "The Great Housing Sale" (See *Indicator SA* Vol I No 2), is intended to promote homeownership and generate immediate cash resources for reinvestment in housing. The government has allocated 500 000 State-owned houses to be sold at discount prices within a 12 month period. Of these, 150 000 are freehold and 350 000 are 99-year leasehold units. It is intended that the proceeds of this scheme will be used for the development of infrastructure.

3 Self-help: Adopting Alternative Approaches

Of the three major factors underlying the new housing policy, the acceptance and active promotion of a revised concept and practice of self-help represents the most dramatic change of emphasis on the part of the government.

The principle of self-help may apply to the physical construction or solely to the financing of housing or both. In contrast to self-builder schemes of the past which operated on a *laissez-faire* basis and fell into disrepute, emphasis is now placed on *controlled* and *properly supervised* self-help schemes.

However, self-help housing is not to displace conventional housing altogether. As Matthew A E Nell of the Urban Foundation argues: "... The scale of the housing problem facing South Africa is of such enormous dimensions that there is room for both mass and self-help housing programmes to be implemented enthusiastically side by side. We can no longer afford an either/or approach."¹

Moreover, W B Stone of the Durban Corporation sounds a word of caution regarding overall sudden change in housing policy: "The building forces responsible for massed housing construction have been established over a lengthy period and once the building machine is impaired the process takes years to recover... It seems a pity therefore, that now when the construction programme has reached unprecedented heights, that it should again be interrupted by a major change in policy."²

New Role Definitions and Sources of Role Strain

The success of the new dispensation in housing is largely dependent on the active support of a larger number of participants than hitherto. It is dependent upon the willingness and capability of participants to act in concert and to strengthen the basis of the new approach to housing in South Africa. There is a need for a balanced outlook and co-ordination of the often divergent activities of many agencies and individuals involved in the housing process. However, despite a willingness to accept and adjust to the new roles as defined by the new policy, difficulties may be experienced in some quarters.

Government:

The government will in future only provide complete housing for the lowest income groups, mainly the elderly and the handicapped. The government's major role now lies in facilitating housing. In practical terms this means that the State guarantees the provision of serviced sites. According to official statements this represents a shift in government spending rather than a relinquishment of State responsibility.

Critics of the government's new role in housing foresee that financial problems are likely to arise, particularly during the transition period. If the housing sales campaign is not as successful as expected, immediate funds for infrastructure will not be forthcoming. There is also the danger of disposing of too much of the lower priced housing stock, which may have to be replaced at a much higher cost if the demand for rented accommodation among those unable to house themselves increases.

Housing Authorities:

During the transition period housing authorities may undergo an identity crisis. Their roles as landlords and enforcers of influx control regulations are likely to shrink. In some cases housing authorities may be forced to reduce maintenance staff. On a more positive note, housing authorities will be spared to some extent the continuous war of words directed against them in response to unpopular rent increases. (See *Indicator SA* Vol 1 Nos 2 and 3)

Whereas in the past local authorities were expected to

Mfolweni

The following photographs were taken at Mfolweni, a settlement south of Durban where the infrastructure has been provided by the State and the dwellings built by the people themselves. A full description of the Mfolweni site and service township project, by Peter Stewart of the Faculty of Architecture and Applied Disciplines at the University of Natal, is published in *Housing in South Africa* (S A Institute of Housing) Nos 1 and 2, 1983.



Peter Stewart

Unsupervised construction of dwellings results in poorly constructed shacks using a variety of unsuitable materials and construction techniques. The provision of well laid-out and properly supervised site and service schemes such as the Mfolweni project provides a viable alternative to informal spontaneous shack settlements. A shack at Malakazi near Umlazi. Families have been encouraged to move from Malakazi to Mfolweni.



Peter Stewart

The use of traditional construction techniques, such as the wattle and daub technology, is appropriate to the type of development and house form. The building material is easily available, and the whole family may be involved in the building process. Mfolweni dwellings in various stages of construction.

protect low income earners from unscrupulous exploitation by housing speculators, they will now be acting as middlemen for private entrepreneurs. This will necessitate that local authorities design and implement new forms of protection for the people living in their jurisdiction.

Most important, housing authorities will be undertaking major infrastructural and upgrading projects under severe financial and procedural constraints. Their main role will be that of supplying reasonably-priced land to utility companies and individuals for building purposes. Under the new dispensation it will also be appropriate for local authorities to decentralise and streamline approval and administration procedures in keeping with the more individualised nature of homeownership and self-help housing.

The Private Sector:

In the past, private sector financial institutions have been discouraged from penetrating an area which traditionally has been a State monopoly. For example, until recently 99-year leasehold properties could not be registered in the name of private developers and could not be mortgaged. Under the new dispensation it has become possible to register leasehold rights in the name of developers.

Building societies will be breaking new ground when granting loans to individual self-builders under the new dispensation. To date the initial response has been positive but only success in the field will encourage continued support. Moreover, further adaptations will have to be made to loan systems if they are to meet the specific needs of self-builders. And the private sector has yet to develop market orientated responses appropriate to the lower income demand.

Most important, in their new role private sector financial institutions will be expected to provide a steady and continuous flow of capital for housing provision. There are doubts whether this is possible. W B Stone is wary that "if borrowers in the medium income levels periodically experience difficulties in obtaining loans, will not the needs of those in the lower income groups be even more susceptible to money shortages?"³

Employers:

It is assumed that under the new dispensation which stresses self-sufficiency in housing more and more individuals will turn to their employers for guidance and assistance. Employers are urged to assume two major functions:

- the dissemination of information on housing opportunities and the provision of administrative assistance in securing title to property; and
- the provision of financial assistance — possibly in conjunction with financial institutions, in the form of loans, guarantees, or subsidies, or combinations of all three. Large companies are invited to assume the role of housing developers in their own right.

Employer participation in the housing process raises several questions regarding the scope of role commitments:

- Should investments in housing benefit only employees of a particular firm or low income earners in general? By offering employer-tied housing employers effectively place themselves in the paternalistic role formerly assumed by the State. It may therefore be advisable for employers to enter agreements with outside financial institutions to avoid forming direct dependency relationships in housing.
- Should housing assistance be offered as a social function or as a part of the remuneration? Under the new dispensation a larger company may find it

advantageous to polish up its image by including housing benefits in the remuneration package. Smaller firms who are unable to follow suit may find they are losing their attraction for the better worker.

- Should employers be required to provide regular and ongoing contributions to housing on a broad basis? In the past employers were likely to contribute on a one-off basis to higher ranking permanent employees deemed worthy of assistance. Thus, lower ranking members of the labour force were effectively excluded from housing assistance. Employer assistance directed toward self-help projects which can be afforded by the least affluent employee may go a long way toward redressing unequal housing opportunities.

Private Contractors/Entrepreneurs:

Minor or no adjustments are required in the case of private contractors and entrepreneurs, as they will be carrying out the same role as hitherto. However, somewhat greater opportunities are offered to entrepreneurs to experiment with new approaches to housing. According to a spokesperson for this group, entrepreneurs are willing to accept this challenge provided choice in housing is guaranteed to their customers.

Prospective Homeowners and Selfbuilders:

Prospective homeowners and self-builders in the lowest income groups are most probably least prepared of all to assume the new role foisted upon them. There is a danger of individuals exchanging dependency to the State in housing for alternative types of dependency. In the long term the success of the new housing strategy is largely dependent on the reaction of the users.

Renters:

Renters will become a minority group under the new policy and face rent increases in the near future. A revision of rentals is due once the sales campaign is completed. The revision is intended to even out disparities of rents between old and new housing stocks. The choice of housing available to tenants is also likely to be severely curtailed in future. It is foreseeable that tenants currently living in houses which are sold during the sales campaign may lose their accommodation.

Bottlenecks and Problems

There are several categories of bottlenecks and problems which must be overcome if the new housing policy is to benefit all parties involved.

Cost Constraints:

The real problem confronting all low cost housing programmes is cost, regardless of the housing approach and who provides the finance. Cost control is essential if self-builder programmes are to provide successful alternatives to conventional mass housing. According to expert opinion it should be possible to provide at least two self-help housing units for the cost of one conventional one. Building codes need to be relaxed within reasonable limits to reduce costs for self-builders.

Infrastructure:

A major constraint which inhibits private sector and individual self-builder efforts is the critical shortage of surveyed and serviced land. Under the new dispensation this area remains a State and local authority responsibility. Whilst the housing sales programme may raise funds in the short term (60 percent of sales proceeds are to go to development of infrastructure), the State housing commission is required to provide funds in the long term. Once funds are secured, the lead time in

planning, acquiring land and providing infrastructure before development can commence may be anything from five to ten years.

Manpower:

The revised concept of self-help is based on the active assistance of technical and advice centres. The success of assisted self-help projects will be determined in large part by the enthusiasm and dedication of the personnel administering the project. Building society loans for self-help projects will be granted only to schemes which are properly supervised and administered. However, manpower skills in the field of housing are in short supply.

Dependency Morality:

Attitudinal barriers must be overcome if housing opportunities are to increase under the new dispensation. Over time black people have become so conditioned to waiting for the State to provide housing that their initiative and aspirations have been debilitated. Indeed, in some instances, self-help efforts have been negatively sanctioned and entrepreneurship stifled altogether. Education programmes should emphasise the formation of relations of trust between self-builders and financial institutions and other agents now drawn into the new housing dispensation.

Government agencies are currently actively involved in disseminating information on the new homeownership opportunities afforded by the housing sales programme. However, government agencies such as the administration boards are possibly not the best instruments for promoting new approaches to housing. As Joe Tshabalala of the Atteridgeville Community Council points out, for many years these boards were actively involved in enforcing influx control and limiting permanent residence rights in urban areas: "All of a sudden the same boards are expected to promote the homeownership scheme and the 99-year lease which grants this permanence."⁴

Other agents, such as employers and building societies may represent more credible sources of information on the new housing dispensation.

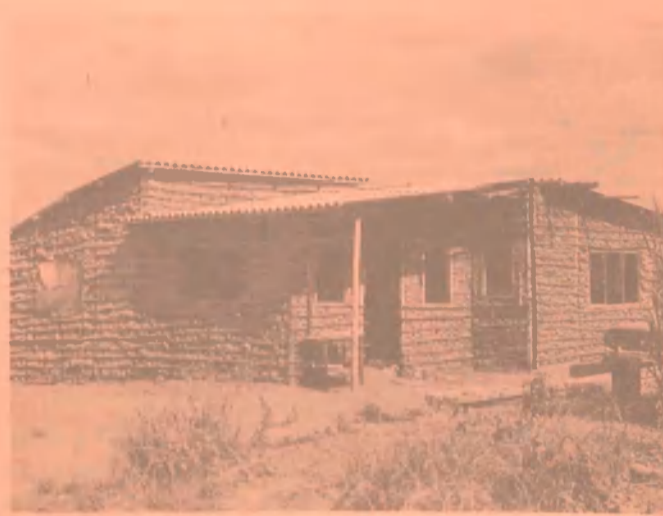
Choice in Housing:

The State's new commitment to a free-enterprise approach to housing presupposes greater freedom of choice in housing and as wide a range of housing options as possible to match personal preference and financial means. This range of choice can only be met if there is an oversupply rather than a merely adequate supply of unserviced and serviced land and basic houses.

Time Constraints:

According to W B Stone, "Any change in policy direction must result in a hiccup in the production line of projects already in the pipeline."⁵ Given the critical shortage of housing at present a smooth transition period is essential. Referring to another dimension, J H Steyn, Executive Director of the Urban Foundation, emphasises the need for the transition period to be as short as possible: "There is a predisposition to view all changes in housing policy with suspicion. The time to give content to policy changes tends to reinforce such suspicions."⁶

Essentially the government has conceded that it will never be able to solve South Africa's housing crisis on its own. It has extended an open invitation to the private sector to participate in the housing game. Not all participants are satisfied with their expected new roles or even capable of undertaking them to their own advantage. Nevertheless, the new housing policy has presented the private sector with a challenge which it cannot afford to ignore. *IPAA*



Peter Stewart

Corrugated iron is the preferred roofing material as it is cheaper, lighter and less easily damaged than asbestos. Covered verandahs extend the living area of the dwelling.



Peter Stewart

The layout of Mfolweni was undertaken by the Town Planning section of the Department of Co-operation and Development. Most of the sites have road access. Water taps are placed 200m apart, ensuring that no dwelling is more than 100m from a tap. Prefabricated toilets are provided for each site.

HOUSING

FOOTNOTES

- 1 *Facilitation of the Widespread Use of Self-help Approaches*. Paper read at the SA Institute for Housing Conference, Bloemfontein, October 1983.
- 2 *The Financial Effect of the State's Revised Housing Approach on Local Authorities*. Paper read at the SA Institute for Housing Conference, Bloemfontein, October 1983.
- 3 *Ibid*.
- 4 *Problems of the Black Community Housing in South Africa*, November/December 1982:30.
- 5 *The Financial Effect of the State's Revised Housing Approach on Local Authorities*. Paper read at the SA Institute of Housing Conference, Bloemfontein, October 1983.
- 6 *Housing Reform in South Africa: Progress and Challenges*. Paper read at the SA Institute for Housing Conference, Bloemfontein, October 1983.

Free Market Policies on the Road

REPORT & RECOMMENDATIONS on ROAD TRANSPORT POLICY...
by T J Markman

Forthcoming monograph; Free Market Foundation

The debate on bus transport and government policy continues. (Indicator SA Vol 1 Nos 1 & 3). In his monograph, T J Markman is severely critical of the recent Welgemoed Report. He argues for the complete reversal of proposals for increased government intervention and monopoly ownership of bus companies.

The recommendations of the Welgemoed Commission on Bus Passenger Transportation (1983) give rise for concern, particularly in advocating more government intervention in the field of public transport. T J Markman's monograph on Road Transport Policy in South Africa presents a detailed critique of these recommendations and identifies various misconceptions concerning the free market. The author sets out to prove that the transport sector experiences current problems precisely because it does not operate according to free market principles.

Markman considers the Welgemoed Report to be a step in the wrong direction for several reasons:

- Government intervention produces greater inefficiencies than those that occur when the market is left alone
- It contradicts the government's declared policy of moving towards a market economy and runs counter to the free world trend of applying market related solutions to transport problems
- Increased government intervention in public transport necessarily leads to heightened politicisation of all transport issues.

An overview of bus passenger transportation in the context of general transport problems is presented first in the monograph. A number of different aspects are discussed, such as the primary problem of resource allocation, control/development issues and the co-ordination of different modes of transport. The socio-political backdrop, particularly the effects of the Group Areas Act, is also covered. In following chapters, Markman

discusses free market theory and its moral basis, dealing with free market practice in detail. These theoretical perspectives are then applied to the transport sector and examples of typical solutions found within a market economy are examined.

Decision-making should be decentralised as far as possible. According to Markman, the purpose of decentralisation should be the simulation of free enterprise within the constraints of the existing and proposed political framework. The National Transport Commission and the Provinces should be responsible for rural roads, whereas local authorities should have complete autonomy in the operation and control of urban road use.

A transport policy of decentralisation is both more democratic and ties in with the new constitution and government policy, whereby local authorities are an 'own affairs'

“ The Welgemoed Report contradicts the government's declared policy of moving towards a market economy and runs counter to the free world trend of applying market related solutions to transport problems ”

matter. The author anticipates various favourable consequences if this approach is adopted:

- Local authorities will tend to try alternative solutions, which might provide valuable feedback information
- This in turn spreads the risk element as each local authority competes to establish different and improved solutions.

The Welgemoed Report is compared with these alternative proposals in the final chapter of the monograph. Markman points out that the present system of determining tariffs ignores more accurate price signals which arise naturally out of market forces. Subsidies are shown to be detrimental to the operation of road passenger transport, though vouchers are recommended if the government persists with this assistance. The Welgemoed proposal to phase out minibuses is extensively criticised as having no validity in transport theory nor sound economic basis.

A positive aspect of the Report is the decision not to nationalise the bus transport industry, but instead to sell off state owned bus operations. To conclude, Markman also puts forward other free market transport policies that might be pursued to consolidate this move:

- The privatisation of bus companies into smaller units, rather than increased monopolisation of ownership (as recommended in the Welgemoed Report)
- Contracting out bus and taxi companies
- The introduction of road pricing and the privatisation of roads
- The removal of para-transport regulations. TPA

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