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# INDICATOR SOUTH AFRICA

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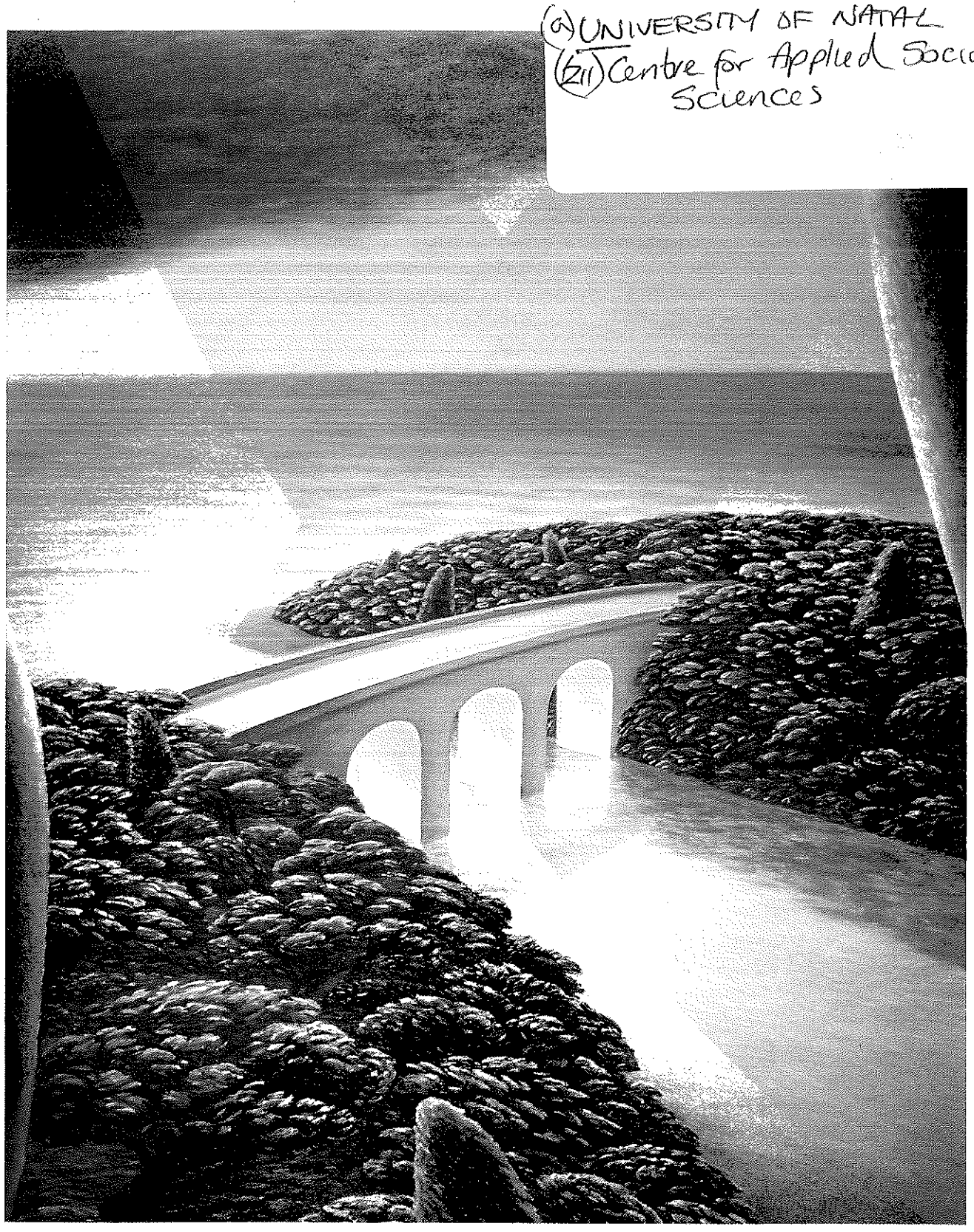

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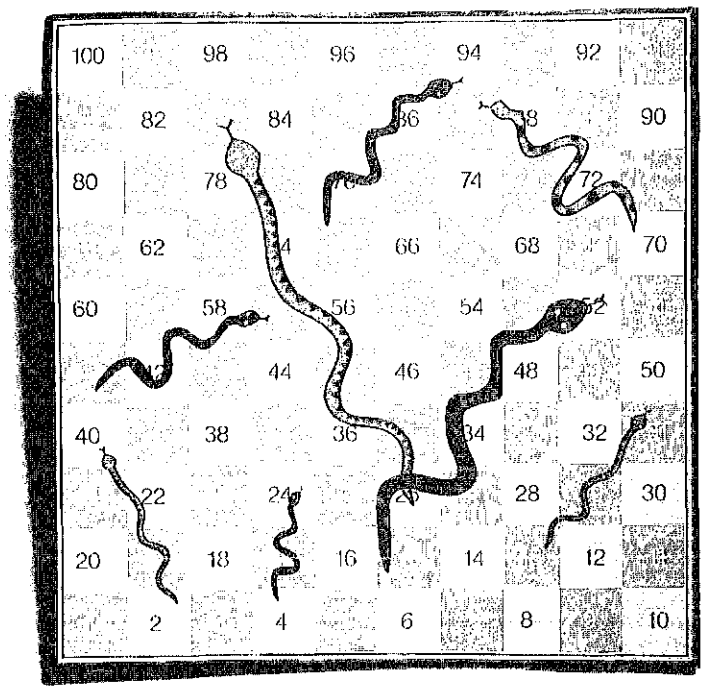


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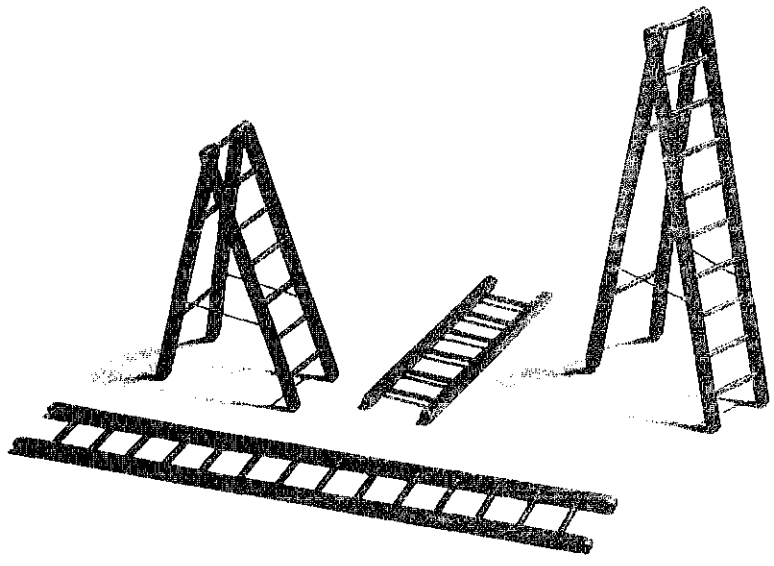

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## Editorial

One step forward, one step back neatly sums up progress in South Africa today. The country is saddled with the daunting task of eliminating the inequities of the past while at the same time creating opportunities for the future.

Either one would have been difficult enough.

Most of the first year of the new South Africa was spent getting the Government of National Unity going. Central government is now ticking along, and so are some provincial governments. Soon a similar exercise will begin at the local level.

Policy making is only really now coming to the fore. Sixty one bills were passed in the new Government's first year: many more are expected in the second. There is no shortage of ideas and, despite problems, policy consensus is being reached in Parliament.

Some ministries are performing well - most notably finance and justice - and a solid Interim Constitution and progressive new laws and court rulings are starting to build a better society. Government is more accountable than before and remains legitimate in the eyes of most citizens. People are proud to be South African.

One step forward.

But the burden of the past is taking its toll. Progress is being stalled by a staggering lack of capacity and ineffective administration. Low levels of education, productivity, employment, income and development - all a result of past inequities - are dragging South Africa down.

Several examples are highlighted in this edition of *Indicator SA*. Sunset clauses and the need for affirmative action mean the civil service is bloating instead of shrinking. Government is paying the price of apartheid's nightmarish departmental duplication.

The integration of administrations and attitudes of old bureaucrats are impeding action and change. Upcoming local government elections are being undermined by lack of expertise and support.

Police, defence force and home affairs officials are failing to slow the flood of illegal immigrants - or make a dent in crime statistics. Development is being stalled by incapacity and lack of agreement on the ground - and the sheer scale of the problem. In the private sector, old enemies business and labour don't seem to be getting their act together.

One step back.

Difficult though it may be, South Africa has no choice but to tackle together problems of the past and challenges of the future. It is essential to move forward. The country appears to have will and the creativity to do so. Now it must urgently create the capacity. At least we are not travelling one step forward, two steps back.

***Karen Mac Gregor, Editor***

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Cover painting by Lola Frost

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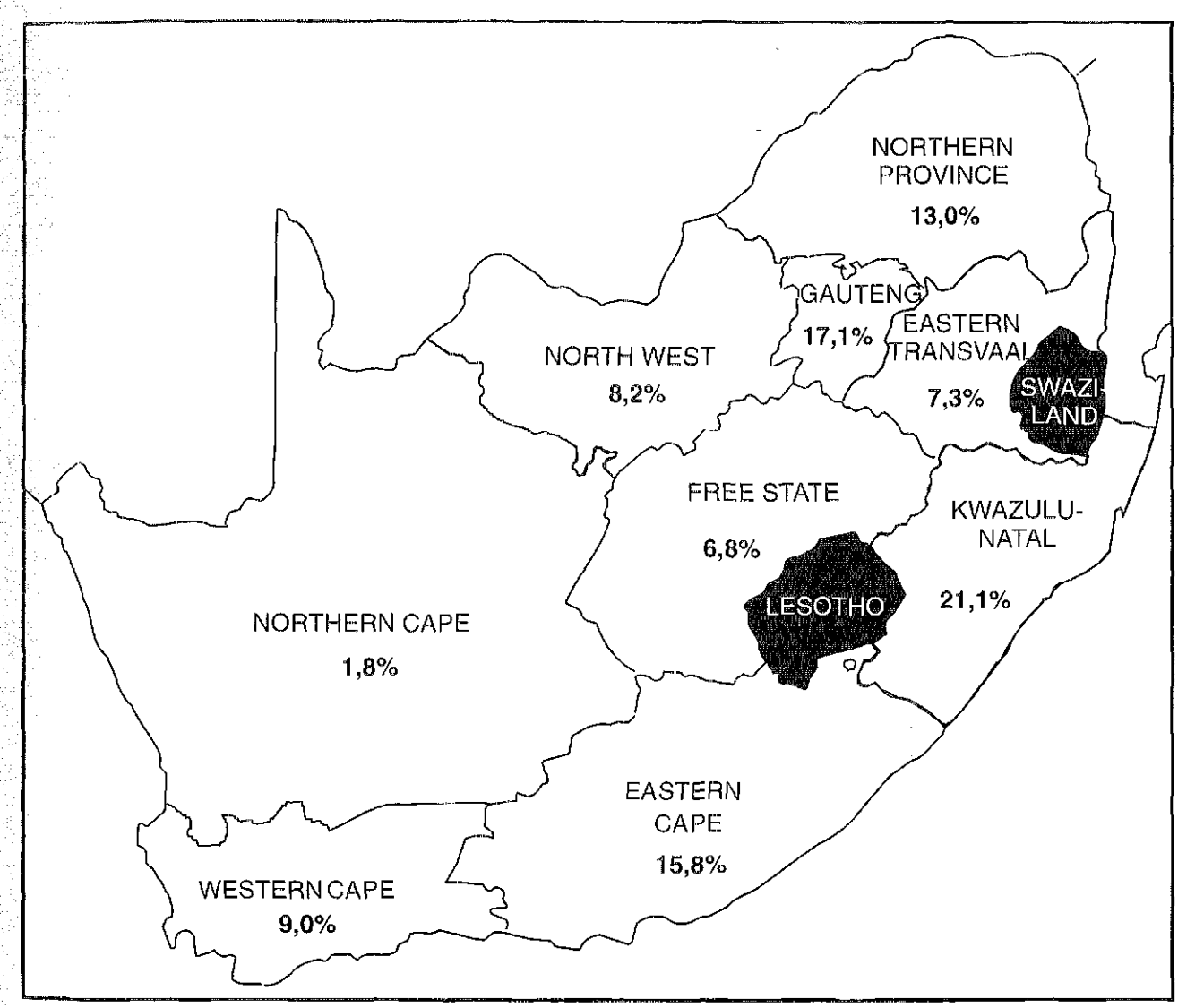
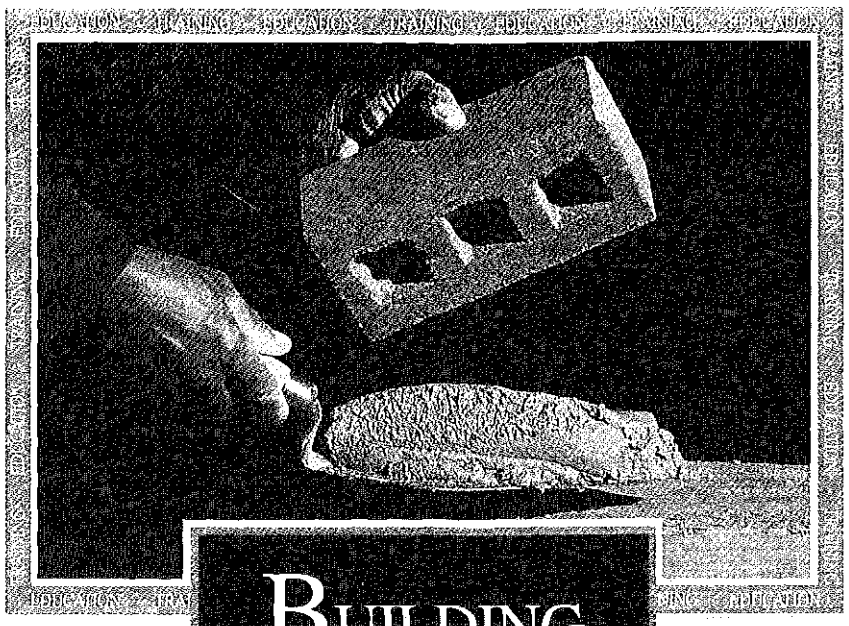
# POLITICAL MONITOR

## PROVINCIAL DISTRIBUTION OF POPULATION




KwaZulu-Natal has 21,1% of the total population of South Africa - 8,6 million of a total population of 40,7 million. Gauteng, with a population of 6,9 million people, has the highest population density: 369,3 people per square kilometer.

**Source**: *Central Statistical Services (1995) The Socio-Economic State of South Africa as reflected by October Household Survey and the HDI.*



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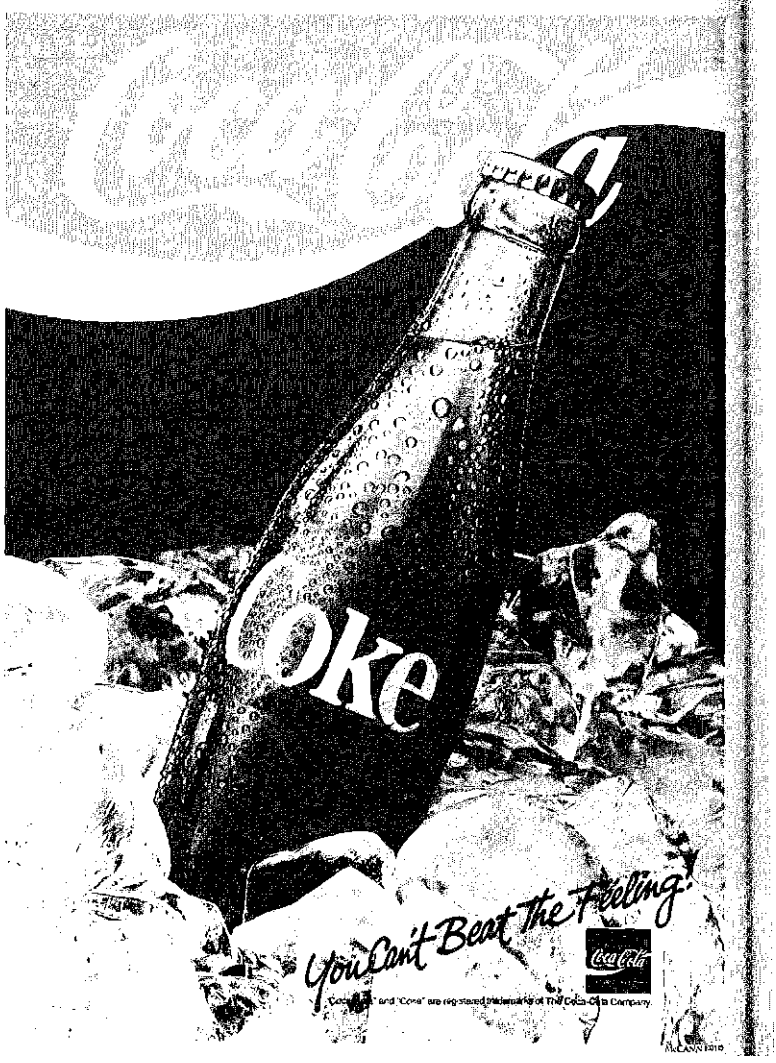

# THE PROVINCIAL POWER STRUGGLE

***By Richard Humphries***
***Centre for Policy Studies***

*Inter-governmental relations is an important aspect of South Africa's continued transition. Probable alterations to provincial powers in the final Constitution could change the form of conflicts between the national and provincial governments - and could decisively influence the ways in which the provincial system unfolds.*

South Africa's new provincial system - now into its second year - has arguably also entered a distinct second phase. This phase is marked by disputes between the national government and the provinces over substantive legislative issues and programmes.

The first phase of central-provincial relations generally dealt with the transfer of powers and functions to the provinces. While elements from the first phase continue, it seems that differing stances to proposed legislation - whether provincial or national - now shape the nature of inter-governmental relations.

These disputes are also closely related to the ways in which the provinces use more of the narrower bureaucratic powers at their disposal.

Conflict is not unexpected since both the central government and the provinces are tackling policy issues with increased vigour. The slow but inexorable countdown to municipal elections has also raised political conflict between parties - and their allied provinces - and the African National Congress (ANC) dominated Government of National Unity.

The timing of increased conflict was accurately predicted by Pravin Gordhan, chairperson of the parliamentary standing committee on provincial affairs. Speaking at a Centre for Policy Studies conference in November last year, Gordhan said 'an effective interpretation of the concurrency provisions of Section 126' of the Interim Constitution would only develop in about mid-1995.

He argued that central government departments would at that date start giving 'concrete policy content' to sectoral components of the Reconstruction and Development Programme (RDP).

This would involve grappling with the interpretation of key aspects behind the principles of concurrency. What does the centre do? What norms and standards does it set? And what does it mean by a framework? In short, said Gordhan:

> *"It will open up a new terrain of negotiation between the national government and the provinces."*

This phase has clearly arrived but it is not without risks for the evolution of the provincial system.

*Differing stances to proposed legislation now shape inter-governmental relations*

*Conflict is not unexpected since central government and the provinces are tackling issues with vigour*

Picture courtesy of Natal Newspapers

## Section one

*The nine provinces have developed a shared commitment to guarding against interference*

Proposed central government legislation which angered some of the provinces includes the long delayed Development Facilitation Bill, the proposed centralised payment of traditional leaders and the granting of property rights to labour tenants. But it is not only proposed legislation which impacts on inter-governmental relations.

An element to the conflict over the proposed siting of an Iscor plant at Saldanha pits the Western Cape's ability to rezone land against broader national environmental and water concerns. Some provinces have also attempted to manipulate key aspects of the municipal elections, forcing central government intervention.

The most visible signs of dispute centre around the two minority party controlled provinces of KwaZulu-Natal and the Western Cape. But there is no reason not to rule out similar conflicts arising from ANC controlled provinces as they develop their own legislative programmes and exercise administrative powers.

*Slow progress has been made transferring legislation to the provinces*

During the last year Gauteng and the Eastern Transvaal have both adopted independent perspectives to advance perceived provincial interests. This has happened on both internal ANC party issues - notably in response to proposed revisions to provincial powers - and on formal provincial government issues. Guateng's dissatisfaction with its budget allocation was particularly strong.

The ANC controlled provinces of North West and Northern Province have been blamed - along with KwaZulu-Natal - by Public Administration Minister Zola Skweyiya for government's 'reluctant decision' to relax initial stringent guidelines on the size of the management echelon of the provincial public services.

Press reports recently speculated that the national Department of Education - often seen as being headed by a weak minister - was having difficulties in persuading some provinces to follow guidelines it had established. This applies particularly to Model C schools and to Afrikaans as a medium of instruction. Gauteng was identified as one 'troublesome' province (*Rapport* June 25, 1995).

Despite differing party political control of their executives, the nine provinces have developed a shared commitment to guarding and maximising their legislative prerogatives and provincial interests from undue central government interference.

Pointing to this new phase does not imply that the major issue of the post-election 1994 period - the transfer of powers, functions and legislation - no longer shapes inter-governmental relations. The phases overlap, as illustrated by the intense reaction from some provinces last year to the draft housing White Paper.

Slow progress has been made in transferring responsibility for the implementation of existing legislation to the provinces. Most of the former 'regional' legislation passed by the homelands has been transferred to those six provinces whose areas of jurisdiction encompass parts of the former homelands.

Much slower progress has been made with respect to disentangling and transferring 'national' legislation passed by the old South African parliament and regulations issued in terms of those Acts.

This tends to impact most heavily on key provincial functions, but it has not deterred provincial Members of Executive Committees (MECs) from adopting aggressive or high profile positions.

For example, although no policing functions have yet been vested in the provinces, some MECs responsible for policing issues are highly active and vocal.

Two inter-related aspects have defined the

ways the transfer of legislation has been handled so far: its almost technicist manner and domination of the process by central government.

Legal advisors and senior bureaucrats in the Public Service Commission and the State Law Advisors in the Department of Justice minutely examine existing legislation before deciding whether the whole of an individual Act or parts of it can be transferred to the provinces. They must also decide on the functional or departmental classification of existing legislation.

For example, as the Western Cape pointed out in a recent submission to the Inter Governmental Forum, some 18 Acts which impact on its ability to implement policies in the field of urban and rural development have not yet been transferred to any of the provinces (Western Cape, 1995).

However, the State Law Advisors have argued that six of the Acts deal with land issues, which is not a provincial function. As a result, they cannot be transferred to the provinces.

They are the Land Survey Act of 1927, the State Land Disposal Act of 1961, the Expropriation Act of 1975, the Conversion of Certain Rights to Leasehold Act of 1988, the Upgrading of Land Tenure Rights Act of 1991, the Land Titles Adjustment Act of 1993 and the Provision of Certain Land for Settlement Act of 1993.

The Western Cape clearly wants the Acts transferred: it notes that if it appears necessary that these laws have to be administered by the provinces, 'other mechanisms to "get" these laws on provincial level will have to be found'.

Although the most public opposition to the slow pace of transfer is expressed by the two minority controlled provinces, it is shared by ANC controlled provinces. Even ANC parliamentarians query whether the Public Service Commission could not have dealt with the process of assigning national laws more quickly.

Pravin Gordhan had hoped that the process - at least as it applied to sectors such as housing, health and transport - would be completed by early 1995 (Gordhan 1994). But it has still not happened.

The Public Service Commission has noted that although some housing legislation has been transferred to the provinces 'they are still of the opinion that no meaningful powers with regard to housing have been assigned to them? (Public Service Commission 1995).

These disputes will continue and could develop into conflicts around provincial legislative prerogatives.

## Section two

This analysis argues that tensions between the provinces and national government are now being shaped by disputes around the overlapping nature of their existing powers to legislate on key functions.

Problems will clearly continue after the final Constitution is adopted, even if revisions along the lines of those proposed by the ANC at its recent constitutional conference are adopted by the Constitutional Assembly.

Various factors point to ongoing conflict.

The first is that the Interim Constitution's provisions for demarcating provincial and national government's legislative powers on their concurrent functions are inherently vague and already proving to be politically messy.

One indication of the vagueness is Trade and Industry Minister Trevor Manuel's argument that the province's Schedule Six power over trade and industry represents a 'philosophical and not an economic definition'.

This clearly implies that the provinces should not take this power too seriously and should defer to national policy initiatives. But Minister Manuel's view is unlikely to find much favour in the provinces, since it is abundantly clear that all nine of them cherish the prospects of using the trade and industry portfolio to stimulate provincial economic development.

Trade and industry MECs generally come close to adopting views which signal that the provinces are inherently in competition with one another for the exploitation of economic resources. They are particularly sensitive about resources extracted from their own province which benefit other provinces.

Gauteng premier Tokyo Sexwale has

*Legislation is minutely examined to decide whether whole or parts of Acts can be transferred*

*The Interim Constitution's provisions on concurrent functions are inherently vague*

*Problems will clearly continue after the final Constitution is adopted*

*The present construction of Section 126 almost facilitates disputes between provinces*

recognised the varying interpretations which can be attached to Section 126: last year he urged the national Government to adopt a conservative interpretation of the override clauses. Clearly if the central Government followed his urging, the provinces would have more room in which to manoeuvre.

The present construction of Section 126 almost facilitates disputes between provinces. It allows central government to argue and press national dimensions of matters under provincial jurisdiction: but, likewise, provinces can emphasise provincial dimensions of matters under national jurisdiction.

However, distinguished Canadian administrator, AW Johnson, has pointed out that this formulation in fact reflects the real world of contemporary public policy making.

> *"There are precious few watertight compartments of jurisdiction any more." (Johnson 1995)*

*The onus lies on central government to override legislation passed by the provinces*

National Government policy initiatives - whether through White Papers or draft legislation - lean heavily on the provisions of Section 126 allowing the national Government to set uniform norms or standards across the country.

The provisions apply even to functions like education and health, over which the provinces carry the major share of implementing and administering functions.

The provinces, on the other hand, tend to point to their ability to pass legislation which, if opposed by central government, they will have to overrule. In other words, the onus presently lies on central government to assert override of legislation passed by the provinces.

Provincial law making since the election has been constrained by various factors. All provinces faced the inevitable consequences of having to deal with general lack of preparation for the new provincial system.

*Constitutional Court rulings will influence the ways in which the provincial system unfolds*

One aspect, among many, can be pointed to: the long forgotten Transitional Executive Council's sub-committee on provincial and local government affairs was so bogged down by a myriad of minor issues referred to it that it was unable to deal with broader planning issues in any substantive way.

It is also no accident that demarcation disputes continue to occupy many provinces. Although the provinces did have the power to legislate on Schedule Six functions from their very inception, their executives concentrated instead on attempting to secure the quick transfer of existing legislation to the provinces. As noted, this process is still far from complete.

Provincial law making has also suffered because the provinces have borne the brunt of the rationalisation of apartheid's fragmented bureaucracies.

In some provinces, notably the Northern Transvaal and the Eastern Cape, civil service disputes led to enormous political problems which virtually paralysed the provincial executives. Amalgamation and rationalisation is far from complete, even though this does not affect all provinces equally.

While the provinces generally did not pass many Acts during 1994 - other than those essential for the formal functioning of the provinces - the pace of provincial legislative initiatives has begun to pick up. But it differs from province to province.

## Conclusion

Inter-governmental relations will be one important aspect shaping the continued South African transition. But with changes to the nature of provincial powers likely to be made by the final Constitution, inter-governmental conflict might take on different forms and be played out through different structures.

One implication of the present disputes is that the Constitutional Court will soon be asked to rule on a set of central government legislation. Whether it rules in favour of aggrieved provinces, or supports the national Government, its rulings will decisively influence the ways in which the provincial system unfolds. IPM

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# Cracks in the Edifice

## Local Government Elections 1995

*By Graeme Götz*
*Centre for Policy Studies*
*and the Election Information and Research Consortium*

*The looming local government elections are being undermined by lack of capacity, confusion over the role of government and insensitivity which is alienating many potential voters. With pressures around the elections beginning to escalate, capacity weaknesses have started to reveal worrying cracks in the edifice of the state which do not auger well for future national projects.*

What is government? How exactly does it work? What precisely does it do? It can be argued, strange as it may seem, that these questions have rarely - if ever - been directly tackled in South Africa.

There are various reasons for this, but primary is the fact that the exigencies of analysing the content of government policy in South Africa always seemed to take precedence over more basic questions of form.

Under apartheid, to have understood the state as an agent of a small racial minority actively suppressing more democratic forces ranged against it, was to understand the question of government in South Africa entirely.

Consequently, political analysts in South Africa tended to approach the subject of governance only obliquely, taking for granted that the state existed as an institution 'up there' and never stopping to reflect explicitly on its abstract foundations, its general mode of operation or its sustainability.

Renewed concern with the foundational questions of government has been forced on us by our own laborious transition, and in particular by the difficult birth of new structures of power and procedures of societal management at a national, provincial and, more recently, local level.

In the heady days following the 1994 general election, South Africa's new Government gave every impression of stability and control. It is not being suggested that this has now been shaken, but it is becoming apparent that the semblance of stability needs to be supported from below by real capacity: working systems of rule coupled with clear conceptions of roles and procedures for state personnel.

*Stability needs to be supported from below by real capacity*

Capacity is lacking at various levels of government in South Africa, and this article argues that, with pressure around local government elections beginning to escalate, capacity weaknesses have started to reveal themselves in worrying cracks in the edifice of the state.

The article offers an analysis of intriguing dynamics observed during the early stages of the community elections process, as a basis for drawing out some preliminary thoughts on what is entailed in creating orderly government.

*Capacity is lacking at various levels of government in South Africa*

**OBSERVATION ONE**

Registration was slow in starting because people seemed to have no available image of effective government at anything but the national level.

When asked to critique the assumptions upon which their voter awareness campaign was constructed Saatchi and Saatchi, the advertising company charged with instilling

*Community elections still stand in the shadow of South Africa's 'moment of liberation'*

an idea of the upcoming community elections in the popular consciousness, highlighted two flaws in its original thinking and planning.

Firstly, the company underestimated the apathy of many South Africans, who were unlikely to go out of their way to put their name on a roll simply on hearing a voter education message. Secondly, it embarked on the campaign hoping to capture the spirit of last year's election, but quickly found that the April 1994 poll represented awkward baggage in attempted comparisons.

In a real sense, Saatchi and Saatchi concluded, community elections still stand in the shadow of South Africa's 'moment of liberation', with many people expressing confusion over the need to vote again, as well as over the registration requirement which did not exist for the supposedly more important election last year.

## Apathy

*South Africans retain a low sense of efficacy regarding the responsiveness of government*

It is useful to read the first point through the second. 'Apathy' is a rather hollow political concept, a convenient explanation which itself needs to be explained when it is deployed. The American literature on voter motivation suggests an insightful distinction between feelings of 'internal' and 'external' efficacy derived from participating in an election.

Citizens, it is proposed, are more inclined to vote when they feel that they possess the personal skills and resources required to influence government: that is, when they have a perception of internal self competence and effective control over their political environment, and also when they believe that the political system is responsive to their needs and wishes, and will react to their attempts to exert influence through a ballot.

*In the Eastern Cape and the Northern Transvaal there was a 20% backlog in the processing of received forms*

It can be argued that while participation in last year's 'liberation election' provided the public with a high level of internal efficacy, the legacy of apartheid politics is such that South Africans still retain a low sense of efficacy regarding the responsiveness of government.

Citizens were apathetic at the start of voter registration because they had no conception of political authority at anything but the national level relating directly to them. The question is, why has a sense of external efficacy not been engendered in the last year despite intensive state reform?

Perhaps the chief reason is that state reform efforts have themselves been a problem. Understandably, the energies of government at all levels have been directed inwards to the monumental task of developing out of the old, and in many cases building from scratch to a civil service capable of effecting post apartheid policy orientations.

This has been a particularly arduous task in the provinces, with the result that they have, in many cases, yet to start proving themselves to be a level of government run for the people as well as by them.

## Provincial problems

A glance at the voter registration figures tells us a great deal about the capacity of the various provinces.

Most revealing is the fact that in both the Eastern Cape and the Northern Transvaal there was, as of the last day of registration, a 20% backlog in the processing of received forms. All other provinces had achieved virtual parity in the percentage of forms received and processed.

This tallies with what is already known about the two regions. In the Northern Transvaal, which has had to marry the administrations of three former homelands, parliament meets in each of the former bantustan capitals on a rotating basis, leaving idle the buildings and officials of two centres whenever it migrates.

While John Dombo has been installed as the province's Member of the Executive Committee (MEC) for land, housing and local government, the man has as yet no ministerial staff to support him. There is a ministry in name only.

Also, although the Northern Transvaal was the only province to meet the deadline for demarcating the outer boundaries of local authorities, threats of protest action from communities across the province, unhappy with where they have been placed, suggests that the Demarcation Board had not done its homework properly.

The Eastern Cape, which inherited the already inefficient systems of two military governments, has had to deal with the collapse of virtually all administration and

order in the former Transkei. Many newly incumbent MECs have experienced outright dissidence from old bureaucracies and parastatals threatened with restructuring.

The provincial MEC for agriculture in the Eastern Cape said it all with the following comment:

*"I'm frustrated by the lack of progress in restructuring agriculture in the province. But I can't do anything without first rationalising my department."*

*"In this province some communities, especially those on the soft border with Natal, have complained that no one from the province has bothered to come around to register them."*

Although some regions have been more fortunate in inheriting intact and functioning bureaucracies, none have been immune from the headache of needing to concentrate on internal restructuring in advance of enacting policy. In many provinces these realities have been reflected in the poor organisational capacity of many task groups hastily established to run the election process.

Task team members appear often to lack expertise in their area of focus, many can claim little or no administrative support or influence in executing tasks, and there seems to be a general dearth of communication, internally between different teams and externally with stakeholders such as non-governmental organisations and political parties.

Even Gauteng - which being the smallest, most developed and administratively most integrated of the new provinces might have been expected to have had the fewest problems - has found itself hamstrung by the move of its bureaucracy from Pretoria to Johannesburg, and by unreasonably tight Public Service Commission deadlines for budgets and organisational maps of reformulated departments.

Management difficulties have manifested themselves indirectly in a registration rate which really should have been higher in a region as urbanised as Gauteng, and in the province's failure to develop its own regionally specific awareness campaign. Gauteng and four of the weaker provinces relied almost exclusively on the media resources provided nationally by Saatchi and Saatchi.

## Local uncertainties

Organisational problems in the provinces have been mirrored by manifold uncertainties at the local level. The intricate negotiations of the pre-interim phase, aimed at integrating formerly black and white local authorities, received none of the Kempton Park media hype and left numerous problems unresolved.

Examples are the demarcation debacles in Cape Town, Johannesburg and Durban; ongoing lack of clarity over rural local government; border disputes over which province areas like Bushbuckridge and Groblersdal are located in; and the bizarre implications of the Local Government Transition Act's Schedule Three provision, which requires that wards be divided equally between former white and black local authorities.

There is also a sense that very few local authorities have managed to put in place task teams meant to replicate work being done at a national and provincial level.

And there seems to be persistent ambiguity over who is taking final responsibility for driving the elections process: the National Task Group - still imagined by many to be equivalent to the Independent Electoral Commission which ran the April 1994 elections; various regional task teams and provincial local government ministries; or interim local authorities.

## Voter confusion

Little wonder that many people were initially hesitant to register. Without a clear and stable image of government to buy into, what point was there to expose oneself to the perplexities and potential risks of putting one's name on a roll.

Doubt, indecision and mystification have reigned supreme in places of power, so it is not surprising that potential voters have been insecure and irresolute.

To ask someone to register and vote is to ask them to put their trust in a political system which has the potential to improve their lives. In established democracies, this trust is earned by projecting a sense of responsibility to the voting public.

*The capacity of many provincial task groups established to run the election process has been poor*

*Organisational problems in the provinces have been mirrored by manifold uncertainties at the local level*

*There seems to be ambiguity over who is taking final responsibility for driving the elections*

*Doubt and indecision have reigned supreme in places of power, so it is not surprising that potential voters have been insecure and irresolute*

But in South Africa at present it seems that whenever government at anything but national level turns its face towards the public it appears flustered, revealing ongoing internal chaos and inability to offer much in the way of resolving public uncertainty over what can be expected.

### ❑ Principle 1

Government is first and foremost a horizon of certainty, a system designed to provide those who are 'governed' with reliable touchstones of order and stability. It is, at root, the promise of constancy and rationality, and the provision of trusted mechanisms and procedures by which an otherwise directionless public can deal with the unforeseeable and the contingent.

**OBSERVATION TWO**

Skewed registration figures suggest a lack of political will on the part of some governments to involve everyone equally in the process, and a lack of commitment by certain sections of the population to become involved.

*There are inexplicably low registration rates in urban areas of the Eastern and Northern Transvaal*

In the rush to increase rates of registration before the expiry of tight deadlines, much of the public's attention has been focused on the crude overall percentages coming from the various provinces.

With concern directed almost exclusively at whether the final figure could be pushed above the - for some reason magical - margin of 66%, nobody as of early June had stopped to seriously consider which sections of the population were pushing registration levels up and which were acting as a brake.

Certain parts of the country obviously have problems. One need not dwell, for example, on the low registration figure - 48,03% - from rural KwaZulu-Natal, where the ambivalent attitude of the *Amakhosi* towards community elections because of the battle of wills over international mediation, has clearly dampened enthusiasm.

*It is possible that coordinators and enumerators concentrated on registration in areas where they could be assured of a majority of votes*

What is more intriguing are inexplicably low rates of registration in urban areas of the Eastern and Northern Transvaal - 49% and 55% respectively - compared to non-urban figures of 69% and 68%.

The disparities are especially surprising considering that other provinces with comparable urban-rural profiles - the majority of 'urban voters' coming from small towns with adjacent townships - score far higher on the urban side: the North West, for example, has a Transitional Local Council figure of 78%.

## Small town anomalies

There are two feasible explanations for the anomalies. Firstly, it is possible that the political dispositions of provincial co-ordinators and local enumerators led them to concentrate more on increasing registration in areas where they can be assured of a majority of votes for their parties.

Certainly, there is anecdotal evidence to this effect in the Northern Transvaal, where it is said that new members of the provincial government care little for the concerns of predominantly white towns, knowing their support derives from rural areas. The logic does not hold, however, since many local government elections task team members are from former white administrations.

A more likely explanation is that there is lack of political will in urban communities in the regions concerned, and that people driving the process at a provincial level have innocently exacerbated conservative white disinterest in the election by assuming that isolated black rural inhabitants would require the most education and coaxing.

Saatchi and Saatchi openly admit that, although their campaign was carefully disaggregated to reach all sections of the population, the bulk of the media was directed towards 'new voters' on the assumption that whites were already 'half way there'.

It is not too far fetched to imagine that similar assumptions motivated the efforts of provincial task teams, who therefore missed the fact that whites in many rural towns have not been animated by the prospect of local elections.

Observers suggest that - although there are strange quirks such as Ventersdorp, an Afrikaner Weerstandbeweging stronghold which has achieved almost 100% registration - a typical pattern is for the registration quota of many small towns to be made up almost exclusively of black residents in adjacent townships now comprising half the Transitional Local Council.

## Election Task Group Report: Monitoring of Registrations (as at 5 June: last day of registrations)

| Province | Number of potential voters (CSS)** | TAs Estimates | ER1 Forms Received | % | prev % | Processed | % | prev % | Date of last Return (Previous Return) | Comments |
|---|---|---|---|---|---|---|---|---|---|---|
| **Eastern Cape** | | | | | | | | | 6/6/95 | Further good increase |
| Urban | | 1 664 225 | 1 021 977 | 61,4 | 57,6 | 992 605 | 59,6 | 55,5 | (30/5/95) | in rural registrations. |
| Non-urban | | 1 853 448 | 1 304 446 | 70,4 | 64,9 | 597 471 | 32,2 | 27,2 | | |
| Total | 3 241 723 | 3 517 673 | 2 326 423 | 66,2 | 61,5 | 1 590 076 | 45,2 | 40,6 | | |
| **Eastern Transvaal** | | | | | | | | | 5/6/95 | Urban areas still very low. |
| Urban | | 703 760 | 348 346 | 49,5 | 47,7 | 316 551 | 45,0 | 41,7 | (29/5/95) | |
| Non-urban | | 939 010 | 648 919 | 69,1 | 65,2 | 606 022 | 64,5 | 59,5 | | |
| Total | 1 642 770 | 1 642 770 | 997 265 | 60,7 | 57,7 | 922 573 | 56,2 | 51,6 | | |
| **Free State** | | | | | | | | | 1/6/95 | |
| Urban | | 1 154 040 | 786 062 | 68,1 | 66,3 | 781 109 | 67,9 | 65,8 | (25/5/95) | |
| Non-urban | | 373 700 | 278 809 | 74,6 | 68,3 | 277 097 | 74,2 | 67,6 | | |
| Total | 1 669 271 | 1 527 740 | 1 064 951 | 69,7 | 66,8 | 1 058 206 | 69,3 | 66,3 | | |
| **Gauteng** | | | | | | | | | 2/6/95 | Johannesburg now 64,7% |
| Urban a) TLC | | 1 370 130 | 881 392 | 64,3 | 59,9 | 794 106 | 58,0 | 55,6 | (29/5/95) | and Pretoria 52,43%. |
| b) Metro | | 3 809 570 | 2 245 486 | 58,9 | 57,5 | 2 144 939 | 56,3 | 58,3 | | |
| Non-urban | | 72 700 | 43 433 | 59,7 | 53,1 | 40 975 | 56,4 | 53,1 | | |
| Total | 4 999 961 | 5 252 400 | 3 170 311 | 60,4 | 58,1 | 2 980 020 | 56,7 | 58,1 | | |
| **KwaZulu-Natal** | | | | | | | | | 2/6/95 | Rural area still cause for |
| Urban a) TLC | | 749 311 | 545 275 | 72,8 | 58,3 | 449 870 | 60,0 | 54,1 | (29/5/95) | concern. |
| b) Metro | | 1 362 167 | 804 684 | 59,1 | 56,6 | 804 684 | 59,1 | 22,8 | | Good increase in TLCs. |
| Non-urban | | 2 605 921 | 1 251 754 | 48,0 | 46,4 | 1 286 549 | 49,4 | 32,7 | | |
| Total | 4 717 403 | 4 717 399 | 2 601 713 | 55,2 | 51,2 | 2 541 103 | 53,9 | 33,3 | | |
| **Northern Cape** | | | | | | | | | 5/6/95 | Further good increase. |
| Urban | | 317 967 | 246 267 | 77,5 | 76,4 | 232 279 | 73,1 | 73,0 | (30/5/95) | |
| Non-urban | | 76 100 | 56 900 | 74,8 | 73,0 | 54 117 | 71,1 | 68,4 | | |
| Total | 442 325 | 394 076 | 303 176 | 76,9 | 75,8 | 286 396 | 72,7 | 72,1 | | |
| **Northern Transvaal** | | | | | | | | | 6/6/95 | Urban areas still cause |
| Urban | | 351 044 | 193 090 | 55,0 | 52,5 | 175 974 | 50,1 | 50,1 | (30/5/95) | for concern. |
| Non-urban | | 2 050 000 | 1 412 479 | 68,9 | 63,6 | 982 592 | 47,9 | 47,9 | | |
| Total | 2 403 814 | 2 401 044 | 1 605 569 | 66,9 | 62,0 | 1 158 566 | 48,3 | 48,3 | | |
| **North West** | | | | | | | | | 1/6/95 | |
| Urban | | 734 586 | 574 136 | 78,2 | 76,3 | 470 372 | 64,0 | 50,5 | (29/5/95) | |
| Non-urban | | 1 034 411 | 858 041 | 63,6 | 61,6 | 836 179 | 61,5 | 57,1 | | |
| Total | 1 768 995 | 1 768997 | 1 232 177 | 69,6 | 67,7 | 1 106 551 | 62,6 | 54,4 | | |
| **Western Cape** | | | | | | | | | 1/6/95 | |
| Urban a) TLC | | 552 822 | 430 374 | 77,9 | 74,4 | 424 138 | 76,7 | 72,7 | (25/5/95) | |
| b) Metro | | 1 609 283 | 1 363 311 | 84,7 | 82,4 | 1 325 627 | 82,4 | 82,4 | | |
| Non-urban | | 195 600 | 138 583 | 70,85 | 68,2 | 136 862 | 69,97 | 67,7 | | |
| Total | 2 476 943 | 2 357 685 | 1 932 268 | 82,0 | 79,3 | 1 886 627 | 80,0 | 78,9 | | |
| **Grand Total** | 23 363 205 | 23 579 784 | 15 233 853 | 64,6 | 61,3 | 13 530 118 | 57,4 | 51,2 | **TOTAL RECEIVED** (Using CSS figures) | |

**65,2%**

(previous total 62,13%)

Note: There is a difference between the dates of this summary and dates of returns.

*The bulk of the media was directed towards 'new voters' on the assumption that whites were already 'half way there'*

Whites in the former town have convinced themselves that it is not a good idea to register. This explanation could not be verified against provisional voters rolls, which were not available at the time of writing, but if valid it is cause for grave concern.

Observers of American elections have noted that lack of interest in elections from some quarters has a tendency to reinforce itself over time, through a progressive decline in a sense of 'external' efficacy.

Political parties understandably turn away from sections of the population who fail to register, instead addressing groups who can deliver votes. Alienated groups looking on at the reorientation of the public sphere begin to convince themselves that they would derive nothing from voting, exacerbating their tendency to abstain. This vicious cycle must be avoided at all costs in South Africa.

*The registration quota of many small towns appears to be made up almost exclusively of black residents in adjacent townships*

### ❑ Principle 2

Stable government is built on the assumption of universality: the conviction that all citizens should be encouraged to regard their needs as collective interests which are the concern of the state.

Government must always define itself as 'of all and of each', equating the happiness of every subject, regardless of their social, political or economic identity, with the welfare of society as a whole and hence to the strength of the state.

### ❑ Principle 3

Government, as a set of technologies for transforming information inputs from self interested individuals into policy outputs, necessarily relies on an active citizenry willing and able to direct their energies and desires through the state machinery.

*It has been unsettling to watch the demarcation crises in Cape Town and Johannesburg*

A state which rests on ever smaller segments of the population prepared to be actively involved in the public realm, risks an inability to effectively enact its programmes at some stage in the future.

**OBSERVATION THREE**

The crisis over the demarcation of two of South Africa's premier metropolitan areas has exposed confusion over the proper role of a government office.

It has been illuminating, and unsettling, to watch the unfolding crises over demarcation in the Cape Town and Greater Johannesburg Metropolitan Councils.

It can be argued that both Peter Marais's move to incorporate Khayelitsha into the central metropolitan sub-structure, in defiance of the province's demarcation board, as well as Dan Mofokeng's plan to reduce the number of Johannesburg's metropolitan sub-structures from seven to four, were unhealthy intrusions of party preferences into the process of government.

This is not a comment on whether the attempted changes were cynical exercises aimed at securing votes: enough has been said about that and another voice need not be added to the chorus. What is more worrying has been the responses of certain levels of government to the implications of political contestation.

Peter Marais's apparent attempt to juggle the composition of the provincial committee to get his proposal rubber stamped elicited an extreme response - an amendment to the Local Government Transition Act which allows the composition of provincial committees on local government to be decided at a national level, in consultation with regional premiers.

The Democratic Party, National Party and Inkatha Freedom Party strongly opposed the amendment, and Marais has since threatened to take the matter to the Constitutional Court.

Surely the interests of stable and coherent government, especially government organised around the principle of national unity, would have been better served by a negotiated compromise in which all stakeholder's interests and concerns were mediated.

If what is at stake is interpreted as the neutrality of government office, surely Marais's misdemeanour has been compounded by an equally cynical move to efface his views and aspirations through legislation.

## Worrying behaviour

The inability to realise that modern government thrives on internal dissension of views appropriately regulated, and the impulse to use government channels and platforms to force domestic consent, has

also been apparent in the Johannesburg crisis.

One might feel justifiably uneasy reading the following (unedited) comments issued by the media liaison unit of the Gauteng Ministry of Local Government and Housing, a government department supposedly charged with serving and addressing all of the Province's residents in an even handed, unprejudiced fashion:

*"Gauteng Local Government and Housing minister Dan Mofokeng would like to issue a statement on rates and tariffs in the Greater Johannesburg Transitional Metropolitan Council, following allegations by the Nats and their allies that when the four sub-structure model comes to (sic) effect, rates and taxes will increase.*

*"This is a blatant lie...Local Authorities Ordinance 11 of 1977 empowers local authorities to establish and create valuation rolls...The Old Johannesburg City Council has failed to implement the new valuation roll...*

*"Ian Davidson and the Nats owe residents an explanation of why did they fail to implement the assessment rates since July 1991...They are now trying to play around with the emotions of the white communities thereby introducing 'Die Swart Gevaar' hysteria. They have applied the scorched earth policy in order to try and win the white votes.*

*"The threat by the strange bed-fellows ie Nats and DP to take the province to court is without basis...Their threat is a blatant camouflage attempt to finance their election campaigns with rate-payers money."*

Leaving aside the merits and demerits of the seven and four metropolitan sub-structure plans, surely the Democratic Party and National Party have every right to deploy arguments, however poorly grounded, in favour of their preferred option.

And surely a government ministry has a responsibility to respond with measured, dispassionate counter arguments, commensurate with its role as a public, rather than party political, entity.

### ❑ Principle 4

Government today - this tempers ability of principles two and three to create democracy out of a system of rule - must conceptually de-link its management functions from the demand of hierarchical authority to be always 'right' on its own terms.

Government must explicitly recognise its own limitations: its inability to impose a single rationality on a complex, open ended and unstable political environment of multiple interests.

It should therefore commit itself to the task of providing a broad framework for the regulation of different social and political wills, rather than seeking to envelop all social initiatives in a single, substantive vision of the 'good society'.

## Conclusion

It can be argued that a great deal rests upon whether government at a national, and especially a regional level, can 'get its act together'. It is probably extreme to suggest that the local government elections are being jeopardised by persistent inefficiencies and political follies in the provinces.

But certainly there will be many potential voters who will feel increasingly alienated from the process if government continues to project uncertainty, partiality and insensitivity to the concerns and fears of particular groups.

In addition, any failure in the upcoming elections - failure measured in degrees, of course - because of weaknesses in the edifice of government will not augur well for future national projects and endeavours.

The principles suggested in this article, though not meant to be read as a set of commandments, point towards certain non-negotiable preconditions for the success of other complex and potentially conflictual processes: the implementation of the Reconstruction and Development Programme, the drafting and marketing of the final Constitution, the building of a new nation.

The cracks in the edifice must be repaired as soon as possible: we cannot afford to allow them to widen. IPA

*Many potential voters will feel alienated if government continues to project uncertainty, partiality and insensitivity*

*Any failure in the upcoming elections will not augur well for future national projects*

• The Centre for Policy Studies - together with the Independent Mediation Service of South Africa, the Institute for Democracy in South Africa and Inlogov - is part of the Election Information and Research Consortium.

# Power Sharing Democracy

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*South Africa's multi-party negotiations to end apartheid produced a system which is fundamentally undemocratic and likely to be a source of political instability. Power sharing may be a necessary condition of transition, but it precludes institutionalised opposition - one of only three requirements of democracy - and should not be replicated in the final Constitution.*

*Only when outgoing regimes expect to win democratic elections, does majority rule prevail*

When President FW De Klerk unbanned the African National Congress, the South African Communist Party and the Pan Africanist Congress, and released Nelson Mandela in February 1990, he simultaneously announced plans to begin negotiations toward democracy.

From the outset, the National Party government believed it would lose post-apartheid elections and insisted on some sort of power sharing arrangement, in the form of sunset clauses, consociationalism or a Government of National Unity.

And from the outset the African National Congress (ANC) insisted on majority rule, or what Mandela sometimes called 'ordinary democracy'.

*If democratic politics requires a turnover of power among elites, then there must be sites for counter elites to form*

Why then did the ANC, with overwhelming mass support, the moral high ground and international backing, make concession after concession and finally agree to share power until the end of the century at least? And why have similar negotiations led to power sharing agreements in Zimbabwe, Poland, Chile and Mongolia?

Only when outgoing regimes expect to win democratic elections, as in Korea and Nicaragua, does majority rule - where the winning party governs and the losing party or parties assume the role of opposition - prevail.

## Democratic opposition

One need not go all the way with Barrington Moore, for whom the central defining characteristic of a democratic political order is 'the existence of a legitimate, and to some extent effective, opposition' to hold that a functioning political opposition is essential to democracy. This is true for at least three related reasons.

The first is functional. If democratic politics is seen as requiring at a minimum that there be turnover of power among elites, then there must be sites for counter elites to form and wait in the wings as potential alternative governments.

This means not only permissive freedoms of speech and association, but also the presence of institutions and practices that facilitate organised parliamentary

opposition, a shadow cabinet, access to security briefings and civil service support.

If the opposition is not perceived as a realistic alternative to the ruling party, government crises are more likely to become crises for the democratic regime.

Providing the institutional space for opposition is essential for ensuring that discontent can be directed at particular governments rather than at the democratic system.

Among other things, democracy is a system for processing conflicts and it is important that those who lose political battles do not forfeit the right to criticise and compete against the government and that they retain the hope that they may return to win another day. That creates incentives for them to stay within the system.

Lastly, institutional arrangements that facilitate opposition are necessary preconditions to healthy political debate. They encourage a degree of competition over ideas among elites and counter elites which leads to demands for reason giving and coherence in public debates.

The potential opposition will find it difficult to present an alternative platform if it is itself involved in governing and executing the policies of the majority party in the Government of National Unity.

Beyond this, the existence of opposition institutions creates and empowers groups and individuals who have an interest in shining a light in dark places, asking awkward questions, and exposing abuses of power.

## Negotiations

Although transition negotiations may ostensibly be conducted among all the major - and some minor - parties, only those parties that have the capacity to reverse or veto the process will be essential to an agreement.

Government reformers have a strategic interest in an early settlement because of the unequal but evolving distribution of power among the negotiating principals.

Negotiations are risky for reformers because over time their own political futures become increasingly tied to a negotiated settlement.

So long as the ruling party retains control of the state's coercive institutions a collapse in the negotiations means a return to authoritarian rule. But such a reversal would be a victory for hardliners in the government. As the costs of backing away increase for reformers, so does their interest in concluding a settlement.

Their interest in an agreement does not preclude all other considerations, however. Losing the initiative to the opposition could result in the opposition replacing the government, if it had the capacity, or civil war. The government is thus still more likely to reverse negotiations than to capitulate to the opposition.

Initially, opposition moderates seem to have time on their side. The government's decision to negotiate is a victory for the opposition and it can be expected to capitalise on the legitimacy and credibility negotiation confers. At this stage, then, the opposition will be fairly intractable, engaging in inflammatory rhetoric to mobilise social discontent, consolidate its support base, and raise the stakes.

The bargaining power of opposition moderates increases, however, only until they become aware of the existence of a Hobson's choice on the horizon. If they move toward a settlement they will be attacked by radicals on their left flank who will accuse them of selling out and begin vying for their grassroots support.

If, on the other hand, moderate opposition leaders do not move toward a settlement, their mass base can be expected to erode anyway. If there is no perception of progress, change or improvement, other opposition leaders can be expected to emerge and siphon off their support base.

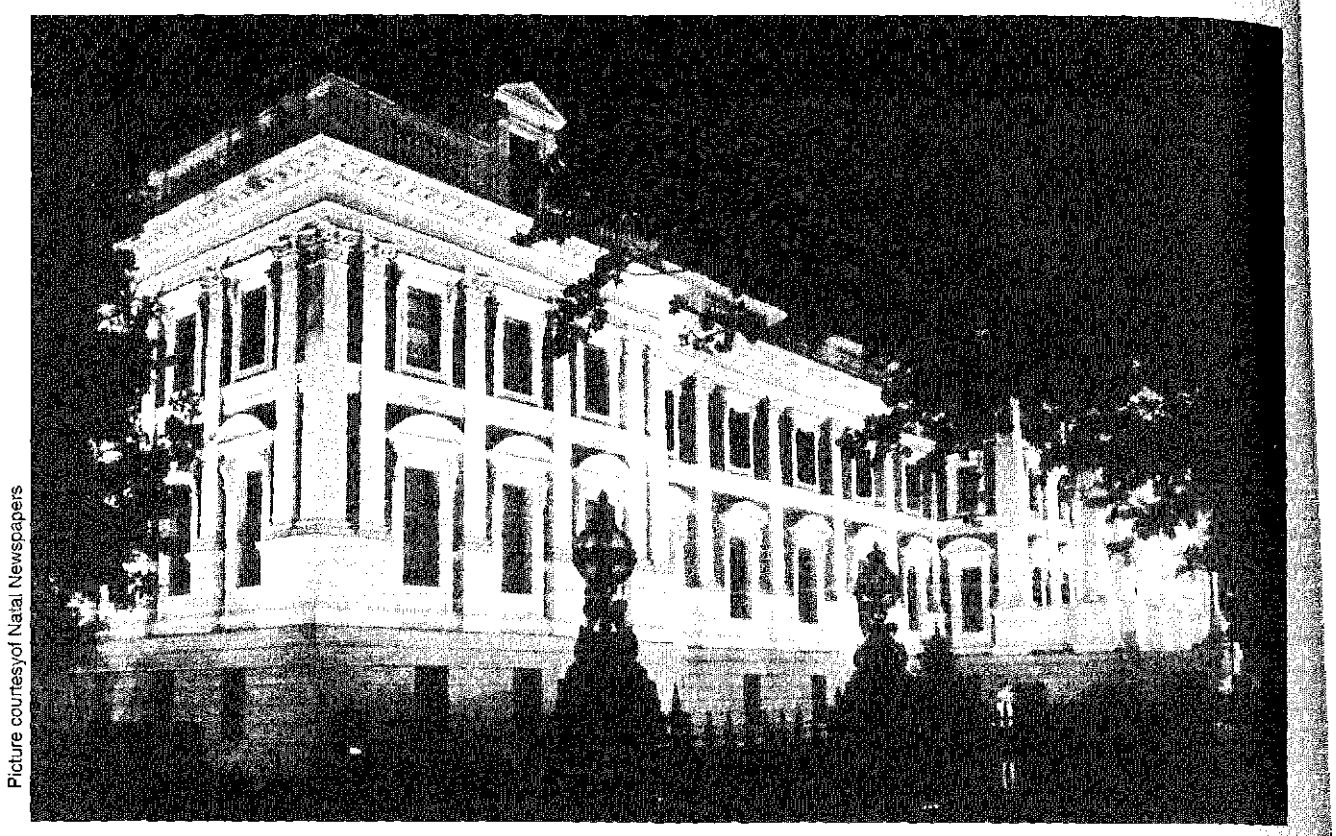
The two sides reach the point of no return when a retreat from negotiations would be followed by a collapse of support which would undermine the veto power of the government or its primary negotiating partner. At this point parties can be expected to make concessions they previously rejected in the interest of concluding a settlement.

Once they have both confronted the costs of failing to reach a settlement, the government's structural advantage, deriving from its monopoly control of the state's coercive institutions, becomes decisive.

*Opposition is essential for ensuring that discontent can be directed at governments rather than at the democratic system*

*Institutional arrangements that facilitate opposition are necessary preconditions to healthy political debate*

*Opposition will find it difficult to present an alternative platform if involved in executing the policies of the majority party*



Picture courtesyof Natal Newspapers

*Two-party systems generate more incentives for strong institutionalised opposition*

Both sides need to keep their constituencies together so that they can sell the agreement and marginalise more radical elites on their respective flanks. And their opposite players have an interest in allowing them to concede in this way.

The government has vast resources of institutionalised power at its command, the opposition virtually none. The only solution that allows them both to hold their fragile constituencies is to share power.

## The settlement

A negotiated transition from one political system to another is better than a civil war, a coup or governmental collapse into chaos, because fewer people die. But it is not ideal.

*South Africa's political system makes official opposition to the Government in Parliament virtually impossible*

For one thing, the process itself is rarely democratic - it is negotiated secretly among a small group of elites who usually lack an electoral link to any constituency. Secondly, it tends to lead to political systems that lack opposition institutions and are thus not themselves fully democratic.

South Africa's 1993 Interim Constitution mandates a Government of National Unity in which every major player is expected to participate, have seats in the Cabinet and be bound by the doctrine of collective responsibility.

The electoral law is a cornerstone of the new system. The Interim Constitution replaces the old single member 'first past the post' constituencies with list system proportional representation.

Two-party systems generate more incentives for strong institutionalised opposition because the party that is not in power has an interest in becoming a magnet for anti-government sentiment, although its potential to become an alternative government is contingent on the extent and distribution of its grassroots support.

If a proportional representation system is to behave like a two-party system, it must have a combination of small and medium sized constituencies and high thresholds for representation in parliament. The South African system has neither.

Cabinet seats are also proportionately distributed. Any party that holds at least 20 seats in the National Assembly is entitled to a proportionate number of Cabinet portfolios. The 27 member Cabinet has 18 ANC, six National Party and three Inkatha Freedom Party members.

Any party that wins at least 80 seats in Parliament - or each of the two largest parties - is also entitled to appoint an Executive Deputy President.

This system makes official opposition to the Government in Parliament virtually impossible. Cabinet members will be reluctant to give up the power, influence and patronage that being in the Government provides. And no potentially effective group exists outside the Government but inside Parliament to oppose Government policy.

If effective opposition to the Government cannot come from party competition, another place to look for it is on the back benches.

Chapter Four of the Interim Constitution, however, provides that any Member of Parliament who ceases to be a member of their political party will also lose their seat. If party leaders can expel members from their parties, backbenchers will have no leverage of any kind to deal with their own party leaderships.

## Implications

This is not a recipe for a viable democratic order.

A democratic constitutional order is a public good: it must be jointly supplied and no one can be excluded from it. That a public good is not well supplied through bilateral negotiations will not surprise economists.

From the standpoint of a public good analysis, negotiated transitions are not an effective path to sustainable democracy. The parties converge on a sub-optimal outcome in response to immediate incentives that they face.

If the analysis presented here is correct, however, once the previous regime loses control of the means of coercion, a new reality subject to new constraints emerges. If a coalition that has enough power to alter the system emerges in Parliament, as in Poland in 1989, power sharing may begin to evolve in more democratic directions.

Although the Constitutional Assembly is currently drafting a new Constitution, interim political arrangements often last long beyond their envisaged time frame, as they have in West Germany, France, Ireland, Israel and elsewhere, because they involve hard won compromises.

Lijphart notes that there seems to be a 'general expectation' among the principal players 'that the final constitution will bear a strong resemblance to the interim constitution.'

The spectre of revisiting the basic terms of the constitution can seem too problematic and potentially explosive. When pre-democratic history has been characterised by violence and warfare, people may readily accept the notion that opposition is too dangerous to allow and that consensus will unify the country and bring peace.

Angell describes the evolution of consensus in Chile:

> *"What was originally a tactical agreement amongst the parties...soon became a strategy, but has now become a dominant ideology."*

In South Africa, too, the Government of National Unity has an emotional resonance that speaks to healing the racist divisions of apartheid.

Lijphart celebrates the new institutions as 'just about the best that could have been designed', urging that they be replicated in the final constitution. But this is wrongheaded advice. Those who care about democracy in South Africa must remember that constitutional arrangements are tested during times of crisis, not during political honeymoons.

## Alternatives

Unless institutions are put in place that can give dissatisfaction and opposition meaningful institutional expression, it seems reasonable to assume that as the Government of National Unity begins to lose popularity, it will be the democratic constitutional settlement, and not the Government, that will become vulnerable to separatist and anti-democratic forces.

The Government of National Unity also includes at least one party, the Inkatha Freedom Party (IFP), whose own strategic position might be buoyed by the failure of the Government.

The IFP may be playing an oppositional role but its function is not institutionalised, jeopardising the political system, not just the fortunes of the ANC.

The ANC should push hard in constitutional negotiations to diminish the power sharing

*If party leaders can expel members, backbenchers have no leverage to deal with their own party leaderships*

*Negotiated transitions are not an effective path to sustainable democracy*

*Interim political arrangements often last long beyond their envisaged time frame*

*The ANC should push hard to diminish the power sharing dimensions of the Constitution*

dimensions of the Constitution, but not in ways that stifle the organised and effective expression of opposition to their policies.

In return for a more majoritarian system, ANC leaders should be prepared to give up the parliamentary rules that tie backbenchers to party leadership. This will mean coping with more fractious backbenchers. Without this clause, the ANC umbrella could break into several smaller parties.

The strains of governing have already brought latent divisions within the liberation movement - essentially a broad group united principally by their shared opposition to apartheid - to the fore.

Most other liberation movements that have come to power have fragmented in time. Indeed, if Rae is right that proportional representation with a combination of low thresholds and large constituencies promotes party fragmentation, this outcome is all the more likely in South Africa, where there are both.

*Divergent political forces cannot be held together artificially: attempts to do so will likely destroy the mechanisms intended to do the holding*

Bearing this in mind, the National Party (NP) should be prepared to trade entrenched power sharing for the rules that permit the ANC leadership to hold its party together artificially.

The NP should also be less myopic, looking not only at the present distribution of parties and the next election, but also at South Africa's underlying political dynamics. They need to understand that the way to step over a crevasse is not to tiptoe to the middle of it.

Divergent political forces cannot be held together artificially: attempts to do so will likely destroy the mechanisms intended to do the holding.

*International investors may sense from the Government's inability to act that real politics has yet to begin*

The NP would do better to worry less about worthless paper guarantees, see institutionalised unpredictability as an opportunity and focus on building new non-white grassroots constituencies so that they will be better placed to take advantage of a fluid and unpredictable future.

Opening local offices in Soweto and working on people's rent problems will do more for their electoral prospects in 1999 and beyond than insisting on power sharing now.

## Shaky democracy

That the power sharing agreement embedded in the Interim Constitution is so extreme may turn out to be an advantage in revealing that this forced and incompatible coalition does not provide a viable basis for democracy, or development, in the longer term.

International investors and hedge fund managers, who have so far avoided major investment in South Africa, may sense from the Government of National Unity's inability to act that real politics has yet to begin.

Both the New South Africa Fund and the Southern Africa Fund have been trading at substantial discounts since May 1994.

The failure of the much anticipated inflow of foreign capital and investment to materialise will probably cause the Government's popularity to decline sooner rather than later.

Another indication of the unworkability of the system became clear as early as July 1994. Then Finance Minister Derek Keyes resigned and President Mandela replaced him with a political independent, Chris Liebenberg.

In order to achieve this without upsetting the power sharing formula for the distribution of Cabinet portfolios, it was necessary for Parliament to amend the constitution and for Mandela to give the NP an additional cabinet portfolio.

Perhaps this was an early indication that there is no alternative to refashioning the system. The difficulties of governing by constitutional amendment should become manifest. Hopefully, when this occurs both the will and the capacity will be found in the Constitutional Assembly to create a more workable and democratic system. IPM

* This is a summary of an article, 'South African Democracy and the Permanent Constitution: Why the Interim Settlement is a Bad Model for the Future', forthcoming in Politics and Society in September 1995. For a copy of the full article, please write to Ian Shapiro, Department of Political Science, Yale University, PO Box 208301, New Haven, Connecticut 06520-8301, or e-mail ianshap@minerva.cis.yale.edu.

# BUILDING A NATION

*By John Pampallis*
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*While there are dangers inherent in it, nation building can provide a framework in which South Africa can work towards the socio-economic development of all within a stable democratic order. Crucially, it can also provide a new national identity and the cement to hold our fragmented and conflict ridden country together.*

The idea of building a single nation among all South Africans has been mooted since almost the beginning of this century.

After the unbanning of the African National Congress (ANC) and other organisations of the liberation movement in February 1990, and particularly as the country approached its first democratic elections in April 1994, the idea gained greater popular appeal and became accepted across much of the political spectrum.

Although nation building has long been a goal of the ANC and its allies, it has recently been put forward as a worthy goal by smaller parties, the media, sections of organised business and others.

Calls for nation building as an important goal for the new South African state were prominent in the months preceding and immediately after the elections. The Reconstruction and Development Programme (RDP) has nation building as one of its six basic principles. The concert at the presidential inauguration in May 1994 was held under the slogan: 'One nation, many cultures'.

Despite growing support for nation building, not everyone has approved of the idea. Some people - for example Johan Degenaar and Penny Enslin - have begun to take issue with it as a worthy goal for South Africa, and to caution us against adopting it as a national project.

Their arguments will be examined later. First let us examine the motives of those promoting nation building.

## Why nation building?

Why has nation building been proposed as a project for the new South Africa? In other words, why would anyone want to build a nation in South Africa?

Let us start with the ANC and its allies. The ANC has a long history of seeing a single nation as the ideal for South Africa. Since its inception in 1912, the ANC has generally espoused an inclusive nationalism in opposition to an exclusive racist, white nationalism - and later also in opposition to an exclusive black nationalism.

One of the ANC's main aims was to unite Africans of different ethnic groups and regions so they could struggle together to achieve full citizenship rights - particularly franchise rights - for all South Africans. Its aim, in other words, was always to create a single South African nation, even though at the time the organisation consisted only of Africans.

A counter trend, Africanism - which expressed an exclusive African nationalism - emerged in the ANC in the 1940s and 1950s. By 1959 it had been defeated by the inclusive, non-racial nationalism that it opposed. Its remaining adherents quit the ANC in 1959 to form the Pan Africanist Congress under the banner of Africanism.

In 1961 the ANC's ally, the South African Communist Party (SACP), adopted a programme espousing the theory of 'colonialism of a special type', which was later accepted by the ANC. This concept asserted that the South Africa state was essentially colonial, with both the colonisers

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*The RDP has nation building as one of its six basic principles*

*Despite growing support for nation building, not everyone has approved of the idea*

*The ANC believes nation building is essential to create unity, reconcile former antagonists and promote development*

and the colonised occupying the same territory.

Although proponents of the theory have differed on whether it implied that there were actually two nations in South Africa, it is unlikely that any significant segment of the ANC led alliance would disagree with Joe Slovo's formulation that:

> *"Forging one sovereign nation is an integral part of the objectives of the national democratic revolution." (Slovo, 1988)*

Although the ANC's inclusive nationalism predates the coming to power of the National Party, there is no doubt that the desire to forge a single South African nation was fuelled by the divisive policies of apartheid, which sought not only to divide blacks from whites but also to divide blacks on ethnic lines in order to oppress and control them more easily.

*The ANC has, like most governing parties, an interest in promoting unity under its own hegemony*

The spiral of violence which gripped the country -especially between 1990 and the 1994 elections - has made nation building even more urgent for the ANC, which believes it is essential to create unity, save the country from tearing itself apart, reconcile former antagonists and promote development.

In addition to this, of course, as the largest party in the government, the ANC has, like most governing parties, an interest in promoting unity under its own hegemony. Such unity will strengthen the party's power and enable it to dominate the definition of national goals.

## Other supporters

Other groupings have various reasons - some coinciding with the ANC's - for supporting the nation building project, although each may wish to define it differently, with different emphases, depending on its interests.

*The white business community and parties that represent it tend to see nation building as helping to create social stability*

The white business community and the parties that represent it, including the National Party and the Democratic Party, tend to see nation building in the new circumstances as helping to create the social stability without which economic growth is not possible.

The social programmes proposed by the RDP - an essential element in nation building - are also seen as providing business opportunities and a social basis for combating crime.

The propertied classes expect the Government to unite the populace and to use the ideology of nationhood to persuade less privileged sectors to cooperate in creating an atmosphere conducive to stability and private sector economic activity.

John Patten, liberal editor of the *Natal Mercury,* reflected this attitude in the newspaper on July 29, 1994, when he chided ANC leaders in government for not being tougher in dealing with strikers and people who refused to repay home loans. This, he wrote, was necessary 'to break the culture of resistance in the cause of nation building'.

Expressions of support for nation building have also appeared in the academic community.

For example, in 1992 the Human Sciences Research Council decided to contribute to the process of democratic nation building and the creation of a culture of tolerance through the publication of a book by Rhoodie and Liebenberg.

The book is a compilation of articles by local and some foreign writers, most of whom express qualified support for the concept of nation building in South Africa.

In their preface, the editors differentiate between democratic and undemocratic nation building. They equate the latter, at least in plural societies, with state intolerance of ethno-cultural, linguistic and religious differences among different population groups.

They stress that, in their view, democratic nation building in South Africa will only succeed with a 'culture of reconciliation, democratic decision making and historically based loyalty as well as social order, political stability and economic prosperity', and if South Africans 'put a brake on the spiral of unrealistic expectations...among the black South African communities'.

They support a nation building project, stating that national unity 'appears to be the most rewarding investment in the prevention of revolutionary conflict, as well as the most effective way of stemming any back sliding into apartheid or other authoritarian systems'.

## Opposition

Johan Degenaar (1991) gives a detailed and often insightful analysis of the concept of a 'nation'. In the course of the analysis he distinguishes between two types of nation, which he calls 'nation one' and 'nation two'.

The former is an ethnic nation 'based on the congruence of culture and power'. The latter is a 'state nation', which Degenaar says refers to 'a multi-cultural situation in which the nation is constituted by a common loyalty to a transcendent factor - transcendent with regard to a particular ethnic culture'. The transcendent factor could be:

- An assumed common culture which transcends competing ethnic cultures.
- A universal culture of modernisation.
- A socialist culture based on a classless society.
- A democratic culture based on loyalty to a democratic state which can form the basis of nationhood.

In assessing these different concepts of the nation, Degenaar rejects the concept of 'nation one' which he says is, among other things, primordialist, exclusivist, incapable of accommodating cultures other than the dominant one, dwarfs the individual and 'militates against constitutional thinking which places checks and balances on state power'.

As regards 'nation two', he examines and rejects each of its four forms in turn: the first three for various reasons which entail a lack of accommodation of non-dominant, communal cultures and the fourth - to which he displays some sympathy - because:

*"When this entails a culture of pluralist democracy the question that can be raised is whether the concept of nation is in any way the appropriate concept to use this connection." (Degenaar 1991)*

In other words, he likes the idea but thinks that a society built on such thinking should not be called a nation.

The concept of a nation is a 19th Century notion which is no longer appropriate and cannot accommodate the freedom of communal cultures or individuals.

Instead of engaging itself in nation building, Degenaar believes that South Africa should concentrate on building a democratic society based on a negotiated constitution and respect for communal cultures.

*Degenaar believes South Africa should concentrate on building a democratic society based on a negotiated constitution and respect for communal cultures*

Enslin, on the other hand, points to some of the dangers of nationalism, including its frequent association with militarism and the role it has played in the subordination of women. While she concedes that nationalism 'serves a purpose in liberation struggles', she says that it 'offers little thereafter'.

Nationalism, according to Enslin, is antithetical to the goals of education because it inhibits the growth of the individual autonomy of students by encouraging them to believe nationalist myths - which Enslin sees as essential to nationalism - irrespective of whether they are true or not.

This undermines the individual's ability to think critically and independently, thus limiting his or her democratic participation in society. Enslin, like Degenaar, believes South Africa should concentrate on building democracy rather than on building a nation.

*Enslin points to some of the dangers of nationalism, including its association with militarism and the subordination of women*

This article argues against dismissing the whole nation building project. It argues that, while there are indeed dangers inherent in nation building, creating a South African nation does not contradict the goals of democracy: indeed, nation building is a tool for advancing the process of democratisation, and is itself dependent on democratisation and the creation of a more equitable society.

In addition - crucially - nation building can provide the cement which would hold our country together, overcoming the fragmentation of its people and the violence which, at the best of times, simmers just below the surface.

## The process

A major weakness in the arguments of both Degenaar and Enslin is that they conceive of nation building as a process of ideological construction.

*But creating a South African nation does not contradict the goals of democracy*

But the process of nation building which aims to create unity and common loyalties in a country with South Africa's divisions and inequalities, while obviously having ideological aspects, is largely one of creating unity by bringing about greater

*Nation building as conceived in the RDP requires democracy in order to succeed*

equality in the material conditions of its citizens.

In other words, South Africa should become a nation not only through everyone having common loyalties or enjoying the right to vote, but by improving the living standards and opportunities of those who were formally deprived and thus closing the gap between rich and poor and between white and black.

As Dumisani Makhaye, now an ANC member of the KwaZulu-Natal provincial legislature, writes, the solution to overcoming the divisions in South African society:

> *"...lies in the fundamental changes in the conditions of life for the majority of South Africans...to engender a 'united' national consciousness reflecting South African values across the line, there must be at least a visible attempt at bridging the gap of standards of living between whites and Africans...*
>
> *"Nothing is more capable of destabilising South Africa more than the continued African poverty, especially after they have achieved political liberty." ('Bridge the Living Standards Gap', Natal Mercury, July 14, 1994)*

*Nation building embodies two concepts of democracy: the participation of all citizens in governing their lives and the creation of unity through equity*

## Nations and democracy

The idea that South Africa should concentrate on building democracy instead of trying to build a nation sets up a false dichotomy. Far from being opposed to democracy, nation building as conceived, for example, in the RDP, requires democracy in order to succeed. Without democracy there can be no building of an inclusive South African nation.

Indeed, in order to contribute to successful nation building, democracy has to go beyond the establishment of the bare bones of liberal constitutional democracy, and must seek to extend democratic rights beyond the sphere of the purely political to the social, and to some extent to the economic sphere.

*Nationalism, far from always being a shackle on democracy, has often been associated with democratic and anti-colonial struggles*

The argument that we should concentrate on democracy, advanced as it is in a context where notions of political liberal democracy have hegemony - that is, where democracy is generally understood to refer exclusively to the political sphere - could lead us away from the idea that democratic rights should extend beyond the political (Wood 1994).

The concept of nation building being proposed for South Africa by the RDP, on the other hand, demands that peoples' basic needs are met and that they are involved in the process of seeing to it that they are met.

Nation building is thus a notion that embodies two different concepts of democracy: the participation of all citizens in governing their lives and the creation of unity through greater equity. It is in this way that a South African nation is to be built - not through the imposition or creation of some common culture or ideology.

Other objections to the idea of nation building include arguments that nations are militaristic, jingoistic, sexist or, as Degenaar puts it, because:

> *"...the myth of the nation...absolutises the sovereignty of the people and submerges the individual citizen in the romanticism of a collective personality." (Degenaar 1991)*

While agreeing that nations can be all these things one cannot accept that they must necessarily be so. Nationalism exists or has existed in societies with a wide variety of social systems, from fascism to liberalism and social democracy. And in these societies the nation has been constituted differently at different times. The nationalisms of Bismark, Hitler and Helmut Kohl, for example, are quite different to one another.

Nationalism, far from always being a shackle on democracy, as Degenaar implies, has often been associated with democratic and anti-colonial struggles. The nation state has often provided the framework in which democratic rights have been expanded.

The modern concept of a nation, as Degenaar indeed points out, was born in opposition to absolutism. It was born in the French Revolution out of a desire to assert popular authority against the tyranny of the absolute monarchy. And although nationalism has often been used by anti-democratic forces, there are also many examples of popular democratic rights being extended within the framework of the nation state.

The newly born United States, for example, proclaimed itself a democracy, but tens of

thousands of people continued to live in chattel slavery for nearly a century.

In many European nations, the working class did not win the vote until the late 19th or early 20th Centuries, and then it was only for males. Women in virtually every country won the franchise only in this century.

During the course of the 20th Century democratic rule has been extended further as a result of popular pressure. Measures aimed at ensuring fair election procedures, curbing corruption and other abuses of power by politicians, freedom of information acts and other legislation, and measures to secure the rights of trade unions have all extended the frontiers of democracy.

There has, of course, been backsliding, and democracy may still be far from perfect anywhere. But the point is that all these countries consider themselves to be nations and this has not visibly prevented the growth of democracy thus far. Nor is there any reason for believing that it will prevent it in the foreseeable future, in South Africa or elsewhere.

## Nations and Africa

The proposal to build a nation in South Africa is not unique on this continent. Nation building in Africa, far from being of 19th Century origin, is very much a product of the mid-20th Century.

It is associated above all with the gathering together of anti-colonial forces for the purpose of winning freedom and the construction of new nations within the borders bequeathed by colonialism. 'One Zambia, One Nation', 'One Namibia, One Nation', and 'Uhuru na Umoja' (Freedom and Unity) became typical national slogans in independent Africa.

There is a tendency among some in South Africa to dismiss all African experience as having been negative. But we should resist the notion that nation building should be dismissed as another failed African effort.

In many countries with widely divergent ethnic populations a common national loyalty has been created and ethnic strife avoided despite serious socio-economic problems. This has been the result of concerted efforts in these countries to avoid domination of one ethnic grouping over others. Inter-ethnic conflict has generally occurred in countries where such efforts have not been made or have, for one reason or another, been unsuccessful.

## Nations and power

The question does remain, though: does nationalism not necessarily lead to the domination of some by others? Do forces leading the nation not necessarily exercise power on behalf of, and at the expense of, subordinate classes? This is an argument put forward not only by latter day liberal thinkers like Degenaar and Enslin but also, paradoxically, by orthodox Marxist theory.

Early Marxism, developed as it was in 19th Century European conditions, saw nationalism as an ideology of the *bourgeoisie* which, in its position as the ruling class, used nationalism to convince the subordinate classes that they had a stake in maintaining national sovereignty and defending national interests.

These national interests were, of course, defined by those who had the power to speak and decide on behalf of the nation: that is, the capitalist ruling class. Thus, many Marxists have argued that nationalism - and presumably nation building - is inimical to the interests of the working class.

But this argument holds good only when the capitalist class has the uncontested right to speak on behalf of the nation, a circumstance which does not apply in South Africa today.

Although the capitalist system is well entrenched and the corporate sector is beginning to grow in legitimacy through the absorption of a black component, no class in South Africa is in a position to rule alone, and big business must have allies. Its allies include the middle class, but it is insufficient to create a stable ruling coalition: the middle class is not big enough, and the African middle class in particular is still very small.

So any ruling coalition needs to include powerful elements of the subordinate classes as an integral component - at least until the corporate sector and its middle class allies are sufficiently strong, in particular through the growth of their black membership - to rule alone.

The working class and other sections of the poor and oppressed, however, will not give their support to any coalition without

*There are many examples of popular democratic rights being extended within the framework of the nation state*

*In many African countries with widely divergent ethnic groups, common loyalty has been created and ethnic strife avoided despite socio-economic problems*

*Any ruling coalition needs to include powerful elements of the subordinate classes as an integral component*

*We do need to recognise the potential dangers of nation building and nationalism and try to avoid them*

demanding a price. Their strength lies in their organised formations - especially the trade unions, civics, the SACP and the left wings of ANC structures and ANC caucuses in Parliament and the provincial legislatures.

The fact that the support of the organisations of the working class and the poor are indispensable to the rest of the ruling coalition, provides a basis for democratic nation building. These organisations should be able to struggle within the nation building framework to gain benefits for their constituencies.

They will also be in a position to ensure that democracy is deepened and extended from the political sphere into the economic and social spheres. At the same time the ideology of the new nation can help to both strengthen their legitimate demands - on the grounds that the nation must benefit all of its members, and especially the most needy -and provide a glue of social cohesion.

*We need to build a democratic nation in which all people have a common loyalty, enjoy democratic rights and basic material comforts*

If the working class and the poor can strengthen their position sufficiently, they will ensure that they will be able to pursue their interests in the longer term, either in coalition with other class forces or independently.

## Conclusion

South Africa should not avoid nation building. Nation building can provide a framework within which South Africa can work towards the socio-economic development of all within a stable democratic order.

We do need to recognise the potential dangers of nation building and nationalism and try to avoid them. We as South Africans should at this stage be asking ourselves what kind of nation we wish to build.

We need to develop a nation based on the notion of 'one nation, many cultures' in which communal - and indeed class - cultures can flourish alongside the development and growth of a common South African culture, and in which individuals and groups maintain their ethnic identities quite comfortably without sacrificing their national identity.

In building a democratic nation we must avoid the pitfalls some nations have fallen into and which Enslin warns us of. We need to concentrate on building a democratic nation in which all people have not only a common loyalty, but one in which they all enjoy democratic rights and in which the socio-economic system meets their basic material needs.

This democratic nation should avoid the 'my country, right or wrong' mentality which spawns national chauvinism, xenophobia and militarism. Such a nation can help heal the wounds of our conflict riven past and to give a sense of commonality, a new national identity which can bind us together while allowing other, differentiated levels of identity to exist. IPA

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# Aliens Aboard

## Mozambicans in the New South Africa

***By Chris Dolan***
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*The continued presence of large numbers of Mozambicans in South Africa poses very complex policy challenges to the Government. It also serves as a test case for the country's approaches to in-migration and refugee flows - and particularly whether they will be consistent with promoting a culture of human rights.*

There are four major policy imperatives facing the new South Africa in its efforts to deal with Mozambicans in the country, and with the issue of southern African migration more generally.

The continued presence of large Mozambican populations along South Africa's rural border areas - particularly the former Gazankulu and KaNgwane homelands - often linked with Mozambicans in urban centres, challenges the conventional distinction between illegal immigrants and refugees.

It also raises questions about the strategy to be adopted by the Reconstruction and Development Programme (RDP) in those areas, dares the Government to give content and meaning to its stated commitment to regional development, and highlights conflicts between the logic of international law as practised by governments and the logic of survival as practised by refugees.

### Policy challenge one

The situation of Mozambicans at the moment is critical. Official attitudes are in a state of rapid flux and a vacuum has resulted in which uncertainty, doubt and fear are quick to develop, to the detriment of all.

Forming by far the largest proportion of illegal immigrants, Mozambicans have been the object of two major policy thrusts: the United Nations High Commision for Refugees (UNHCR) Voluntary Repatriation Programme, and an ever more active policy of forcible deportation by the South African Police Services.

Both policies are failures in terms of the objectives they set themselves. In its one year of operation the Voluntary Repatriation Programme dealt with just over 10% of the 250 000 case load it originally planned for, while deportation is openly reported as a futile exercise by those responsible for implementing it as most deportees return within a few days of being dumped at the border.

In numerical terms deportation is far more significant than voluntary repatriation: the 61 345 people deported in 1991 had risen to more than 90 000 people by 1994, of whom around 70 000 were Mozambicans. By contrast, the UNHCR's Programme only repatriated 31 074 in its 12 months of full operation from April 1994 to March 1995.

In financial terms deportation is also far more significant, costing R220 million in 1994 alone compared with R20 million for the one year Programme.

The most important point to make is that more than 90% of expenditure, under present policy strategies, is recurrent expenditure: forcible deportation alone could cost the country close to R1 billion in the next four years.

*The situation of Mozambicans at the moment is critical*

*Repatriation and deportation policies have failed in terms of the objectives they set themselves*

*Policies failed because the conventional distinction between illegal immigrants and refugees does not describe what people are doing*

The obvious challenge to the new South Africa is to question why both policies failed. One component of the answer lies in an examination of whether the conventional distinction between illegal immigrants and refugees accurately describes what people on the ground are doing.

I would suggest it does not, and as such is almost bound to produce ineffective policies.

The internationally common attempt to distinguish between 'real' - political - refugees and 'fake' refugees - economic migrants who try to pass for refugees - has been given a particularly sharp edge in South Africa, with Mozambicans found in rural areas defined as refugees and those found in urban areas defined as illegal aliens.

The targeting of policies of voluntary repatriation from rural areas, and forcible deportation from urban areas, has followed and thereby entrenched the categorisation.

*The distinction between rural refugees and urban illegal immigrants is arbitrary and inhumane*

The information campaign aimed at encouraging Mozambicans to take up assistance offered through voluntary repatriation appears to have been targeted at rural areas only. While people living in the rural areas were at least aware of the Programme, most Mozambicans we interviewed in Gauteng in February and March this year had never heard of it.

By contrast, although there have been incidents in eastern areas of the country, the vast majority of arrests leading to forcible deportation have been made in metropolitan areas. We have yet to interview a Mozambican in Soweto who has not either been arrested or has witnessed the arrest and deportation of fellow Mozambicans.

The distinction between rural refugees and urban illegal immigrants is arbitrary and inhumane as the two groups, although geographically separate, are in fact closely linked into shared households and are only spatially divided as a result of migrant labour.

*The second major policy decision is whether or not to accommodate 'illegals' in the RDP*

At least 100 000 of the 350 000 Mozambicans who arrived as refugees in the border areas during the 1980s and early 1990s have subsequently entered the migrant labour system as the only means of guaranteeing their households' survival.

This assertion can be made with a large measure of confidence for two reasons.

Firstly, survey work has shown that the demographic profile of the Mozambican refugee community is virutally identical to that of the local population in terms of both labour migration and the distribution of men, women and children.

Secondly, it is obvious if one considers the history of the refugee situation in South Africa. Tolerated in certain economically marginal areas but denied formal refugee status by the government during the 1980s, Mozambican refugees were by and large deprived of the material assitance from international sources which formal recognition generally brings - with the result that they had no alternative but to seek work in urban areas and on white farms.

## Policy challenge two

Should the RDP accommodate Mozambicans or not?

Now that voluntary repatriation is over and even Mozambicans living in rural areas are set to lose their temporary refugee status, the second major policy decision facing South Africa is whether or not to accommodate 'illegals' in the RDP.

Minister of Home Affairs, Mangosuthu Buthelezi reflected a popular sentiment when he stated in his introductory speech to the National Assembly in August 1994:

> *"If we as South Africans are going to compete for scarce resources with millions of aliens who are pouring into South Africa, then we can bid goodbye to our Reconstruction and Development Programme."*

Despite the somewhat overblown rhetoric there are areas where competition for resources is a real issue.

We calculate, on the basis of a careful examination of Roman Catholic Church food distribution figures and our own data, that some 320 000 Mozambicans are still based in South Africa's former homeland areas along the eastern border.

In rural areas, such as the Mhala district of former Gazankulu, Mozambicans constitute a fifth of the total population. Although there are many instances of Mozambicans living in the same households as locals, in general they form a very distinct, exploited and vulnerable sub-group relative to their

local hosts, who are themselves poverty stricken in the wider South African context.

Careful mapping of more than 8 000 local and refugee households in Mhala, in the Jongilanga Tribal Authority, shows that while half the Mozambicans are concentrated into five settlements, the other half live in ghetto like areas at the edges of local settlements.

They commonly provide a source of cheap labour to local villagers who engage them for menial tasks such as cleaning and cultivating fields. This has developed to the extent that if one local asks another to do a menial task for them that person is likely to say 'u nga ndzi endli Mupoti', which translates into 'don't treat me like a Mozambican'.

The poverty of Mozambicans relative to their hosts has been demonstrated in a number of locally conducted surveys.

For example, a National Energy Council survey in six settlements in Mhala in 1992 found that the mean monthly household income of Welverdiend Refugee settlement was R253, compared to R384 in the poorest of the local settlements and R724 in the wealthiest settlements investigated.

While the refugee settlement had the highest percentage of income earners who were migrants - 70% - the migrants had mean incomes of R147 a month compared to R241 and R331 in the other two villages.

These sharp income differentials resulted in incomes per household member of only R33 a month in refugee households compared to R52 in the poorer local households and R114 in the better off ones.

They are also reflected in significantly different expenditure patterns and ownership of assets: refugee households reported eating meat once a month compared to two to three times a week in local households. Refugees had also failed to rebuild their livestock, reporting that they had no cattle, no goats and less than one chicken per household.

This is highly significant in a rural population in which cattle ownership is a key measure of wealth - households in neighbouring Welverdiend reported a mean of 6,5 head of cattle, 3,5 goats and more than five chickens per household.

These findings are reinforced by an environmental health survey conducted in the Jongilanga area in 1993. The survey found that the median distance walked to collect water was four times as great for refugee households as for local households, that all refugee households still use wood to cook compared to about 86% of local households, and that less than a quarter of refugee households had their own toilet compared to more than half of local households.

Clearly in this area the presence of large refugee settlements poses particular challenges to the RDP.

Should local RDP committees represent the interests of Mozambicans as well as those of locals? If not, will this result in an ever more sharply disadvantaged under class with resultant social problems? If they do, will it be a signal to the Government that Mozambicans should be formally assimilated?

## Policy challenge three

It is ironic that almost in the same breath as we hear about the need to repatriate Mozambicans to their areas of origin we also hear about initiatives sponsored by the South African and the Mozambican governments through which the land Mozambicans are supposed to return to will become unavailable for resettlement.

The Norwegian Refugee Council reports that the Ministry of Agriculture in Mozambique is giving serious consideration to requests for hunting concessions to large businesses in the very areas most of the refugees hail from.

I was told by a Ministry official in May this year that once such concessions are granted future returnees to those areas will likely be unable to access their land.

A more highly publicised initiative has been that of the Transvaal and Orange Free State Agricultural Unions, led by Freedom Front leader Constand Viljoen, to re-settle white South African farmers in Mozambique, with Gaza and Maputo provinces two of the favoured destinations.

It is abundantly clear that slow repatriation should not be taken as *carte blanche* for giving away the land people eventually intend to return to: for most Mozambicans

*Some 320 000 Mozambicans are still based in South Africa's former homeland areas along the eastern border*

*They form a very distinct, exploited and vulnerable sub-group*

*The land Mozambicans are supposed to return to will become unavailable for resettlement*

*It is inhumane to push people back with one hand, while taking away their only economic opportunity with the other*

residing in South Africa the only hope of survival if they return lies in subsistence farming - indeed, most were subsistence farmers before their flight to South Africa.

It is both nonsensical and inhumane to push people back with one hand, while taking away their only economic opportunity with the other, particularly if one considers the logic behind 'slow' repatriation.

## Policy challenge four

While the reluctance of Mozambicans to respond to the Voluntary Repatriation Programme may indicate that most do not wish to return, this is questionable.

While the reductive logic of international refugee law assumes that once the original cause of flight has been removed the refugee can instantly return home, the necessarily more complex logic of survival may prompt refugees to adopt a 'wait and see' attitude.

*The present Government cannot afford to adopt policies which promote South African rights at the expense of human rights*

If one considers events in Mozambique and South Africa in the last three years, one can see grounds for such a strategy.

In late 1992 the rebel Renamo and ruling Frelimo movements in Mozambique signed a peace accord. In early 1993 the drought broke, and in September that year the UNHCR signed an agreement with South Africa recognising Mozambicans in border areas as refugees.

Only seven months later, in April 1994, the Voluntary Repatriation Programme began, coinciding with South Africa's first democratic elections and well before the Mozambican elections. The Programme closed in March 1995, only six months after elections - scarcely time to demonstrate that Mozambique had achieved stability.

Against this medley of events, in which incentives and disincentives to go home or stay are mixed in equal measure, it is somewhat naive to imagine that whole households - many of whom have been settled here for up to 10 years - will take the highest risk option: to go straight back, particularly as going back has to fit into agricultural seasons if returnees are to have a reasonable chance of surviving.

A logical survival strategy would be to return gradually in an attempt to minimise risks and optimise opportunities on both sides of the border.

Even discounting individual and household motivations, it is clear that the areas from which most Mozambicans originate could not support their sudden return. And if they are forced back the economic situation there will almost certainly drive them back to South Africa very quickly.

## Conclusion

I have briefly demonstrated that the continued presence of large numbers of Mozambicans in South Africa poses very complex specific challenges to people who feel they should return to Mozambique.

But it also serves as a test case for the new South Africa's approaches to in-migration and refugee flows, and particularly whether the approaches will be consistent with promoting a culture of human rights.

South Africa, as the richest country in the region, will always find it difficult to slot foreigners into the categories of refugee and illegal immigrant. In the case of Mozambicans is probably unwise to try to do so.

While the claims that 'millions of aliens' are flooding into the country are exaggerated, the case of Mozambicans prompts us to think in a more regional manner than many are perhaps accustomed to.

Regional development initiatives should be informed by a reasonably coherent vision which allows critical scrutiny of *ad hoc* and opportunistic approaches such as resettling white farmers in Mozambique to make land distribution in South Africa a bit easier.

South Africa needs to think boldly and pro-actively about its commitment to the region, rather than reacting to the initiatives of minority interest groups. It is legitimate to do this from a position of enlightened self interest.

For example, expenditure on deportation could be more usefully deployed in creating employment opportunities in the countries 'aliens' come from. There is little doubt that many would seize the opportunities thus created to return home.

There is also little doubt that the present Government, born out of a major human rights struggle, cannot afford to adopt policies which promote South African rights at the expense of human rights. IPA

* This article is based on a presentation given to the Centre for Policy Studies workshop on Southern African Migration: Domestic and Regional Policy Implications, on April 10, 1995.

# Who Goes There?
## Illegals in South Africa

***By Anthony Minnaar, Sam Pretorius and Marie Wentzel***
***Centre for Socio-Political Analysis, Human Sciences Research Council***

*The issue of illegal 'aliens' in South Africa is fraught with misconceptions and false assumptions. Much has been written recently about illegal immigrants: how many there are, who they are and whether they have the right to be here. But little has been said about the system on the ground: the ways in which illegal immigrants enter the country or what they do when they are here.*

The 1988/89 *South African Yearbook* estimated that there were 1,2 million illegal black immigrants living in South Africa. The 1989/90 Yearbook repeated the figure but with the rider 'possibly more'. In 1991 the figure was estimated at two million, in 1992 at 2,5 million, in 1993 at three million and in 1994 as high as five million.

The South African Police Services (Saps) put the number of 'illegals' presently in South Africa at between two and 3,5 million - 5% to 8% of the total population - which most observers believe is a conservative estimate.

Other figures bandied about range from five to eight million. It has been estimated that one out of every five squatters in Gauteng is an illegal immigrant.

In a December 1994 Human Sciences Research Council Omnibus Survey - a door to door survey of 2 250 people - the Centre for Socio-Political Analysis asked about the presence of non-South African citizens living in houses around respondents' properties. Fifteen percent of respondents reported the presence of non-South Africans.

Respondents were also asked to indicate numbers of non-South Africans. When the results were weighted to take the numbers identified into account, a figure of between five and eight million non-South Africans was reached, with Gauteng having the greatest number at 3,1 million followed by KwaZulu-Natal with 1,6 million.

Certainly since the April 1994 elections there has been a noticeable increase in the flow of 'illegals' to South Africa.

## Xenophobia

The last few months has also seen a rapid growth in xenophobia towards illegal immigrants. More letters to editors about 'aliens' have appeared in a number of newspapers, with most expressing anti-immigrant sentiments.

The African Chamber of Hawkers and Independent Businessmen (Achib) has been vociferously fanning resentment. Chairman Lawrence Mavundla claims aliens are ruining local hawkers by using stolen goods or illegally importing goods without paying duties.

According to Achib there are 500 000 illegals plying their trade in South Africa, representing up to 40% of informal traders in the country. In central Johannesburg there are an estimated 15 000 hawkers, of whom Achib claims 2 000 are illegal.

The Chamber's claims seemed substantiated to a degree when at the beginning of September 1994, in a single raid, Northern Transvaal police arrested 2 000 illegal

*The HSRC estimates that there are five to eight million illegal immigrants in South Africa*

*Since the April 1994 elections there has been a noticeable increase in the flow of 'illegals' to South Africa*

*There are as many as 500 000 illegals plying their trade in South Africa*

Zimbabwean traders in Thohoyandou in former Venda, and handed them over to immigration officials for deportation.

The Congress of South African Trade Unions (Cosatu) presented a memorandum to President Nelson Mandela outlining union objections to illegal immigrants. Unions particularly resent the effect illegals have had on efforts to set up a Farmworkers Union.

Cosatu contends that 'aliens' - by accepting low wages and not supporting unions for fear of losing their jobs or being reported - have allowed white farmers to resist the formation of a farmworkers union, are undermining the tenancy of long time farmworkers and therefore the potential for land redistribution, and are enabling marginal farmers to survive and thus preventing the confiscation of bankrupt farms.

*Unions resent the effect illegal immigrants have had on efforts to set up a Farmworkers Union*

Because illegal immigrants are prepared to work for so little, locals find it difficult to compete. On some farms in Messina, illegal farmworkers are paid as little as R1,20 a day.

Until recently many South Africans did not want to compete for farm jobs: in many rural areas people have been receiving R5 a day in drought relief, and have not been prepared to work for less. But with drought payments ending and industry retrenchments continuing, there is increasing pressure on jobs.

In September 1994 the Inkatha Freedom Party (IFP) in Gauteng became the first political party to publicly take a stance against illegal immigrants. The IFP called on the Government to act against illegals in order 'to make sure that all South African citizens are employed', and threatened to march against 'aliens' - and possibly take 'physical action' against them - if no steps were taken.

## Violence

*There have been a number of incidents where anger against illegals has boiled over into violence*

There have recently been a number of incidents where public anger against illegals has boiled over into violence.

In October 1994 tensions between Xhosa fishermen and Ovambos in the Imizamo Yethu squatter camp at Hout Bay in the Cape resulted in violence. The Xhosas accused the Ovambos - many of whom they alleged were illegals - of taking fishing jobs by accepting wages of as little as R30 a shift: almost half the normal rate.

In December 1994 and January 1995, armed gangs of comrades claiming to be members of the African National Congress (ANC) and allied organisations, carried out a campaign of terror to rid the township of illegal immigrants.

They targeted Shangaan speakers, Zimbabweans and other residents with 'dark complexions' by throwing them and their possessions out of their homes and flats.

Some had their homes burned down and looted. Others were frog-marched to the local police station were it was demanded they be deported. In a number of cases the 'foreigners' had lived peacefully in the township for years.

The gangs - who later turned out not to be ANC aligned - claimed that 'foreigners' were 'taking jobs away from South Africans'.

In clashes between Xhosa and Shangaan speaking miners at the Rose Deep Hostel at Primrose Gold Mine in Germiston in early April, seven people were killed and 26 injured. Sixty percent of the more than 1 000 miners were from Mozambique.

A spokesperson for the Shangaans said the Xhosa miners perceived them as a threat to jobs and wanted them to leave, while Xhosa miners accused Shangaans of thwarting efforts to secure higher wages by not engaging in strikes and accepting low pay.

The result of the tensions and fighting were work stoppages and crippling financial losses for the mine. Within a month the Primrose Gold Mine was forced into liquidation and the 600 Mozambican miners were sent home.

Soon after that, further clashes occurred between groups of miners at the Vaal Reefs Gold Mine near Orkney in the Free State. On April 8 and 9, fighting between Xhosa and Sotho speaking miners from Lesotho left 14 dead and 56 injured.

The Xhosa speakers were accused of being unwilling to accommodate workers from neighbouring countries, and mine managers claimed that foreign workers had become concerned about job security during restructuring at the mines. Non-South

African miners expressed fears about their personal safety and future residence in South Africa.

Xenophobic tensions spilled over into other areas. In May a pamphlet was circulated on farms in the Empangeni area, warning Shangaans to leave immediately.

Farmers in the area were given permission in the late 1980s to employ Shangaans without having to register them. The exemption was withdrawn at the beginning of this year, but not before more than 200 000 Shangaans arrived to work on farms in northern KwaZulu-Natal.

## Porous borders

Illegal immigrants enter the country with ease. There are sections of the border not covered by fencing, for example where the railway line crosses the border at Komatipoort and the banks of the Crocodile River. People merely walk across. Lesothans and Swazis can cross even more easily.

The electric fence on the eastern border stretches 62,2 kilometres from the southern border of the Kruger National Park to the Swaziland border. The Norex fence along the northern border stretches more than 130 kilometres west of Messina, but only 10 kilometres east of it.

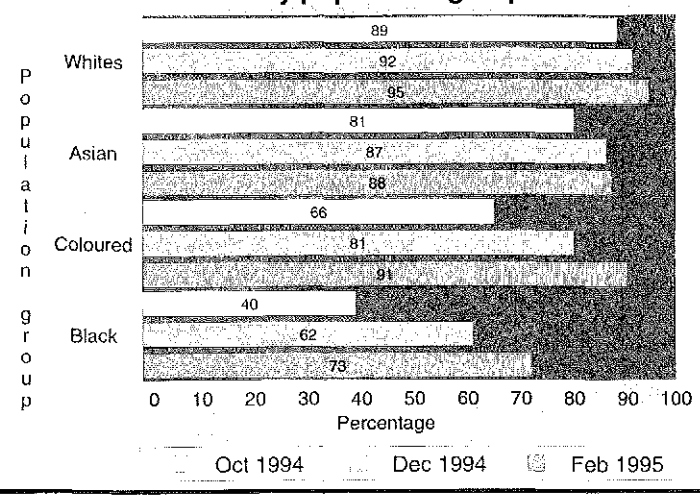
Although the South African National Defence Force (SANDF) patrols the fence in the Komatipoort area, it is not stopping everyone.

In one demonstration on March 31, an illegal took only one minute and 17 seconds to cross an eight foot high game fence, and razor coils stacked three layers high, by using forked sticks to make a tunnel through the coils and over the fence. It was claimed that a frequent crosser could make the crossing in 30 seconds.

The fence is presently set on alarm - the alarm registers at substations 10 kilometres apart - rather than 'deadly' mode. On the night before the demonstration, the SANDF caught 74 illegals crossing the fence in a 10 kilometres stretch between Komatipoort and Macadamia.

The Defence Force estimates that it catches only one in every four people who cross. One illegal immigrant was caught 28 times in six months.

**Figure 1: Authorities should act more strictly against illegals by population group**




When people are caught they are briefly held at the SANDF Macadamia base before being handed over to the Department of Home Affairs to be processed - fingerprinted and issued with a removal warrant. Mozambicans are then passed on to the Mozambican authorities at the Lebombo (Komatipoort) border post at Ressano Garcia. They merely wait for darkness and try to slip over the border again.

*Illegal immigrants enter the country with ease*

Those who evade SANDF patrols and the internal tracing unit of the police either work on local farms until they save enough money for the taxi fare to Gauteng - the preferred destination - or immediately catch a taxi there. Taxi drivers in the area see the ferrying of illegals as a very lucrative business and ask no questions of passengers. The system is well in place.

The tendency is for groups to hide in the canefields, where they are hard to spot, with one of them flagging down a passing taxi. If prior arrangements have been made, a pile of stones on the side of the road marks the stopping place. Costs vary from R100 to R20 per person for the trip to Johannesburg, depending on the ability to pay.

The most open of South Africa's international land borders is between northern KwaZulu-Natal and southern Mozambique.

Between the Kosi Bay border post and the Tembe Elephant Park - 23 kilometres - there are 80 well defined footpaths, while from the Kosi Bay border post to the sea - five

*The Defence Force estimates that it catches only one in every four people who cross*

*The most open border is between northern KwaZulu-Natal and southern Mozambique*

kilometres - there are another 12 footpaths. Many Mozambicans cross the border to visit family or friends, go to school in South Africa, buy food at the local Boxer Supermarket at eMangusi or to make use of the newly established clinic only one kilometre from the Kosi Bay border post.

Some travellers from African countries come to South Africa on tourist or 'business' visas, assuming that the visas give them the right to bring wares with them. Carvings, curios and knitted goods are the most popular items.

Customs and Excise manpower shortages make it difficult for officials to inspect all luggage carried by travellers. Visitors immediately enter the informal sector and begin selling their wares, thinking they are doing so legally.

## Other entry points

*At most harbours in South Africa there is very little control over the movement of goods and people*

There are a number of points of entry besides the land borders. At most harbours in South Africa there is very little control over the movement of goods and people.

There have been incidents where containers have been rigged out with food and water to transport illegals: in one case illegal entrants were inside a container for more than three weeks. 'Special' containers appear to be taken off ships without being inspected, loaded directly onto a truck and taken straight to a local factory.

In Durban there has been a noticeable increase in the number of stowaways since the beginning of 1994. This is not only because the message has gone out that it is easy to enter South Africa, but also because ships' captains encourage stowaways to sneak ashore in order to avoid unwanted costs and responsibilities.

*Airport controls are equally inadequate*

Airport controls are equally inadequate. Bar codes were only recently added to new South African passports, and there is a lack of sophisticated equipment to check for false passports. In addition, there are 34 airports designated as international points of entry.

At some of the small airports, although all passengers are supposed to report to the immigration and customs and excise officers, aeroplanes often taxi to their company's hanger, where passengers and goods disembark and can leave through more than a dozen exits. Since traffic is not always heavy at the smaller airports, officials do not work after 6pm: there is simply nobody on duty.

Problems at most border posts, points of entry and immigration offices countrywide have been exacerbated by chronic manpower shortages in the Departments of Home Affairs and Customs and Excise. Of 1 200 designated immigration officer posts, only around 240 are currently filled.

## Internal tracing units

In 1994 the police pushed for re-imposition of strict border control and policing as well as an increase in the number of internal tracing units to try to stem the flow.

At that stage only three internal tracing units existed - the 'Maputo Squads' at Nelspruit, Johannesburg and Welkom. Last year units were established in all major centres and in certain flashpoint areas, for example northern KwaZulu-Natal. By January this year at least 14 units had been established and most were operational.

Until now the units have only been able to concentrate on central business districts and have not entered informal settlements, where many illegals are believed to live.

The units increasingly use information supplied - usually anonymously - to police telephone numbers or to Crime Stop. In some cases the police are prepared to pay for information: the amount can range from R50 to R500, depending on information received and success achieved.

Since being established in November 1994, the internal tracing unit in Durban has averaged 120 arrests of 'aliens' a month while in Johannesburg the unit makes more than 400 a week.

Internal tracing units are allowed to stop suspects and ask for proof of South African citizenship or a permanent residence certificate. If the person has no valid documents, they can be asked to fetch them, accompanied by the police.

If the individual cannot produce proof of South African citizenship, the police have the right to search his or her possessions in an effort to establish nationality. In many cases, foreign travel documents are found.

The police use actions, behaviour and dress

to identify illegal immigrants, as well as language. Accent, use of certain words and language proficiency can be a dead give-away.

Another give-away in the case of Mozambicans is a vaccination mark on the lower left forearm. Some Mozambicans, knowing this, go to great lengths to disguise the mark with self mutilation, tattoos or clothing.

Since the beginning of 1995, internal tracing units have also been targeting and prosecuting employers. The Aliens Control Act (1991) now provides for fines of up to R40 000 and sentences of a maximum of four years for employers providing work or aid to an illegal immigrant.

The Act also requires employers to pay for the costs of repatriation - which can be as high as R14 000 for someone from Europe.

Many employers agree to an admission of guilt fine and payment of all repatriation costs if charges are not pressed, in order to avoid a criminal record. Police welcome this since it obviates the need to go court to get a prosecution. However, employers caught a second time are prosecuted for both the current and the previous offence.

## The law

The Aliens Control Act has a number of anomalies which have led to some bizarre results. In one case, for example, a Mozambican living close to the northern KwaZulu-Natal border at Kosi Bay walked across to buy a can of paraffin. He was picked up by the internal tracing unit and sent to Empangeni, where the unit is based.

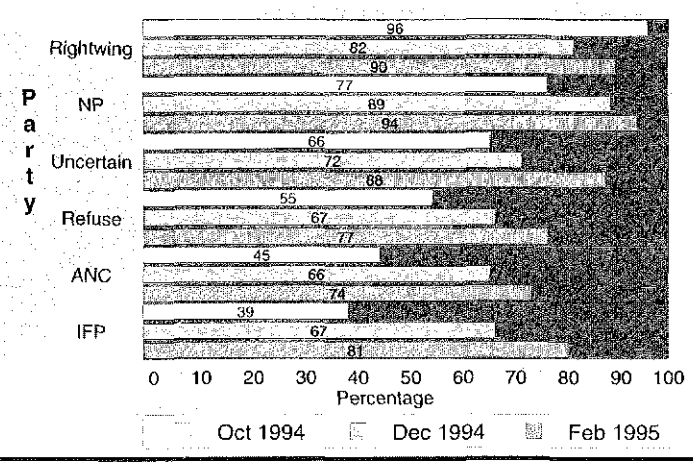
An agreement with Mozambique provides for repatriation from South Africa only through the Lebombo post at Ressano Garcia, so the man was processed by Home Affairs and sent all the way to Komatipoort for repatriation through Lebombo.

Having no money he climbed back over the fence and worked on a border farm until he had accumulated enough to afford the bus fare back to northern KwaZulu-Natal.

As he was getting off a bus at the Jozini terminal he was again arrested by the internal tracing unit. He had been away from his home for six months and had yet to buy his can of paraffin.

**Figure 2: Authorities should act more strictly against illegals by political party***

* The DP, SACP, PAC and AZAPO sample sizes were too small to draw valid graphs




Illegals employ many strategies to stay in the country, sometimes using the law. Some enter marriages of convenience. Others try to father children as soon as possible in the belief that, if caught, they will be allowed to stay on to support their family. Some have entered into traditional marriages and paid *lobola* for South African wives.

The South African government imposes strict visa requirements. For a Mozambican living in rural Gaza or Beira with its limited infrastructure, it is very difficult to get a Mozambican passport. In addition, Mozambicans have to go to the South African embassy in Maputo to get a visa before entering the country. It is simply easier to jump a fence and slip into the country.

The Act makes obtaining false identity documents a misdemeanour. But cases are often thrown out of court.

In contrast, the Criminal Procedures Act allows the police to make a case of fraud against anyone obtaining false documents, which is obviously a far more serious charge. But if an illegal and accomplice are arrested under the Aliens Control Act, they cannot legally be charged with the more serious crime of fraud.

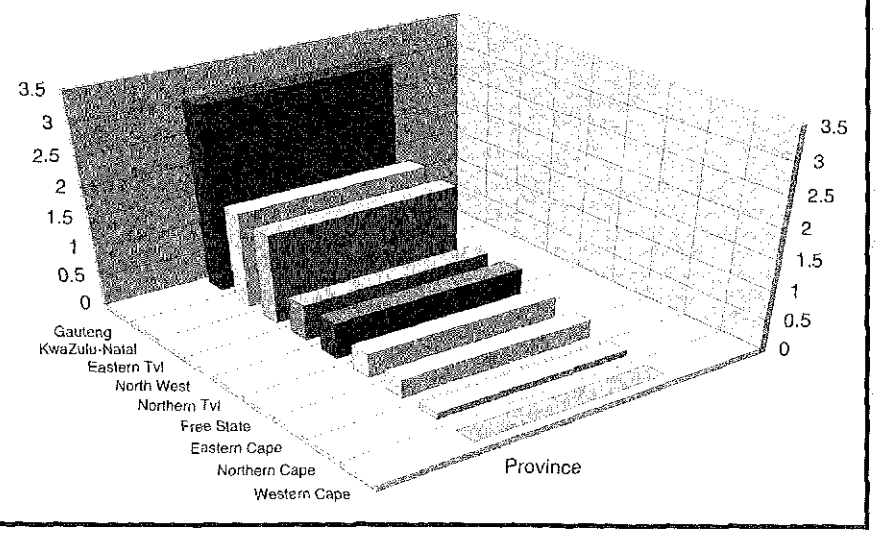
The Interim Constitution provides for only 48 hours of detention, after which a suspect has to be charged with a crime. Since 'aliens' have to have their fingerprints sent to a short staffed and non-computerised Home Affairs in Pretoria to establish whether or not they are South African, the time limit is a problem.

*Of 1 200 designated immigration officer posts, only around 240 are currently filled*

*Internal tracing units have been targeting and prosecuting employers of illegal immigrants*

*The Interim Constitution provides for only 48 hours of detention*

**Figure 3: Estimated 8,2 million illegal immigrants**
(By province - Omnibus December 1994)




*The SANDF calculates that each illegal immigrant caught at borders costs it around R4 000*

The Interim Constitution also provides for anyone charged with a criminal offence to have the right to legal counsel: but there have been cases where alleged 'aliens' have been refused legal aid because they are not South Africans. Also, if a removal warrant is made out, and unless a crime has been perpetrated - such as obtaining false documents - illegals are not processed through the courts.

The Act gives Home Affairs the right to appoint police officers to act as immigration officers, which happens increasingly because of manpower shortages. Unfortunately, this allows the arresting officer also to be the immigration officer.

The Act also makes no provision for extenuating circumstances - such as an established business or children in South Africa - which might allow an illegal immigrant to stay on in the country.

## Repatriation and other costs

*The state pays R400 a year per person to provide health, schooling, electricity, water and housing*

It is virtually impossible to say how much illegals are costing South Africa. But what is certain is that the costs of repatriation are but a drop in the ocean.

The costs of repatriation vary. From the Eastern Transvaal, it costs around R20 each to transport people to Mozambique. From Durban, Mozambicans are trucked to Nelspruit for deportation for about R40 each. Zimbabweans and Mozambicans caught in Johannesburg are usually sent back by train every Thursday at a cost of about R45 each.

For people from further away, who have to be flown home, the costs are obviously much higher and range from R1 000 a person for Malawians and Tanzanians to R4 000 for European and Asian countries.

These estimates do not include the costs of holding people in police or prison cells, feeding them or medical care. The SANDF calculates that each illegal caught at borders costs it around R4 000. This is based on the manpower and equipment costs of patrolling the border. Added to this are the manpower costs of police and immigration officers, and the time of those who have to process illegal immigrants.

Along the Swaziland and Lesotho borders busloads of schoolchildren travel daily to schools in South Africa. Use is also made of South African clinics. There is a good deal of pension and social welfare fraud by citizens of neighbouring countries who manage to obtain South African identity documents fraudulently.

Both the Pension and Social Welfare Acts allow pension and welfare payments to accumulate for three months. It is easy for people to travel across the border once every three months - legally using their own passports - and to use their illegal South African documents to receive payment.

There are other costs to South African taxpayers. It has been roughly calculated that the state pays R400 a year per person to provide health, schooling, electricity, water and housing. It would be hugely costly to extend these services to illegal immigrants.

## False documents

False documentation is one of the biggest headaches surrounding illegals. Illegal immigrants try everything to conceal their illegality, including obtaining false documents, which is easy if certain steps are followed.

Lack of birth registration in rural areas has been capitalised by many immigrants. The method usually entails going to a rural town with no Home Affairs office, so the application can go through the magistrate's office. Magisterial clerks merely fill in the form and send it on through to the regional Home Affairs office.

Such applications are usually accompanied by a late birth registration certificate, which applicants can get merely by hiring 'parents' who swear that they are the son or daughter, born in the area but never registered. Certificates can be supported by a false baptismal or school leavers certificate, and are very difficult for Home Affairs to check.

Another method is for an applicant to secure a South African accomplice. The two go to a Home Affairs office, the South African's fingerprints are taken but the photograph of the illegal immigrant is submitted. In one case Home Affairs found the same South African fingerprints on 22 different applications.

Stolen, 'borrowed' and forged identity books are also a big problem. Members of internal tracing units are currently being trained to spot false documents.

In 1993 a travel agency in Taiwan stole 400 passports from Chinese travellers planning overseas holidays. The passports were sold for R10 000 each to criminals in mainland China and were used to enter South Africa.

In another incident last year, 2 000 blank South African passports on route to the Eastern Transvaal were stolen from the Department of Home Affairs. A number have subsequently surfaced, having been sold to illegal immigrants for up to R20 000.

Large sums of money - R5 000 for a work permit and up to R20 000 for a permanent residence permit - have been paid by illegal immigrants from the Republic of China and mainland China to South Africans whose contacts inside Home Affairs have approved their applications.

As the internal tracing units have become more organised there has been an increase in fraud arrests. In Durban, the number of arrests for false documents increased from one in November and two in December 1994 to 45 between January and April 1995.

In Pretoria recently, members of a large crime syndicate providing illegal immigrants with false documents were arrested by the police. Hundreds of false identification documents, matric certificates, blank birth certificates and fingerprint forms as well as stolen or forged official stamps were seized.

The syndicate was suspected of issuing false identity documents to as many as 4 180 illegal Republic of China nationals, and charging R900 for a false identity document.

It has also been found that Nigerians in Zimbabwe have paid Zimbabweans to obtain South African visas which are then stuck in the Nigerian passports.

Difficulties experienced by illegal immigrants tempts many of them into crime. In the first 10 months of 1994, 5 590 illegal immigrants from Mozambique, 1 540 from Zimbabwe and 930 from Lesotho were arrested in South Africa in connection with serious crimes. Police estimate that 14% of general crime involves illegal immigrants.

## Tightening up

There appear to be moves in government circles to tighten up illegal immigration loopholes. In August 1994 the Government set up an inter-departmental task group on illegal aliens, whose first job was to examine existing legislation dealing with the control of illegals in South Africa.

One of the group's recommendations was a change in the Aliens Control Act (1991) increasing fines and punishment for employers of illegals.

The new legislation also provides for the tightening of regulations for people visiting the country, to make it difficult for people to change the purpose of their visit. In addition, the new law will provide for six categories of permits - visitors, work, business, study, work seeker and medical - to ensure more clarity in temporary residence permits.

In February 1995 the Cabinet approved the issuing of a new look passport, to come into

*False documentation is one of the biggest headaches surrounding illegals*

*Police estimate that 14% of general crime involves illegal immigrants*

*New legislation provides for the tightening of regulations for people visiting the country*

*Fines for employers have been raised*

effect in July 1995, to circumvent large scale passport forgery. There was mention of issuing every citizen with a forgery proof identity card - a 'green card' - which people would have to carry at all times and produce on demand.

Although this proposal contains shades of the old pass book system, there is considerable support for it from departments enforcing the legislation. A 'green card' would also facilitate crime prevention.

In November 1994, Deputy Minister of Defence Ronnie Kasrils mooted the possible extension of the eastern border fence for 108 kilometres, but this was apparently turned down because of the costs involved. There have also been suggestions that the electricity on electrified border fences be turned up - but this is a very sensitive humanitarian and foreign policy issue.

*New South African passports will come into effect in July 1995*

In October 1994, 5 000 members of the SANDF were being used to secure South Africa's borders. In January 1995, with an increase in the movement of Mozambicans into South Africa, the SANDF set up a special joint anti-border crossing operation with the Mozambican authorities.

Mozambicans were supplied with vehicles, radios and other equipment to more effectively patrol their side of the border. The army also has plans to step up border patrols using airborne camera surveillance - on remote controlled drones - and helicopters for the rapid deployment of troops to arrest illegals crossing the border.

National Police Commissioner, General George Fivaz, has set up a Technical Sub-Committee on Border Control and Policing as part of the restructuring of the police force. The whole border policing function of Saps will be beefed up, with more personnel placed on border posts and all other designated international points of entry. A coastal patrol capability is also being planned for the police.

*The whole border policing function of Saps will be beefed up*

Even the National Intelligence Agency wants to get in on the act. It has been suggested that intelligence gathering capabilities be used to collect intelligence on the movement of illegals and related problems like gun and drug smuggling.

## Cooperation

In early 1995 the South African and Zimbabwean governments began discussions concerning the easier movement of people living close to borders. A tentative plan has been put forward in which citizens of both countries living in a 10 kilometre zone on either side would be issued with border permits.

This would give them free passage across the border and obviate the need for them to have passports and visas to cross into either country for visits. They would still have to travel though designated border posts and would not be allowed to travel further than the 10 kilometre zone. A pilot project is underway at Beit Bridge and one is being considered for Swaziland.

There is a definite school of thought that maintains the only way that South Africa can reduce the flood of illegal immigration is to support development and democracy in all of southern Africa, to provide people with a good reason for staying at home. This will obviously take a great deal of time, money and cooperation.

All in all, the issue of illegal immigration has taken on massive proportions. It will require a concerted and cooperative effort from all the countries in the region to make any headway in solving the problem. IPA

**Acknowledgements**

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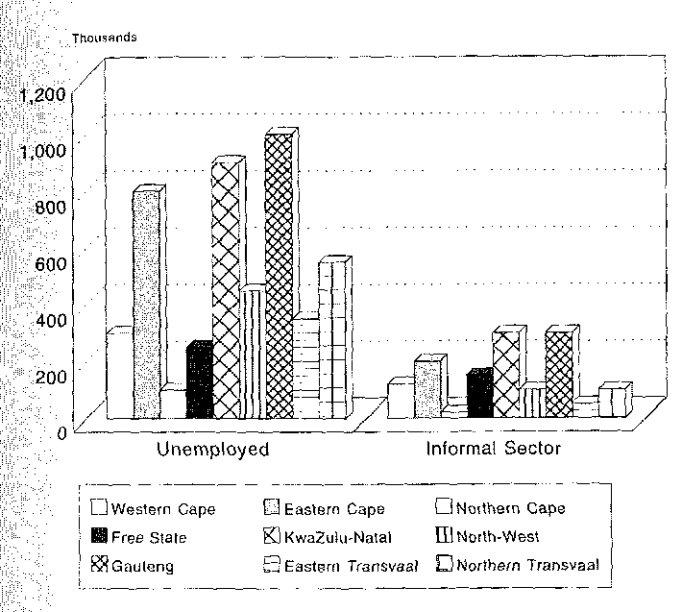
# ECONOMIC MONITOR

## ECONOMIC ACTIVITY OF THE POPULATION

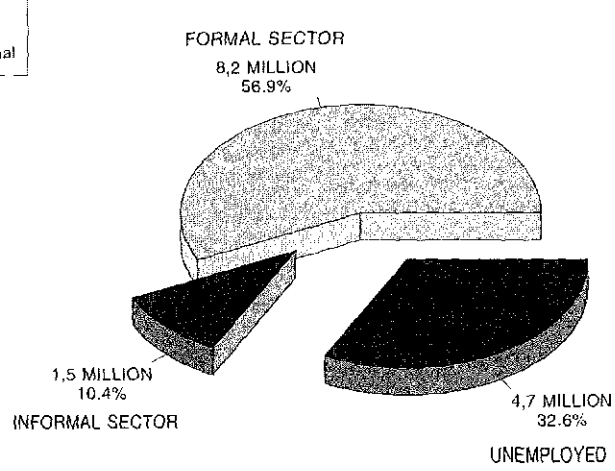


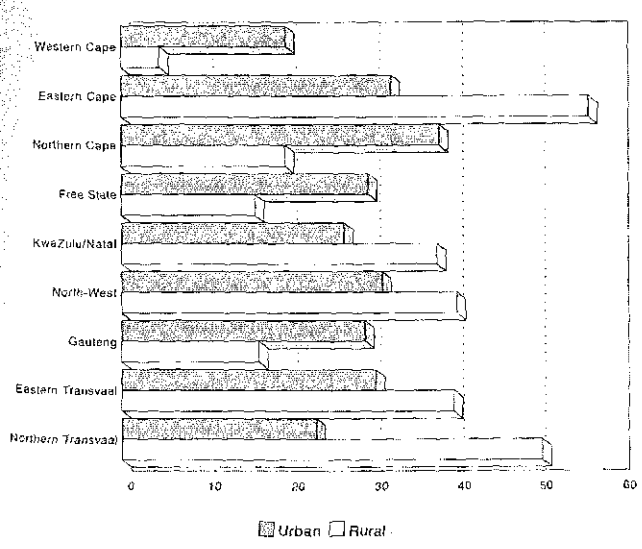

### Number unemployed and informal sector numbers per province

Gauteng dominates both unemployment and informal sector activity, followed fairly closely by KwaZulu-Natal.

### Economically active population

Only persons 15 years and older are included.




### Provincial unemployment rates for urban and rural areas

Five provinces have higher unemployment rates in rural than in urban areas. The Western Province has the lowest unemployment rates.

**Source for all graphs:** Central Statistical Services (1995) The Socio-Economic State of South Africa as reflected by October Household Survey and the HDI.

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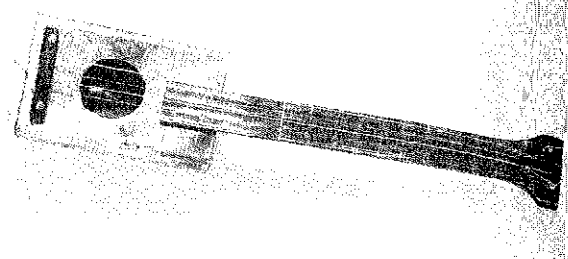
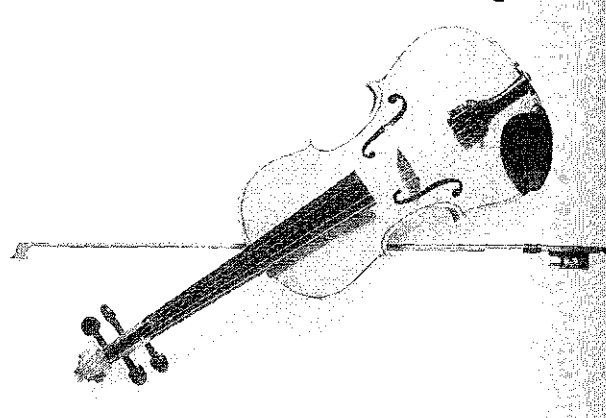


You might
think they are worlds apart



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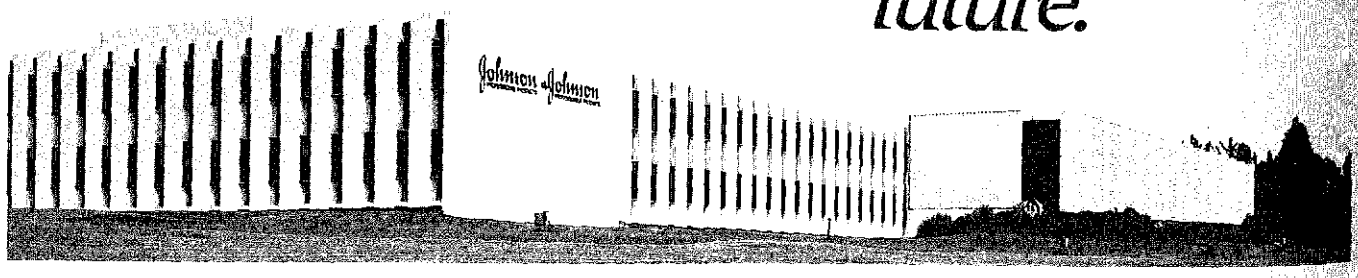


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# Sorting out Social Security

**By Francie Lund**
**Centre for Social and Development Studies, University of Natal**

*Policy makers are in the invidious position of reconciling demands created by apartheid policies with the present need to invest in economic growth measures, as well as popular expectations of state assistance. To make matters worse South Africa's social security pillars - private savings, social insurance, social assistance and social relief - are fraught with problems that urgently need to be resolved.*

Alarm bells are to be heard in various parts of the fields of both private and public social security. Recently:

- Finance Minister Chris Liebenberg called for a committee to look at all aspects of private and public retirement provision.
- Minister of Welfare and Population Development Abe Williams called for the establishment of a new national pension scheme for those not covered by existing schemes.
- Liberty Life's managing director expressed his concern at the trend in the pension industry to change from defined contribution to defined benefit retirement funds.
- Fraud in the state social assistance systems - pensions and grants - received more publicity.
- The Government decided to finance pay hikes using civil service pension funds.

In the past, the social security pillars - private savings, social insurance, social assistance and social relief - operated independently of each other. The fragmentation of services under apartheid led to little holistic understanding of the relationship between public and private social security measures.

Yet at the core of social security are vitally important matters: social rights, the relationship between state and market, and the long term sustainability of social provision.

Today's policy makers are in the invidious position of reconciling the demands coming from the policies of exclusion in the past - for example, the entire migrant labour force having been excluded from work related social insurance by the nature of the work contract - with the present need to invest in economic growth measures, as well as popular expectations of state assistance.

Forward planning must also take into account the changing shape of the population. South Africa has a young population, but the number of people who live longer is also growing.

This must be matched with the changing patterns of labour force participation.

High rates of unemployment combine with more low wage, part-time formal or informal jobs where saving for the future is difficult if not impossible.

*The fragmentation of services under apartheid led to little holistic understanding of the relationship between public and private social security measures*

*Forward planning must also take into account the changing shape of the population and patterns of labour force participation*

*By financing salary rises with pension funds, the government is signalling that you can use tomorrow's savings to pay for today's crisis*

## Retirement funds

Planning for retirement is about wise decisions for secure long term futures. Government, however, is sending out mixed messages.

By financing salary rises with pension funds, it signals that you can use tomorrow's savings to pay for today's crisis. In another department, as it were, Minister Liebenberg's new committee will take as its starting point the recent work of the Mouton Committee.

The excellent 1992 Mouton Report warned that the growing habit in the private sector of early withdrawal and consumption of provident funds would not be sustainable as a long term strategy.

It also pointed out that this non-preservation of funds was not born of recklessness and irresponsibility. Workers who are retrenched early, and whose unemployment insurance dries up, draw the (low) savings and use these until they draw the (low) Old Age Pension.

*The 1994/1995 budget for state social assistance was some R10,7 billion*

## Public costs

The 1994/1995 budget for state social assistance - old age pensions, disability grants, grants for mothers and children, and social relief - was some R10,7 billion, which was 2,48% of the 1994 Gross Domestic Product of R432 billion.

Between 1991 and 1994 the social security and welfare budget was the second fastest growing item in government spending, with a growth rate of 22,6%. This was largely due to the past government's commitment to reaching racial parity in benefits by 1993.

The monthly pension for black elderly people grew from R97 in 1986 to R395 in 1995, for example. Such steep increases in allocations for the Old Age Pension and Disability Grant have now levelled off.

*The Department of Welfare is footing the bill for poor industrial practices*

Grants for people with disabilities shed light on the lack of an integrated approach.

On the public side, there has been no active labour market policy for people with disabilities such that they could be economically independent. They could, however, get state grants at the age of 16 (now 18). The policy, by default, was one of passive income maintenance.

People who were disabled through accident or disease at work could apply for workers compensation. But the compensation was difficult for workers to access: those who received benefits found their value rapidly eroded by inflation. The mines accounted for two thirds of occupational disabilities, and owe millions of rands in past compensation.

Workers unsuccessful in claiming could roll forward onto the state grant for support, and the Department of Welfare is footing the bill for poor industrial practices. The amount paid nationally through workers compensation in 1990 for work related disability and illness was less than R200 million: in 1995 in Gauteng alone the allocation for state disability grants was R223 million.

## Family benefits

One can also spot the results of racially and administratively segregated systems in social assistance to families.

Take for example benefits awarded to mothers and children where the father is not providing financial support, and where the mother is unable to get the father to pay maintenance through the law court. All population groups were covered by the legislation, but black women had limited access.

Estimates of full coverage for family benefits range from R4 billion to R15 billion annually, depending on assumptions made. Even the low amount would be a large additional demand on the fiscus.

But it will be politically difficult to change the rules for eligibility - for any of the provincial Members of Executive Committee (MECs) for Health and Welfare, irrespective of party affiliation, or for the national Minister of Welfare and Population Development, who played no small part in winning the Western Cape for the Nationalist Party. Political constraints on reform will collide with the need for economic restraint.

In the urgency of trying to develop uniform systems for family support, little attention is given to the economically efficient and socially sound alternative: to reform the system and procedures in the law courts so that more fathers pay for the care of their children.

Some developed countries do this through the father's workplace through direct deduction from the pay packet. Social workers in the private welfare sector have for years been exhorting the Department of Justice to reform the system to force more individual financial responsibility. Perhaps the pressure would be more effective if it came from the Department of Finance.

## Fraud

One fruitful avenue for cost containment lies in cleaning up the abuse of the system by pensioners and, to a far larger extent, by government social security personnel. It is difficult almost by definition to make accurate assessments of possible savings as the full cost of the fraud will never be known.

Making cautious deductions based on available evidence, an annual R1 billion would be an undramatic estimate. The technology is available to improve the system radically, and new models are already being tested in some provinces.

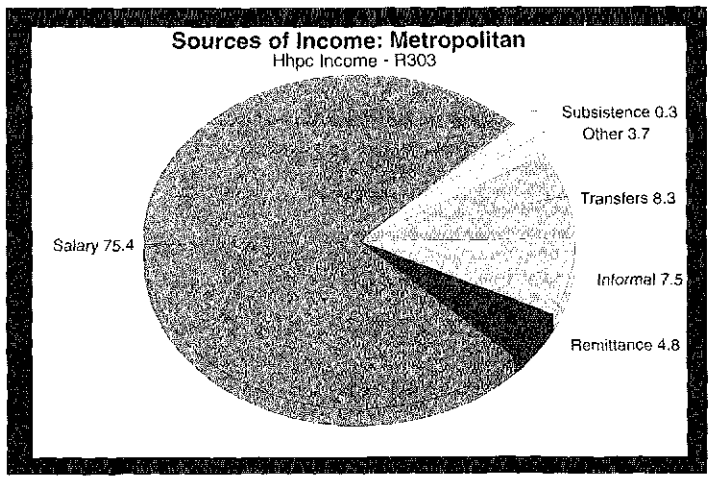
The way ahead is clear. But it will take strong political commitment to stick to the path of cleaning up from the inside - where a few personnel have managed to routinely draw large monthly amounts - as opposed to pointing fingers at the few pensioners who have indeed managed to draw two pensions.

## Government pensions

An economic issue which deserves wider attention is the rapidity and extent to which some welfare departments have privatised the paying of pensions and grants.

Large amounts of money are delivered into situations of deep poverty, and there are security risks associated. The immediate advantages in the new form of delivery have been to government, in transferring the risk forward to the private sector. In many places, queues for pensioners are much shorter, to their benefit.

But is it not in the public interest to debate whether private firms should make a profit from public money to deliver state social assistance to poor people? What are the criteria guiding contractual arrangements with the firms? Are the provinces sufficiently informed to get the most competitive and efficient contract? How is cost effectiveness being assessed?




The past system was so complex, delivered through so many different administrations and departments within administrations, that calculation of the actual cost of delivery of one pension would be impossible to do.

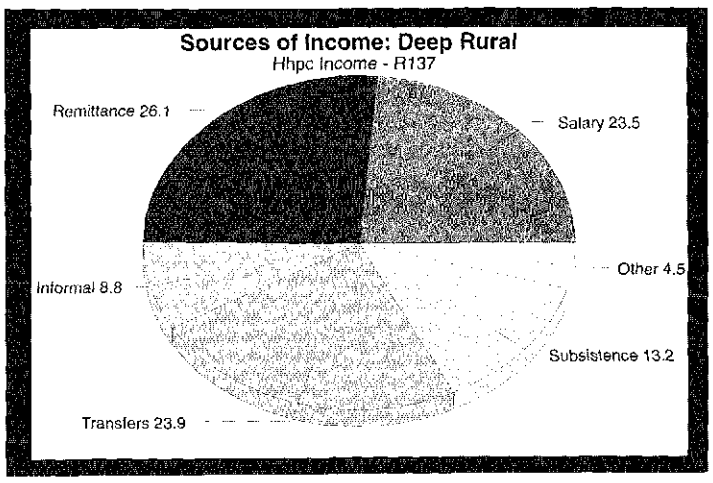
Furthermore, monitoring private contractors should be done by people with an acute understanding of how the free market operates: such knowledge has not been a requirement for a state social security job.

State social security benefits are well targeted in terms of their reaching households in poverty, especially in rural areas. They are shared with other household members, support unemployed family members, reach women and children and are an important source of household security.

In other words, they are doing a relatively good job in terms of Reconstruction and Development Programme indicators for development programmes, and go directly to the poor. There is some leakage to those who should not qualify, but these cash transfers are unlike other forms of aid money which filter at great expense through 'development agencies'.

*Little attention is paid to reforming the court system so that more fathers pay for the care of their children*

*Abuse of pensions could be costing more than R1 billion a year*



*State social security benefits are well targeted in terms of their reaching households in poverty*

What the poor want, as evidenced in survey after survey, are jobs not state grants. The coming public works programmes are often suggested as a potential source of employment for people receiving welfare assistance, and hopefully some of the schemes will be tailor made for this purpose for the economically active age group.

But the Mouton Committee was right to point out that South Africa's political and economic policies created the conditions whereby millions of citizens were unable to make private retirement provision. Continuing social protection will be needed.

## Escalating costs

The escalating costs of social security in the state sector are cause for concern. There is an under estimation by senior policy makers of the turbulence that would be caused at grassroots level - at work or at home - by attempts to change the main planks of the system without consultation.

*Policy makers underestimate the turbulence that would be caused by attempts to change the main planks of the system*

Most poor South Africans, including those in rural areas, know well that the one direct 'benefit' they got from apartheid was the pension: it is seen as an entitlement.

The Mouton Committee combined thorough research with sound judgement about the sensitivity of the issues concerned. As it has not been a fully representative body, its recommendations stressed the need for building national consensus around social security issues. In 1992, a forum was the appropriate vehicle to suggest.

## The way forward

It is possible that a variety of agencies are needed to deal with the policy implications. The way forward is to combine building consensus about the depth of the problems with some hard bargaining and trade-offs. All of them will need to engage people from different pillars of the system. For example:

- The Departments of Finance, Justice and Welfare could quickly, in consultation with industry and worker organisations, create a mechanism for simplifying the procedures for claiming private maintenance for child support, including claiming through the place of work.

- Welfare could embark on a year long intensive effort to assist eligible people to claim against the Accident Fund: it could lend its support, for example, to people in the National Centre for Occupational Health who are already active in this field.

- It could be made compulsory for all in formal work to contribute to a social insurance scheme of some sort. The Department of Welfare is investigating a new and flexible scheme designed for lower paid and irregular workers.

- The Department of Welfare, in consultation with representatives of the disabled, could take the lead in simply instituting an employment quota for itself, and then advance this cause across other departments.

- A commission is needed to address the coming crisis in family grants. It could specifically test the feasibility of linking the receipt of state assistance to some kind of socially useful community work.

- The integration of formerly separate administrations is already smoothing out some difficulties in social assistance. There have been calls for a further step: integrating workers compensation, unemployment insurance and grants.

- While there may be administrative efficiency gains, such integration would detract from the clear distinction between social insurance and social assistance which should be encouraged.

- There is a national commitment from the Government to pursue policies designed to achieve inter-provincial equity. The social security budget is huge, and provincial governments may be tempted, for short term political gain, to ask for provincial autonomy in setting the scope and level of social benefits.

  International evidence shows this to be unwise: it will entrench existing provincial inequalities, and will act as a barrier to portability.

Social security systems are designed to help people cope with uncertainties. They should be planned as far as possible to link in with policies for development and growth.

*The inequality that the new Government has inherited has ensured that there will be a need for poverty alleviation measures for some time to come*

The inequality that the new Government has inherited has ensured, however, that there will be a need for poverty alleviation measures for some time to come. IPM

# CITIES
## Engines of Prosperity or Sites of Decay?

*By Chris Heymans*
*Manager, Policy Coordination*
*Development Bank of Southern Africa*

*South African cities face challenges of competition, sustainable service delivery and alleviating poverty. They are of national and international significance because the greater part of the world's economic activity takes place in cities. The apartheid legacy requires particular approaches to redress urban shortcomings. But it is also a time to be forward looking and to pursue dynamic urban development.*

Domestic realities and global trends call for very specifically urban focused policy positions and initiatives in South Africa.

While such policies should be part of a balanced and integrated development strategy for both urban and rural areas, it is necessary to respond to the realities of some 80% of South Africa's Gross Domestic Product being produced in cities and towns and more than half of the country's population residing in urban areas.

A positive response to these urban realities will also align South Africa to global policy trends which premise national economic success and social reform on urban development.

### A global trend

New global thinking about the role and potential of cities is illustrated by three major trends.

Firstly, policy makers from the public and private sectors in developing countries of the Pacific Rim and Latin America are increasingly acknowledging the particular opportunities associated with urban growth.

Secondly, a growing range of governments and private interests in developed countries are acknowledging the potential of cities as engines of growth and development.

Several Western governments are now promoting local level partnerships and initiatives involving the private and public sectors as well as civil society to stimulate economic growth and development.

Britain's Urban Challenge, Australia's Better Cities Campaign, the Clinton administration's urban policy initiatives and the spatial policies of the Japanese and several European governments all provide policy and material support for cities and towns in the belief that national economic success must be built upon urban success.

Thirdly, institutions like the Organisation of Economic Cooperation and Development (OECD) and the World Bank are adopting a 'cities must lead' approach. A major OECD conference on 'Cities and the Global Economy', held in Melbourne in November last year, underscored the growing global recognition of this theme.

Some 800 delegates from 44 countries, including heads of government, cabinet ministers, senior officials, business leaders and experts from various disciplines focused on the economic potential and role of cities in a rapidly and dramatically changing global economy.

*Some 80% of South Africa's GDP is produced in cities and towns*

*Cities are being acknowledged as potential engines of growth and development*

*Cities have to become competitive as well as address the plight of the poor*

The conference left one in no doubt that the OECD - representing the world's most powerful national economies - has accepted this view as a cornerstone of its policy work.

While delegates from developing countries and development institutions emphasised the many constraints which cities in poor countries face, they nonetheless confirmed that the urban challenge is too vast and significant to ignore. Many also acknowledged that the success or failure of national development initiatives will in many respects be shaped in cities and towns.

## Global perspectives

Since economic activity and residential settlement increasingly centre around urban areas, cities and towns have to become competitive as well as enhance national capacities to address the plight of the poor and marginalised. Against this background, a few major themes ought to inform policy formulation and initiatives.

*Cities need to come to terms with the dynamics of a genuinely international and 'borderless' economy*

### ❑ Cities, globalisation and states

To be successful, cities need to come to terms with the dynamics of a genuinely international and 'borderless' economy marked by:

- ❑ Lower primary commodity prices.
- ❑ Rapid movement from labour intensive economies focused on the manufacturing sector towards information intensive modes of production.
- ❑ A growing service sector.
- ❑ Highly mobile capital transcending international political boundaries with ease.
- ❑ Vast technological change.
- ❑ A paradigm of free and extensive trade, open competition and limited state intervention.

*Globalisation is diminishing the economic relevance of the nation state, with profound implications*

City managers and stakeholders first need to understand that investors have more information available about the comparative strengths and weaknesses of the environments in which they could invest.

Investors are also more mobile and thus able to move swiftly across the globe. They want stability, yet their investment environments must also allow them the space to move towards where they identify new opportunities.

Policies are needed which facilitate the interests of these key roleplayers through economic growth, trade liberalisation, effective infrastructure, political stability and other investor friendly factors.

Speaker upon speaker at last year's OECD conference insisted that globalisation is diminishing the economic relevance of the nation state, with profound implications for the economic role of cities as the places where most people work and live.

It demands from those who manage cities to make their cities attractive to investors and liveable for residents. The research and experience of scholars and development institutions worldwide highlights seven key factors that determine whether cities are attractive to investors or not:

- ❑ The quality of infrastructure.
- ❑ The cost of regulations.
- ❑ The strength and efficiency of municipal institutions.
- ❑ Political and social stability.
- ❑ Positive attitudes, appropriate skills and workable management approaches.
- ❑ The availability of efficient financial services.
- ❑ The quality of networking with other cities.

The trend in OECD countries and increasingly in the Pacific Rim is towards larger private sector involvement in the provision of infrastructure.

In this dynamic environment, public-private sector partnerships have become recognised as the cornerstones of successful economic development - supplemented by growing networking within and between cities in national and international contexts.

Investment in human capital forms a golden thread through all these success stories. The development of skills, a productive work ethic and good, participative management are key elements of economic success. The

level of emphasis on these aspects often separates success stories from failures.

This has become part of global economic wisdom as much as the 'free trade and sound infrastructure' dimensions - indeed an important policy lesson for South Africa at a time when its decision makers are anxiously debating the prioritisation of resources.

### ❑ Cities in distress

The realities in many cities, especially in Africa, Asia and Latin America, are far removed from the dynamism which characterises cities which have become successful parts of the global economy.

Little if any investment in human capital, subsequent poor management and deterioration - if not collapse - of physical infrastructure and a related decline in general social and physical living standards, mark these places.

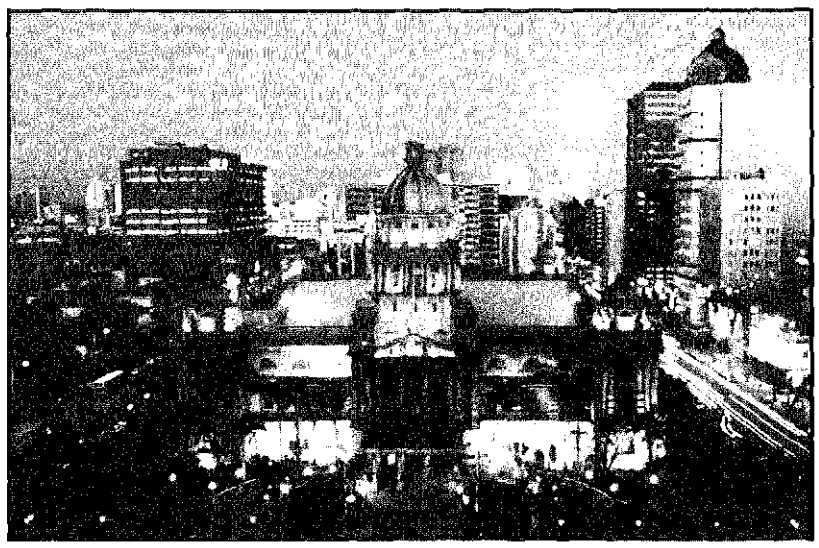
Cycles of deprivation continuously widen the gap between the world's successful and deterioriating countries and cities. Where cities and towns deteriorate, the national economy usually finds itself almost exclusively dependent on primary production and unable to become a winning part of the international community.

Even successful cities have poor and marginalised groups which are mostly not involved in major decision making processes, and lack facilities, skills and funds. This makes it extremely difficult to direct human development, investment in basic urban infrastructure and other resource allocations towards their interests.

South Africa contains many examples of declining inner cities and small towns, poorly serviced townships and spatially distorted urban entities which have become both costly and demoralising to manage and service.

In such environments, meeting global challenges looks far removed from reality. Yet if we are to address the challenges of our cities and towns at all, we need to take care of these very basic problems.

Finding the balance between investing in success and redressing deprivation or decline poses one of the major challenges to cities, towns and all those with an interest in their fate.



Gonsul Pillay

### ❑ Cities as a policy focus

One speaker at the OECD conference observed that the 'macro economic policy concerns of India are really policy concerns around Calcutta, Bombay and New Delhi'. This reflects a trend: the economic policy focus in many countries has shifted to cities.

It is, of course, a national outcome of the demise of the nation state as an economic entity and the recognition that cities and towns could either be engines of economic growth and development or sites of poverty and malaise.

This does not imply that rural areas should be neglected. It simply confirms that cities have national impact. Where they work, economic prospects improve. Where they fail, the negative economic results are mostly felt far beyond urban areas.

Cities are good targets for policy initiatives because they constitute concentrated arenas for market forces. Since most people live and work in cities and towns, they significantly influence what people produce, consume and exchange.

The mere fact that people move to cities in growing numbers reflects a very important household and producer choice. It follows that market related policies simply have to attach some weight to the urban sector.

The notion of market forces does, of course, raise questions about the impact and appropriateness of public sector policies. If one accepts the assumption that governments have less absolute influence over outcomes, they should avoid overplaying their hands and allow primary

*Public-private sector partnerships have become recognised as the cornerstones of successful economic development*

*Cities are good targets for policy initiatives because they constitute concentrated arenas for market forces*

*The challenge is to engage in public policy initiatives in a way that facilitates development rather than controlling it*

roleplayers in the economy to pursue whatever they do best.

The challenge is to engage in public policy initiatives in a way that facilitates development rather than doggedly controlling it. Yet there is a need for some policy initiatives - especially with regard to cities in distress.

This holds true even if one accepts that the role of government should be an enabling one. With that accepted, where do we make policy choices? There is a growing global consensus that central governments should come to a better understanding about the limits and possibilities facing them.

The trend is towards greater decentralisation of decision making which allows those most directly affected by outcomes to direct decisions. Yet the problems in developing or under developed economies seem to demand some form of enabling support from the higher tiers.

*The quality of urban management, the development of people and the creation of pleasant environments underpins the world's success stories*

The challenge facing city managers in many of these cases is to balance national support with allowing the necessary city based initiative which could enhance economic performance and better service delivery.

If the necessary space is created and support provided, local roleplayers could prove their ability to tackle the challenges facing them. Unless the need for greater capacity is addressed, none of the challenges around success or reconstruction will be met.

### ❑ Multi-disciplinary action

Environmental and social issues have certainly been firmly established as core items on the urban development agenda. In cases where economic success has been spectacular, city authorities are concerned about how to involve all stakeholders and enhance the socio-political qualities of their development.

*There is no universal winning formula for cities: their potential centres on their uniqueness*

In many other contexts, the issue of community involvement and the interfaces between public authorities, the private sector and civil society are high on urban agendas.

While this calls for a move away from narrow political agendas, it also demands an approach which extends beyond infrastructure. It is of course true that people will judge developmental success in part in terms of whether it has secured basic services. Policy process without delivery is a recipe for discredited development.

But, to simply understand developmental delivery in functional infrastructural terms is to ignore the very essence of the world's success stories, where the quality of urban management, the development of people and the creation of pleasant living environments underpinned developments.

### ❑ Cities are good

Cities often raise images of congestion, pollution and the like. Yet, with a broad consensus that the core of economic activity is either centred in cities or geared towards serving the needs of urban populations, the question is whether cities can be managed in such a way that they are liveable and efficient arenas for people and firms.

On the one hand, experiences in the Third World as well as in several Pacific Rim and OECD country cities prove, that things can go wrong.

On the other hand, cities offer advantages of scale with regard to service delivery and represent savings on resources like land and energy. And many cities provide pleasant and vibrant living environments, continuing to attract investors, residents, tourists and an ever growing range of opportunities.

To really achieve this, however, it is also important that cities are different and that the prospects of each city are closely related to the ability of those with a stake in its future to build on its strengths.

### ❑ Cities are different

There is thus no universal winning formula for cities, even though they have become part of a global order which draws them into more and more interaction and contact. The potential of cities centres around their uniqueness: both in terms of what they are and where they come from.

The challenge facing city managers and stakeholders is to identify their strengths and weaknesses, build their own networks and develop their own approaches. They need to learn from others, but ultimately should tailor their development to what they can offer.

Of course, by their very nature cities are

unlikely to have monolithic goals, nor will all their citizens and stakeholders have the same interests. The test for city managers is to steer the diversity within and between cities towards the best possible outcomes.

## Towards an urban strategy

The Reconstruction and Development Programme (RDP) emphasises both critical challenges highlighted in this article. The first is to address the problems of poverty, backlogs and meeting basic needs. The second is to pursue competition and growth.

The RDP seems to concur with the core sentiment underpinning this article: that development is not simply about redressing problems - it only becomes sustainable if it also embodies success.

The RDP also rightly proposes an integrated approach to South Africa's development challenge. This shows appreciation of the multi-disciplinary nature of the challenge as well as of the need for policies, strategies and programmes which focus on infrastructure and human development needs in both rural and urban areas.

As the RDP White Paper pointed out last year, there is a need for focused urban, rural and human resources development strategies which should - in their own right and as part of an overall plan - form the basis for the reconstruction and development of South African society.

It is encouraging to know that inter-governmental task teams led by the RDP office are in the process of developing such strategies. The observations in this article about the global urban debate underscore the importance of an urban strategy and provide some pointers towards the vision it should pursue and which issues it should address.

Cities and towns need specific attention as they have a key role in equipping the country to meet its economic and social goals: to become competitive through sustained growth and to address its many socio-economic inequities.

On the flipside, failure to manage urban development effectively will exacerbate the social disruption, violence, economic despair and physical degradation many people have come to associate with cities and towns. Moreover, degradation will not be confined to urban areas but will permeate the entire economic fabric of society. The apartheid legacy requires particular approaches to redress shortcomings of the urban sector as a whole. But it is also a time to be forward looking. South Africans must pursue dynamic urban development - focusing on alleviating poverty and meeting basic needs on the one hand and achieving success on the other.

Four strategic themes are relevant in this regard:

### ❑ Integrating cities

The physical, social and economic integration of South Africa's cities and towns is essential, both to overcome apartheid's legacy and to positively position these areas.

Artificial divisions in and costly forms of urban areas inhibit their economic prospects and continue to make them difficult places to live. Years of neglect of areas where most poor people live have left us with cities without facilities.

Integration is also necessary in the interests of more efficient and dynamic cities and towns. Jobs, housing and many types of amenities are needed to make urban areas more attractive to investors and residents.

Commuting distances and times have to be reduced by more effectively co-locating urban functions, notably jobs and housing, and by mixing land uses where appropriate. More people must be drawn back into areas that have already been developed, and under utilised or vacant land must be taken advantage of better.

Urban settlements must also foster the long term sustainability of the urban environment. Seen through the prism of the global economy, our urban areas are single economic units that either rise, stagnate or fall together.

This means that the links between inner cities and other areas have to be strengthened and especially that the cities and towns should be managed as united entities even though they may be diverse, complex and even spatially dispersed.

### ❑ Improving services and facilities

Within the framework of integrated cities, basic infrastructure and services need to be

*Development is not simply about redressing problems - it only becomes sustainable if it also embodies success*

*The physical, social and economic integration of South Africa's cities is essential*

*Cities should be managed as united entities even though they may be diverse, complex and spatially dispersed*

*Rebuilding the townships is the single most important urban challenge facing the country*

provided to ensure a basic level of human welfare. Lower income areas require specific attention if cities and towns are to become more habitable.

It is therefore to be welcomed that the RDP defines 'rebuilding the townships' as a priority. Townships are realities of the urban landscape: many people live there and would find it difficult to move.

The challenge is to make them more pleasant and habitable, environmentally healthy, safe and economically productive.

This is the single most important urban development challenge facing the country.

Better housing, infrastructure and services will make it possible to eradicate air and water pollution, secure the supply of adequate water, proper sanitation and drainage and the management of solid and industrial waste.

*Assertive Local Economic Development strategies are preconditions for the revitalisation of cities and towns*

There can be no talk of decent living conditions without proper health, educational and recreational facilities. Improvements in these areas will not only benefit poor urban residents directly, but are likely to have important economic effects through greater productivity and incomes.

### ❑ Local economic development

Assertive Local Economic Development (LED) strategies are preconditions for the revitalisation of cities and towns.

There is no standard recipe and the success of any particular city or town ultimately depends on the ability of local stakeholders to pull together the range of resources and opportunities which would best suit their particular circumstances.

Economic development ultimately happens when firms find it feasible to invest resources. It is difficult to generalise about the critical point at which this happens.

*South Africa needs a culture of local development*

It is nonetheless useful to reflect on some trends. International experience suggests that successful LED depends on one or more of the following factors:

- ❑ Local leadership.
- ❑ A sense of crisis which spurs on local stakeholders to do something about the plight of their city or town.
- ❑ Commitment to a vision of success - ranging from very locally bred options to grand approaches related to global and national economies.
- ❑ The effective mobilisation of key local stakeholders to participate in the planning and possibly the implementation of a LED initiative, and to contribute to the unlocking of local resources in support of the strategy.

South African cities and towns could fruitfully explore techniques like:

- ❑ Linking urban development programmes to maximise local employment creation.
- ❑ Special initiatives to encourage and develop entrepreneurship through, for example, business competitions, innovative finance schemes, business support programmes and effective business information centres.
- ❑ Attracting new industries and businesses through, for example, publicity campaigns, special facilities, special tax incentives, developing a reputation as a city or town of opportunity.
- ❑ Special support to strengthen the quality of business through marketing, setting up local business networks, productivity campaigns and programmes, local service data bases and other methods.
- ❑ Practices which support local business, for example through tendering procedures and 'buy local' campaigns.
- ❑ Drawing visitors by identifying the city or town's attractions and working on developing them and other potential sources for tourism, marketing campaigns and special events.

Whatever route is chosen in cities and towns, South Africa needs a culture of local development. Investors will not merely ask questions about the country's potential: they will ultimately decide to invest or not on the grounds of what exists at the time.

It is unrealistic to envisage every town suddenly becoming a haven for foreign or even big national investors. But while one hopes that some of the country's urban areas can achieve that, the plight of the growing numbers of urban residents could be highly improved if local initiatives begin to happen.

### Institutional transformation

The quality of institutions which manage the transformation of our cities and towns will to a large degree determine the success of any urban development strategy. The transformation of local government is obviously relevant in this regard.

The economic, social and spatial integration of cities and towns will be greatly enhanced by the integration of local government. Administrative, planning and revenue collecting capacities must be rationalised, better utilised, and augmented where necessary.

However, as suggested, local authorities will also have to take a more active developmental role. This requires reorienting staff away from a merely administrative and control oriented approach. Capacity building among officials and councillors will have to support change.

Citizens' involvement in the process of local governance is equally important. Not only would one hope for a culture of participation and interaction between local government and citizens, but people will have to accept their responsibility to pay for rents and services.

Unless a new culture of rights and responsibilities emerges at the local level, it will be impossible to improve and dynamically develop local areas.

But the transformation of local government should not be seen in isolation from institutional transformation at large. Inter-governmental fiscal relations between local government and the provincial and national levels demand immediate attention.

Areas of particular concern are housing finance, infrastructural funding, passenger transport subsidies, and support for regional and local economic development.

In principle the private sector and capital markets should, as far as possible, be utilised to finance urban development. Local authorities should thus be supported - through transparent incentives, facilities or transfers - to access the capital market.

Many local authorities lack significant capacity in this regard and special action is required to address their plight. This is essential, because local government will have to lead the charge towards effective urban based development and reconstruction.

If local authorities are weak, it will be very difficult to mobilise effective partnerships able to pursue the kind of development needed to make cities and towns dynamic leaders in South Africa's quest for prosperity and equity.

One cannot talk of good governance without alluding to the problem of violence and crime, which has become one of the greatest impediments to development. It requires more than 'getting tough' on crime by improving law enforcement and police efficiency.

Urban violence needs to be confronted within neighbourhoods. First, social and economic regeneration of neighbourhoods - based on improving services, education and employment conditions - is crucial. But communities also need to become more engaged in combating crime and violence.

One should not unduly romanticise the notion of community policing, but there can be little doubt that a joint venture - involving committed communities and legitimate security forces - will be essential if the problem is to be resolved. And it simply has to be resolved, for the sake of urban residents and to attract investors.

## Conclusion

Cities face challenges of competition, sustainable service delivery and alleviating poverty. This assumes national and international significance because the greater part of the world's economic activity takes place in cities.

It is crucial for policy makers to develop a better understanding of the relationship between urban growth, infrastructure and economic growth. We should grapple with the dilemmas around the impact of national policies on cities and, conversely, the presumably pivotal place of cities in national policies.

Equity considerations amidst the quest for urban efficiency will also continue to test policy makers. This is a global agenda highly relevant to South Africa and one can only hope that this country will become more intensively part of the international debate - while striking the right balances domestically. IPM

*Local authorities will have to take a more active developmental role*

*Unless a new culture of rights and responsibilities emerges, it will be impossible to improve and dynamically develop local areas*

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# (Con)sultation

## The President's Conference on SMMEs

*By Pat Horn*
*Self-Employed Women's Union*

*The President's Conference on SMMEs, ostensibly held by the Department of Trade and Industry to allow input on how to develop the small business sector before passing legislation, appeared to some participants to be a massive pre-planned charade of simulated consultation.*

*The President's Conference was organised to discuss the White Paper before passing legislation on how to develop the small business sector*

On the face of it the President's Conference on Small, Micro and Medium Enterprises, held by the Department of Trade and Industry (DTI) in Durban recently, was a model democratic consultation process in its final stages.

The culmination of workshops held by the DTI in all nine provinces, the President's Conference brought together 2 000 people nationally from various small, micro and medium enterprises (SMMEs) and service organisations catering to their needs.

The provincial workshops had been held to share ideas on a SMME discussion paper which had been prepared by the DTI.

Criticisms and comments received from some of the provincial workshops, as well as from interested parties and organisations, were then ostensibly considered by the DTI in drawing up the White Paper on SMMEs, based on the discussion paper.

*Local speakers were expected to present inputs that had been prepared for them by the DTI*

The President's Conference was organised to discuss and criticise the contents of the White Paper before passing legislation on how to develop the small business sector in a manner compatible with the Reconstruction and Development Programme.

Or so we all believed.

### Rude shocks

But there were some rude shocks awaiting those who attended the conference. Local speakers who had been invited to participate in panel discussions found they were expected to present inputs that had been prepared for them - along with overhead slides - by the DTI.

Because this had not been specified on most invitations, and was only pointed out when people arrived at the conference, panellists were put in the embarrassing position of having to choose whether to withdraw at the last minute, meekly go ahead and regurgitate the DTI's prepared input, or revolt and kick up a fuss.

My choice was to do the latter. As a result, instead of speaking for 15 minutes I was given only two minutes to put across the issues which I had been invited to present on targeted assistance to disadvantaged groups in the SMME sector.

A very elaborate division of labour had been worked out between the chairs of commissions, coordinators, rapporteurs, venue monitors and panellists.

None were from the DTI, but were invited from different organisations, presumably to lend credibility to the process.

All participants were briefed on what their functions were and who should be approached to deal with different problems. This meant that various unsuspecting invitees found themselves having to take responsibility for problems created by the DTI.

Chairpersons were given the job of keeping rebellious panellists in line. Panellists were given the job of defending shortcomings in the White Paper. Venue monitors were given the job of keeping an eye on the group dynamics among participants and briefing chairpersons on how to control them.

A major oversight was the failure to provide translation into any language other than English, which effectively excluded many micro-entrepreneurs and most of the vast survivalist sector, for whom the language of business is certainly not English.

Attempts to make some adequate last minute arrangements kept floundering as responsibility for the issue was bounced backwards and forwards from conference administration to commission chairpersons and coordinators to venue monitors and finally to participants, including those whose discomfort in English prevented them from effectively demanding proper translation facilities.

It was simply not good enough. Constant invitations to make criticisms of the language shortcoming, when taken up, still failed to rectify it. It would have been more honest to state from the start that the conference was not for the survivalist sector, but for those in the upper levels of the SMME sector.

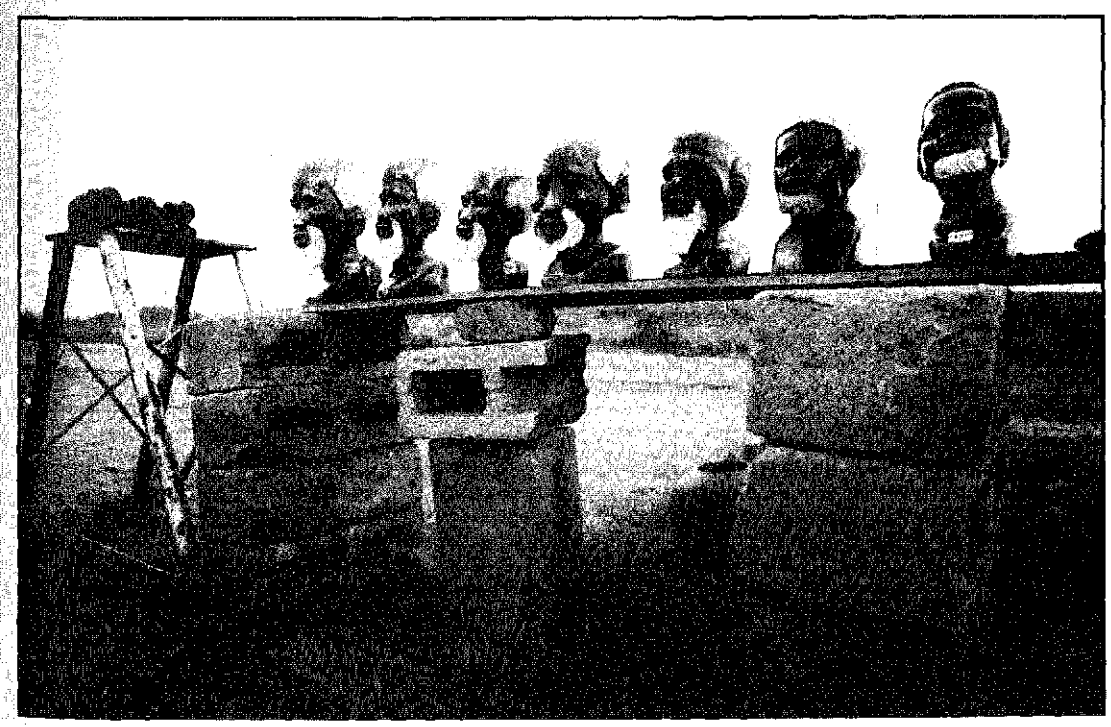
One factor which ensured that this was in fact the situation was the insistence on a R200 registration fee for each participant, with no reduction or allowance for people involved in survivalist enterprises.

## Charade

When the commissions finally wrote up suggestions, comments and views which emerged from conference participants in response to the presentations, they were in for another rude shock. Participants were presented with instructions to censor their views to fit in with a pre-prepared format.

Members of commissions, instead of constituting "specialised group(s) preparing a detailed proposal for government action and support" based on discussions - as stated in letters of invitation - found themselves having to choose between meekly editing out what they were told by DTI representatives to remove, throwing a tantrum and looking like individuals who cannot participate in group efforts, or handing over work for DTI representatives to edit themselves.

Ultimately it felt like one was just one of 2 000 pawns in a massive act masterminded



*Invitees found themselves having to take responsibility for problems created by the DTI*

*Participants were presented with instructions to censor their views to fit in with a pre-prepared format*

*It felt like one was just one of 2 000 pawns in a massive act masterminded by Big Brother*

*Participants expressed the feeling that what they had to say was not being listened to*

by Big Brother, without being able to work out who exactly Big Brother was - Minister Trevor Manuel, his special advisor on SMMEs Alistair Ruiters, or the White Paper drafting team.

At particular points along the way, when panellists, chairpersons, coordinators, monitors and others were asked to meet to assess how things were going, they were spurred on by members of the administration with 'jolly hockey sticks' enthusiasm exclaiming things like:

*'You people are really great';*
*'You are all doing so well';*
and
*'It's amazing how well everything is going thanks to you wonderful people'.*

That was the final insult to those of us who had developed a growing suspicion that we were being used in a massive pre-planned charade of simulated consultation. Participants in several different sessions expressed the feeling that they had been invited to the conference for the sake of talking, but that what they had to say was not being listened to.

*Was it really necessary to mobilise such a show of support for a government position which is in reality fraught with contradictions, conflicts of interest and vagueness*

Other participants - a majority - loyally defended the DTI and expressed the belief that that could not happen under a democratic government.

All of this raised alarming questions. Was the President's Conference merely an expensive way of making 2 000 people across the spectrum of the SMME sector feel they had been consulted in the drafting of legislation on SMMEs that had been worked out beforehand?

Is this going to be the new style of consultation adopted by ministries of the democratic government? Are members of ministries going to rely on the blind faith of most South Africans that they will not be duped by a democratic government?

## A better way

The President's Conference on SMMEs contrasted starkly with a conference organised a week later to discuss the Draft Labour Relations Bill. With no pretence at bringing in all the major role players, it was attended by fewer than 50 representatives of the legal profession, labour and business.

Participants listened to position papers - prepared by the speakers themselves - hammered out their views on contentious aspects, and members of the drafting committee had to justify, motivate and explain various aspects of the Bill.

The expectation was clear that major pressure was still likely to be brought to bear by organised labour and business in order to secure their desired outcomes, and that this would ultimately influence the type of Act which would eventually be passed.

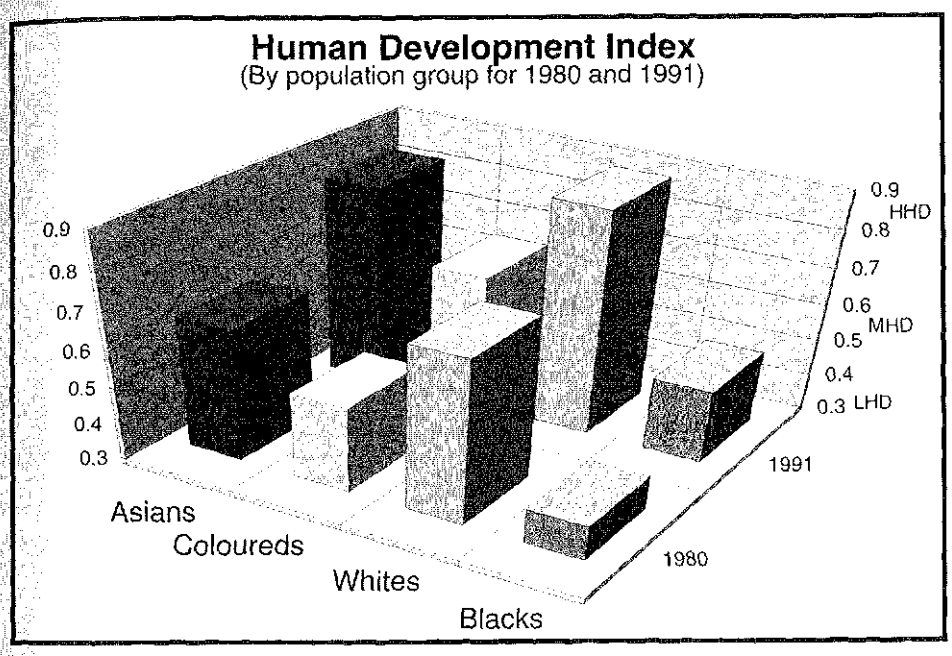
There was no attempt to pass off the conference as a final consultation by the Department of Labour on the Labour Relations Bill. It was certainly one part of the consultation process, and a much cheaper one than the President's Conference on SMMEs.

It has to be appreciated that stakeholders in the labour relations arena are much better organised than those likely to be affected by legislation on SMMEs. Therefore the Department of Labour presumably needs to put less effort into mobilising and coordinating responses on the Draft Labour Relations Bill than the DTI needs to put into responses on SMME legislation.

Nevertheless, one wonders whether it was really necessary to mobilise such a show of unanimous support for a government position which is in reality - and of necessity - fraught with contradictions, conflicts of interest and vagueness in areas where there should be clearer practical proposals. IPM

# REGIONAL MONITOR

## HUMAN DEVELOPMENT INDICES




**LEVELS OF HUMAN DEVELOPMENT**

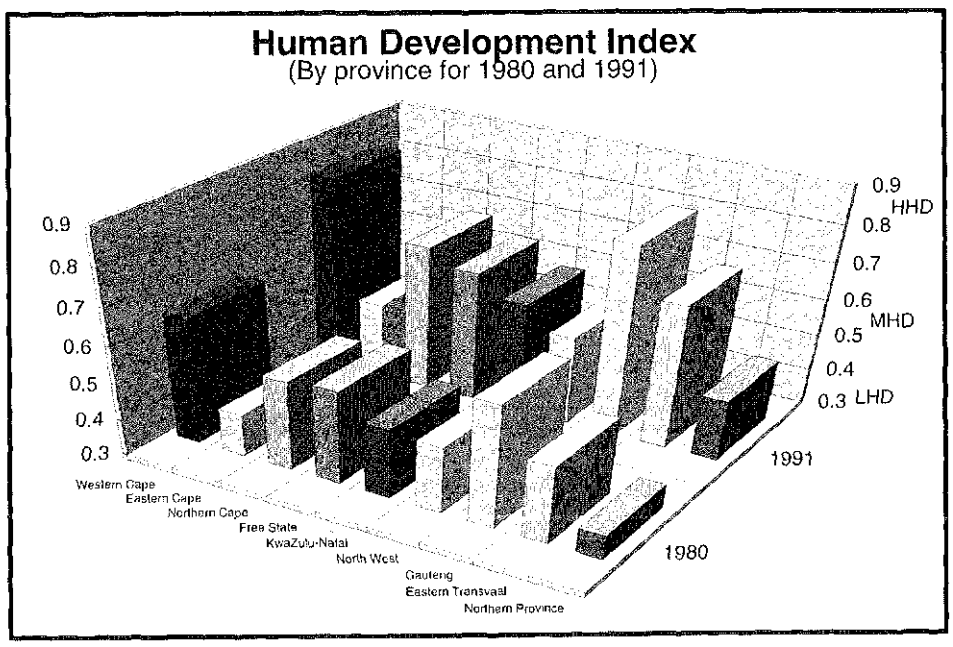
HHD - High human development = 0,8 - 1,0

MHD - Medium human development = 0,5 - 0,8

LHD - Low human development = 0,0 - 0.5

The 1991 HDIs for Coloureds and Blacks are lower than the HDI for South Africa (0,677).

For 1991, Western Cape and Gauteng fall in the high human development range, while Northern Province falls in the low human development range. All other provinces fall in the medium or lower development ranges. Compared with 1980, the Northern Cape improved its position relative to the other provinces from fourth to third place.




**Source**: Central Statistical Services (1995) The Socio-Economic State of South Africa as reflected by October Household Survey and the HDI.

# THE WESTERN CAPE
# TAKING THE HIGH ROAD

*By Simon Bekker*
*Department of Sociology, University of Stellenbosch*

*Simon Bekker settled in the Western Cape early this year. Together with two local economists, Jerry Eckert and Wolfgang Thomas, he outlines the main characteristics of - and challenges facing - the Western Cape.*

*Nine out of 10 inhabitants of the Western Cape live either in Cape Town or in a provincial town*

Spatially, the new Western Cape province covers just a quarter the area of the old Cape province. It makes up 10% of the total geographic area of South Africa and, together with the Free State, is the third largest province in the country, smaller only than the Northern and Eastern Cape provinces, formerly also part of the Cape.

Its population is more than four million, representing again some 10% of the country's population - although in population the Western Cape is significantly smaller than KwaZulu-Natal, the Eastern Cape, Gauteng and the Northern Transvaal.

*In economic terms, the province's performance over the past decade has been good*

Most members of the resident population speak Afrikaans as their home language. Most are brown South Africans, and the overwhelming majority are urban residents, with nine out of 10 inhabitants of the Western Cape living either in Cape Town or in a provincial town.

The province's temperate winter rainfall climate has been critical to the development of irrigated deciduous fruit cultivation, of summer tourist resorts and of the fynbos found in many of its rural areas. Simultaneously, its moderate rainfall has led to a rising demand for sustainable potable and agricultural water sources.

*Cape Town's population has doubled to more than three million in the last 15 years*

In economic terms, as Jerry Eckert and Wolfgang Thomas show in the accompanying articles, the province's performance over the past decade has been good, particularly when compared to the national track record.

Without valuable natural mineral resources, the province has turned to agri-business and its marine resources, to tourism and appropriate local industry and commerce.

Its dominant economic sectors are well integrated, its export location is optimal and the sustainability of its deciduous fruit agricultural achievements, particularly on irrigated land, is sound.

When viewed within the country as a whole, the province reveals high scores on most socio-economic and welfare indicators. As South Africa integrates into the changing global economy, the Western Cape's future appears to be on a high road.

## Westward migration

An extraordinarily high proportion of urban residents in the Western Cape live mainly in and around Cape Town. The city's panoramic setting, natural harbour and strategic historical position have led to rapid urbanisation: Cape Town's population has doubled to more than three million in the last 15 years. It is the economic hub and the centre of the province.

The unusual urban-rural demography of the province has been brought about by two sets of related factors. Firstly, rural land was and remains held under individual tenure, overwhelmingly in white hands. There has never been a black homeland in the Western Cape and urban-rural migration for brown and white South Africans has been unimpeded by government restrictions throughout the century.

Secondly, migration of black South Africans - directed countrywide by influx control measures - was strictly regulated from the 1950s in the province by the Coloured Labour Preference policy, designed by the National Party government to maintain a rigid ceiling on the small proportion of black residents in the Western Cape. The policy was scrapped in the mid-1980s.

During the past decade, as information regarding the Western Cape's economic performance and levels of living became generally available, significant migration streams of Xhosa speakers hailing from the Eastern Cape were directed towards the province.

This large population shift appears to have peaked in the early 1990s. The new Western Cape families - mainly poor households with a rural past - have settled primarily in the Cape Town metropolitan area, where their numbers are approaching half a million.

Accordingly, Cape Town's recent demographic growth reveals more rapid increases among its poorer, black and brown communities than among its better off communities. The fact that one house in three in the metropolitan area today is an informal dwelling aptly illustrates this trend. Rising crime statistics, gang related and other, point in the same direction.

**Table 1: Western Cape Population 1994**

| Area-Race | Number | Percent |
|---|---|---|
| Greater Cape Town | 3 033 000 | 72,2 |
| West Coast-Olifants River | 263 000 | 6,0 |
| Boland-Overberg | 466 000 | 11,1 |
| Southern Cape-Karoo | 447 000 | 10,7 |
| Western Cape Province | 4 198 000 | 100,0 |
| Coloured-Asian | 2 258 000 | 53,8 |
| African | 1 001 000 | 23,8 |
| White | 939 000 | 22,4 |

Source: Wolfgang Thomas, Wesgro

As a consequence, poverty is a rising challenge in the Western Cape and is squarely located - in contradistinction to a number of other provinces with deep rural poverty challenges - in the metropolitan area and, increasingly, in smaller urban places.

## Cultural identity

These demographic shifts identify a new cultural challenge for the province. There are more black than white Western Cape residents today. In meetings where most people have become accustomed to easy Afrikaans or English communication, the use of Xhosa is increasingly being requested since Cape Town and the Western Cape are

*Cape Town's recent demographic growth reveals more rapid increases among its poorer, black and brown communities*

*One house in three in the metropolitan area today is an informal dwelling*

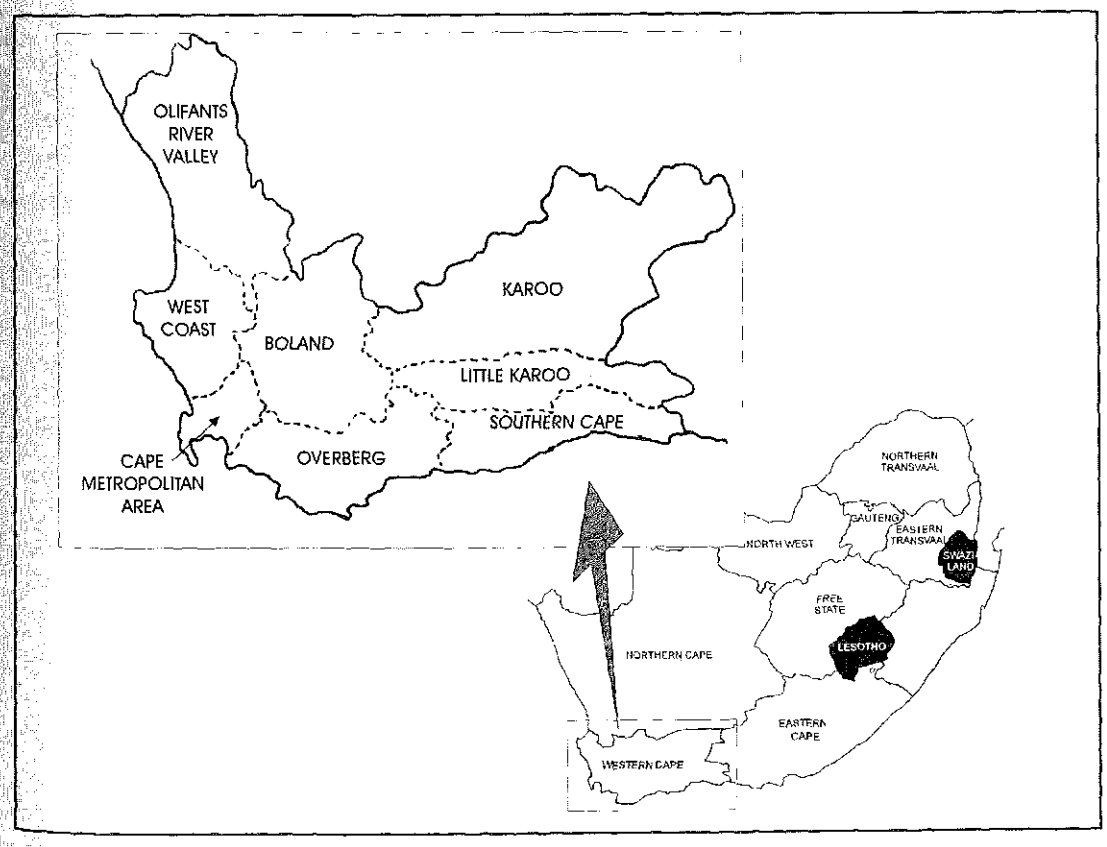


**Table 2: Tentative Projections for the Total Population**

| | | |
|---|---|---|
| 1997 | 4 570 000 | + 2,4% per anum 1994-1997 |
| 2000 | 4 840 000 | + 2,4% per anum 1997-2000 |
| 2010 | 5 958 000 | + 2,1% per anum 2000-2010 |
| 2020 | 7 120 000 | + 1,7% per anum 2010-2020 |

Source: Wolfgang Thomas, Wesgro

*Most members of brown communities appear to be developing a narrow brown identity rather than a comprehensive national one*

considered by many Xhosa speakers as part of their hinterland.

Most members of majority brown communities voted for the National Party in the April 1994 general election, rather than for the African National Congress (ANC), and accordingly appear to be developing for themselves a narrow brown - albeit ambiguous - identity rather than a comprehensive national one.

In brown communities, there are indications that anxiety and suspicion are growing regarding affirmative action strategies and urban residential developments addressing the needs of poor black communities. There has been little contact over the years between brown and black communities, located as they were in separate group areas.

*The public image of government in the Western Cape is neither particularly new nor particularly democratic*

In black communities, there are also indications that the consequences of Coloured Labour Preference remain squarely in residents' minds and that some form of redress is expected. White Afrikaans residents, who have also had little contact with black South Africans, seem retiring about this cultural challenge, unable to develop a new provincial vision or identity compatible with Afrikaner culture.

In the 1994 election, the new National Party succeeded in gaining majority control in the provincial government and appears today to be most receptive to its brown and white constituencies.

Provincial ANC structures - in contrast to their national counterparts - seem to lack party political capacity and their provincial leaders have enjoyed neither a successful nor a particularly wholesome track record. Historical tensions between the old white provincial and city bureaucracies linger on.

*Perhaps the greatest challenge is to create a unique Western Cape identity*

In short, the public image of government and state in the Western Cape is neither particularly new nor particularly democratic. This government and state appear to be dominated by the new National Party.

## Contrasting challenges

It would seem, therefore, that the provincial government perceives its task in terms of two contrasting challenges.

On the one hand, how to keep the Western Cape on the high road: on its successful economic path involving tourism and commerce, agri-business and export, the development of panoramic Cape Town and its environs.

On the other hand, how to ensure that the province is not submerged by new poor in-migrant communities, by people of another culture, by skills and preferences not easily assimilable into the existing fabric of Western Cape life.

Most leaders in the Western Cape perceive these two trends as opposed to one another, to be addressed in adversarial mode. Such views increase the potential in the province for a deepening of ethnic divides and for a concomitant rise in community conflict.

But it is possible to define the two separate challenges as one: to develop a viable Western Cape identity within wider South Africa.

At present, the emergent Western Cape identity is widely perceived as antagonistic to a new emerging South African identity. Accordingly, it is experienced as alienating and divisive by the minority in the province who identify with the new national identity.

An alternative would be to create a unique Western Cape identity, defined and owned by all resident communities in the province, that would be explicitly complementary and interactive with a new emerging national identity. This perhaps is the greatest challenge facing the Western Cape today. IPA

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# THE WESTERN CAPE
# MAINTAINING A LEADING EDGE

***By Wolfgang Thomas***
***Economic Development Coordinator, Wesgro***

*The economic challenge confronting the Western Cape at the start of a new decade of expected higher growth in South Africa is to reshape its vision for growth and development, giving expression to specific opportunities as well as tasks that need to be tackled in order to maintain its 'leading edge'.*

During the 1960s and 1970s reflections about economic growth or stagnation in the Western Cape surfaced only occasionally, at economic conferences, in dissertation research or through *ad hoc* commissioned studies.

In the early 1980s studies of the region suggested a strong trend towards relative economic stagnation compared with the rest of the country.

The tight control of African influx in the Western Cape, the locational disadvantage of the region in regard to the former Pretoria-Witwatersrand-Vereeniging area - aggravated by the government's import substitution policy - the absence of any strong 'lead sector' and the artificial 'attraction' of investments to the homelands were given as explanations.

Retrospectively, the early 1980s were in fact a turning point in the long run growth path of the Western Cape.

Far from being chronically stagnant it turned out that the Western Cape was relatively better equipped for the new growth phase into which South Africa had to move but which apartheid, sanctions and other structural impediments retarded during much of the 1980s and early 1990s.

The following are some of the forces which have shaped the Western Cape's growth in the last 10 years:

### ❑ Migration

With the abolition of influx control and the Coloured Labour Preference Policy, the African population in the region approximately doubled from 285 000 in 1980 to 585 000 in 1985 and thereafter once more to an estimated 1,2 million in 1995.

### ❑ Sector linkages

Although the region has no mining sector or heavy industry of significance, its dominant economic sectors - agriculture, food processing, fishing, clothing and textiles, and tourism - have strong forward and backward linkages which augur well for a regional growth momentum, once the core sectors start taking off.

At the same time the region is not burdened by any major declining sector or industry.

### ❑ Export capacity

Although generally constrained in its exports by sanctions, the Western Cape has over the past decade gradually developed its export capacity, particularly in the

*Retrospectively, the early 1980s were a turning point in the long run growth path of the Western Cape*

*The Western Cape was relatively better equipped for the new growth phase into which South Africa had to move*

**Table 1: Western Cape Labour and Employment 1994**

| Sector | Number | % |
|---|---|---|
| Provincial population | 4 198 000 | |
| Economically active age group (15 to 64 years old, male and female) | 2 757 000 | |
| Labour force | 1 564 000 | 100,0 |
| Open unemployment | 188 000 | 12,0 |
| Survival self-employment | 217 000 | 13,9 |
| Informal micro-enterprises | 263 000 | 16,8 |
| Employed in the formal sector | 896 000 | 57,3 |

*Rapid in-migration of rural Africans and unconvincing claims on national resources could impede development*

agricultural sector - deciduous fruit, grapes and fruit juices - and in some industrial niches.

Experience gained during these years should enable the region to advance much faster now that foreign markets are open and local export awareness is experiencing a quantum leap.

### ❑ Consumer demand

Rapid population growth, the increase in consumer spending of lower, middle and higher income households and a well developed retail sector have all contributed to relatively buoyant consumer demand for locally produced goods.

This has happened notwithstanding the virtual stagnation in aggregate (real) Gross Domestic Product in the country. In most of the expenditure categories the Western Cape share in national spending is above its 10% population share, and in several categories it is above the 14,2% Gross Regional Product-Gross Domestic Product share.

**Table 2: Employment by Sector 1994**

| Sector | Number | % | % of RSA |
|---|---|---|---|
| Agriculture, forestry, fishing | 133 000 | 8,6 | 14,1 |
| Manufacturing and mining | 264 000 | 16,9 | 15,9 |
| Construction, repairs, etc | 88 000 | 5,6 | 18,0 |
| Electricity and water | 13 000 | 0,8 | 10,6 |
| Commerce, catering, accommodation | 161 000 | 10,3 | 14,6 |
| Transport and communication | 67 000 | 4,3 | 14,1 |
| Financial and business services | 90 000 | 5,8 | 18,0 |
| Social, personal and government services | 343 000 | 21,9 | 12,1 |
| Survival activities and unemployment | 405 000 | 25,9 | 7,4 |
| Total labour force | 1 564 000 | 100,0 | 10,3 |

### ❑ Information transfer

The locational disadvantage of the Western Cape in regard to Gauteng has become less significant over the past decade, given the rapid advance in high-tech information transfers, the relative decline in transport costs with respect to virtually every mode of transport, and the increasing significance of foreign trade.

Thus, the long run trend towards centralisation of production and financial as well as service activities around Gauteng has been slowed, if not reversed, with other locational factors - like the working and living environment, skills available locally, a lower rate of labour turnover, harbour access etc - playing a more significant role.

### ❑ Urbanisation

Where future economic growth and the socio-political stability of a region is decisively influenced by the degree and trend of urban-rural disequilibrium, the Western Cape also seems to have a distinct advantage over other regions in South Africa.

Most of the region's smaller towns and rural farming areas are effectively linked to the urban infrastructure, and rural-urban development gaps are narrowing.

### ❑ Public sector

The expansion of the government sector - Parliament and state department offices - instituted a significant growth impetus during the last decade. The public sector presence in the region is fairly broad based and includes the national, provincial, metropolitan-local and parastatal levels.

### ❑ Small enterprise

Finally, South Africa is currently experiencing a major shift from big business domination to a greater small enterprise orientation. The Western Cape economy seems well placed to participate in that new thrust, given a less dominant corporate sector and relatively more small, medium

and micro enterprises in its present economic structure.

## Balanced growth

All of these strategically significant forces have contributed to a growth path of the Western Cape which Wesgro's 1992 'Guide to the Western Cape Economy' summed up with the suggestive title: 'South Africa's Leading Edge?'.

While the country as a whole went through phases of relatively sharp declines - and some upturns - during the late 1980s and early 1990s, the Western Cape experienced more balanced growth and a slightly higher average rate of growth.

A logical question arising in the light of nationwide efforts to accelerate economic growth is: does the Western Cape still have a leading edge now that all regions are trying to increase exports, with the mining sector geared for major expansion and beneficiation projects, stimulated by an international commodity boom, and with Gauteng likely to attract the bulk of foreign as well as local new investment?

Two important factors would seem to impede local development momentum. The Western Cape's relatively high per capita income level, its lower unemployment level and better scores on most social development indicators put the region at a disadvantage with respect to claims towards national resource allocations for social development.

At the same time rapid in-migration of rural Africans to the Greater Cape Town metropolitan area have created major backlogs in the supply of even the most basic housing and other social development amenities. If these backlogs are not addressed, the region's social fabric could be endangered, with serious consequences spilling over into the economic sphere.

Thus, the challenge confronting the Western Cape at the start of the new decade of generally expected higher growth in South Africa is to reshape its vision for economic growth and development, giving expression to specific opportunities as well as to tasks that need to be tackled in order to maintain its 'leading edge'. IPA

* Wesgro's full title is: Association for the Promotion of Economic Growth in the Western Cape.

**Table 3: Gross Regional Product by Sector (1993)**

| Sector | R Million | % | % of RSA |
|---|---|---|---|
| Agriculture | 2 927,1 | 6,1 | 18,6 |
| Mining | 121,1 | 0,1 | 0,4 |
| Manufacturing (including fishing) | 11 307,4 | 23,5 | 14,0 |
| Electricity and water | 1 304,8 | 2,7 | 9,5 |
| Construction | 1 703,3 | 3,5 | 15,2 |
| Commerce, catering and accommodation | 10 032,2 | 20,9 | 18,1 |
| Transport and communication | 4 035,0 | 8,4 | 14,5 |
| Financial and business services | 7 903,2 | 16,6 | 19,2 |
| Government services | 7 308,7 | 15,2 | 13,9 |
| Social, personal and other services | 1 418,8 | 3,0 | 16,0 |
| Total | 48 061,5 | 100,0 | 14,2 |

**Table 4: Short Term Economic Indicators**

| Indicators | 1994 | 1995 |
|---|---|---|
| Gross Regional Product | 2,8 | 3,8 |
| Personal disposable income | 2,5 | 3,6 |
| Population (1994 = 4 198 000) | 2,4 | 2,4 |
| Labour supply (1994 = 1 564 000) | 2,8 | 3,0 |
| Net employment increase (formal and informal) | 2,5 | 3,2 |
| Retail sales | 2,8 | 3,7 |
| New vehicles sold - commercial | 6,0 | 12,0 |
| - passenger | 1,0 | 13,0 |
| Exports | 4,2 | 6,2 |
| Imports | 6,5 | 12,0 |
| Freight containers (20ft equiv) CT harbour | 13,1 | 13,8 |
| Electricity used | 2,2 | 3,0 |
| Building plans passed (value) | 10,0 | 14,0 |
| Vacancy rate: commercial-office premises (drop from an average of 11%) | -2,0% pts | -3,0% pts |
| Property turnover | 16,0 | 20,0 |
| Residential property prices | 5,0 | 8,0 |
| Building cost | 2,0 | 5,0 |
| Western Cape Share Index (WCI) (nominal) | 19,3 | 8,0 |
| Bank debits (nominal) | 14,0 | 16,0 |
| Inflation (net of RSA level) | 0,5 pts | -0,3 pts |
| Manufacturing capacity utilisation (1993 = 78) | 4,5 pts | 6,5 pts |
| Tourist arrivals from outside region | 22,0 | 28,0 |
| Bed occupancy levels (graded hotels: 1993 average 48%) | +7,0 pts | +12,0 pts |

# *Rural* WESTERN CAPE
# HARVESTING GROWTH?

***By Jerry Eckert***
***Department of Agricultural Economics, University of Stellenbosch***

*The Western Cape is more developed than most other provinces. The coming decade will decide whether it will continue to be better off. Population growth and movement, trends in agriculture, rural development programmes, land reform, and changes in labour law and race relations in agriculture will shape the province's future.*

*Western Cape has the highest formal sector employment rate and lowest rates for unemployment, labour dependency and dependency on the informal sector*

*Congestion is extreme, violence high, incomes non-existent for many and the quality of life degrading in many townships*

For the next 20 years, transitions in the rural Western Cape will be shaped by five factors.

They are: demographic growth and movements; patterns of growth and decline in different parts of agriculture; the extent and nature of rural programmes under the Reconstruction and Development Programme (RDP); the nature and extent of land reform; and labour law and race relations in agriculture.

The Western Cape is comparatively better developed than most other provinces. It and Gauteng vie for top ranking in most socio-economic indicators.

The Western Cape currently has the 'best' scores for such measures as adult literacy, school attendance rates, pupil:teacher ratios, infant mortality rates, teenage birth rates and total fertility rates. It has the lowest percentage of people living in informal housing.

The province is second to Gauteng in some measures of labour force participation. However, the Western Cape has the highest formal sector employment rate and lowest rates for unemployment, labour dependency and dependency on the informal sector. It is second to Gauteng in per capita incomes and the equality of income distribution.

More important, however, are the gaps between the two provinces and less developed regions. The comprehensive Human Development Index (HDI) differs widely between provinces.

The Western Cape, with the highest provincial HDI of 0,76, ranks with countries like Brazil and the United Arab Emirates. In sharp contrast, the Eastern Cape and Northern Transvaal have HDIs below 0,5, comparable with countries like Lesotho and Zimbabwe.

## In-migration

These differences drive and direct internal migration. Natural population growth in the Western Cape is low, reflecting socio-economic factors, but in-migration and total population growth remain strong.

The Cape metropolitan area may be approaching saturation following the pent up flood of migrants after the repeal of influx control. Congestion is now extreme, violence high, incomes non-existent for many and the quality of life degrading in many townships in the Cape Flats.

One result is a spatial dispersion of Xhosa speaking recent arrivals. Informal African settlements are growing on the fringes of nearly every rural town in the province and, in percentage terms, they may be growing faster than the Cape Flats.

Two long term consequences are clear. The first is a leavening of inter-provincial

Arthur Bozas

socio-economic differences. In the short term, aggregate quality of life indicators will decline in the Western Cape. Second, every little rural *dorp* is on the threshold of becoming a microcosm of the transition and adjustment crises now seen primarily in urban areas.

## Trends in agriculture

In agriculture, several broad trends are visible. Market liberalisation and acceptance of the General Agreement on Tariffs and Trade bring world prices more directly to the farm gate. Many analysts feel that rain fed winter grain producers in the Western Cape will be the worst affected.

Diversification into mixed farming systems, with oilseeds and livestock replacing wheat, is expected. Levels of input use and value of output per hectare will probably decline in rain fed areas.

The comparison between domestic wheat prices (R730 to R750 per tonne) and an international wheat price of R450 per tonne landed in Cape Town is receiving political attention, fuelled by the newly enfranchised voices of low income bread consumers. Consumer interests of the poor, politicised by the introduction of VAT, will become a growing force in agricultural policy.

Another decade of strongly expansive, export led growth is expected in deciduous fruit, along with continued strength in wines.

Together these products will sustain further expansion of commercial agriculture's employment in the province. Commercial farm employment in other provinces is likely to decline.

These trends suggest an imbalance in agriculture's future, with irrigated areas growing and rain fed areas contracting. Local off-farm economies, which depend in vital ways on links with farming and farm incomes, will mirror these on-farm trends.

Growing gaps in employment, Gross Domestic Product generation and personal incomes can be expected between districts in the province. The economic bases of smaller rural towns in rain fed areas could be at risk.

*In the short term, aggregate quality of life indicators will decline in the Western Cape*

*Consumer interests of the poor will become a growing force in agricultural policy*

*The future of land reform in the province is undefined and unclear*

## RDP and land

If successful, the Reconstruction and Development Programme (RDP) will influence rural change in fundamental ways. If jobs are created and quality of life enhanced in the Western Cape faster than elsewhere, in-migration will increase.

Theory tells us that new migrants will exceed new jobs by perhaps two to one. If Cape Town wins its Olympic bid, the demography of the province will alter measurably.

More likely, however, is that the RDP will target points of greatest need and spending will be concentrated elsewhere. Normal migration to the Western Cape could slow. Within the province, rural-urban balances in RDP spending will influence where many African migrants get off the bus.

*A de facto coloured labour preference remains in rural and urban Western Cape*

If the RDP succeeds in redistributing incomes to the poor, and if electrification proceeds as planned, consumer demand could increase markedly for meat, milk and fruit, vegetables and other perishable products. These are exactly the commodities poised for growth in the next decade. Thus, capacity to expand supplies may dampen possible pressures on consumer prices.

Growing demand for these products could support land reforms focused on small scale farming. Recent research suggests that land reform successes in the Western Cape may be with deciduous fruit and table grapes (Conradie 1995).

Commercial farmers' associations are becoming proactive in implementing these ideas, with their own farm workers as beneficiaries. Limited options appear feasible for rain fed areas provided that the market continues to support shifting from cereals to livestock.

*The coming decade in the rural Western Cape will be one of great fluidity and change*

However, the future of land reform in the province is undefined and unclear. What is clear is that land reform must be designed and implemented in an environment in which commercial agriculture is the driving force behind rural employment and rural family welfare.

## Other influences

The final, basic influences on the rural Western Cape are pooled here because one determines the other. They are the unknown futures of labour and race relations, specifically on farms and in rural, agri-business dependent towns.

Extending labour law to farms means that farm labour will be managed more by economic than by social criteria. The number, uses and relationships with farm workers will be intensively scrutinised by management.

Meanwhile, in the face of rapidly growing numbers of semi-skilled African in-migrants, a new cooperative coalition is emerging between coloured farm workers and farm owners (Ewert and Hamman 1995). While the Coloured Labour Preference laws are long gone, a *de facto* coloured labour preference remains in rural and urban Western Cape.

The joint effects of these two dynamics, attempts to unionise farm workers and the continued arrival of new migrants who are still considered 'outsiders', may politicise the situation.

The coming decade in the rural Western Cape will be one of great fluidity and change. However, the province, perhaps more than most, has strong reasons to look forward to the future. IPA

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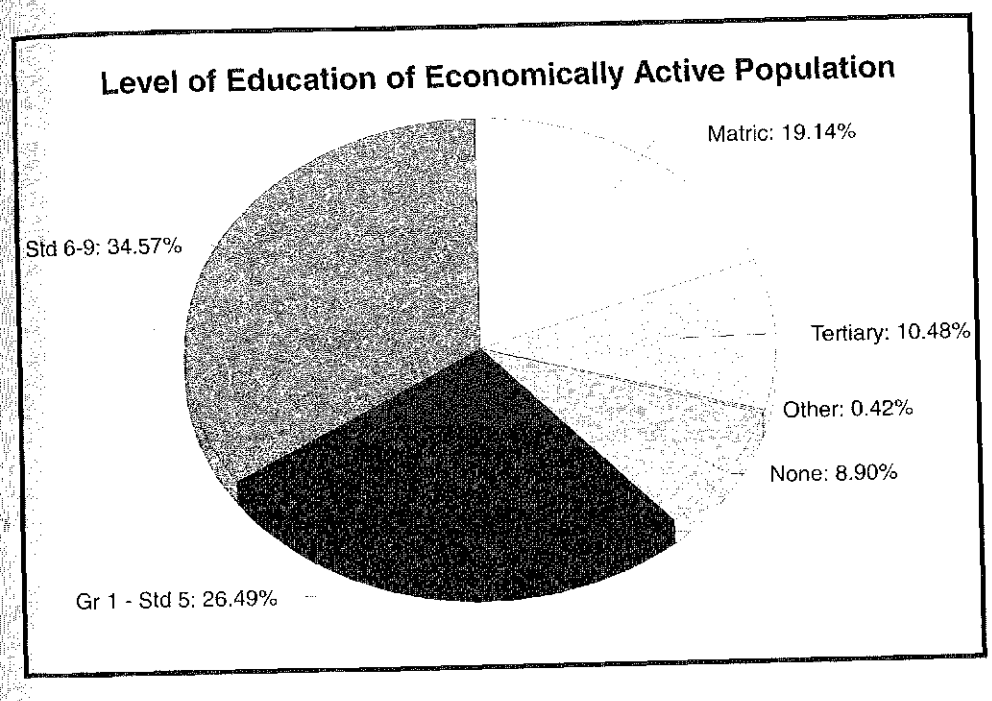
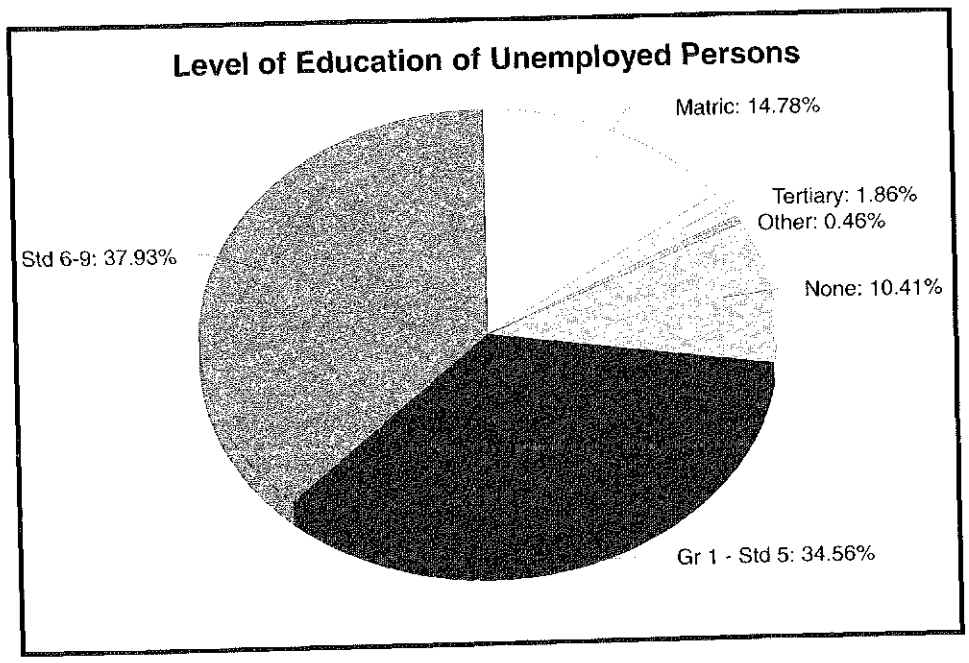
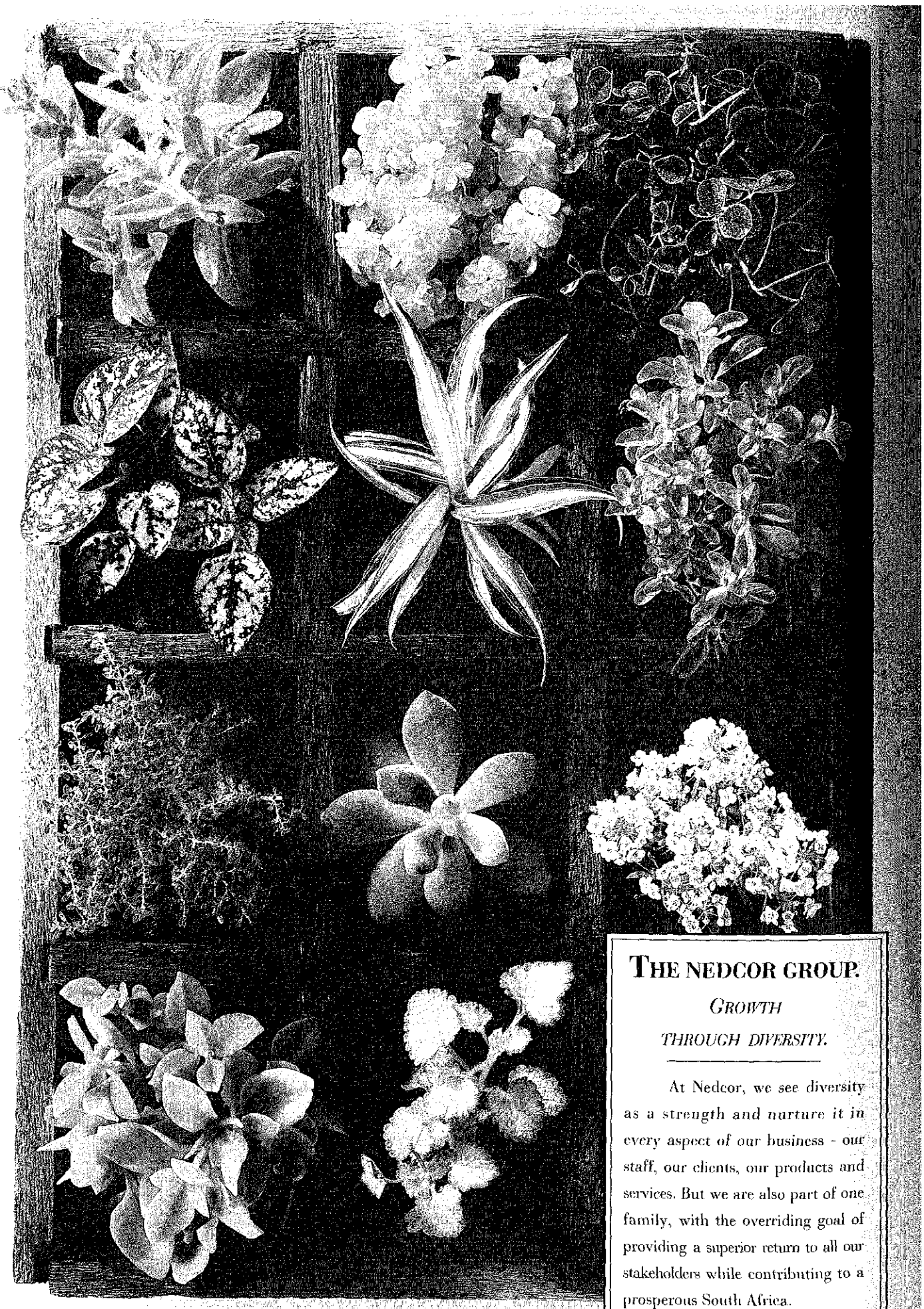
# INDUSTRIAL MONITOR

## LEVELS OF EDUCATION




**Source**: Central Statistical Services (1995) The Socio-Economic State of South Africa as reflected by October Household Survey and the HDI.



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# Transforming Science and Technology

***Isaac Amuah, Foundation for Research Development***
***and***
***Malegapuru W Makgoba, University of the Witwatersrand***

*South Africa must strategically invest in science and technology if it is to meet the challenges of development, global industrial competition and a rising standard of living. Socio-political changes offer a rare opportunity for a back to basics transformation of the science and technology system.*

To analyse the future of science and technology in a democratic South Africa one must critically study the past and the present. As much as the past is important in articulating a new vision, we are mindful of the danger inherent in allowing the future course of science and technology to be dictated by the past.

The science and technology enterprise in South Africa was a product of a flawed civil society, a society that has been debunked. The socio-political changes that have taken place in the last year offer a rare opportunity for a 'back to basics' transformation of the science and technology (S&T) system, which is essential to rectify aspects of it.

Firstly, the S&T system did not have integrity and legitimacy. It was marked by waste, fragmentation, personal agendas and limited national agendas, and lack of articulation. It was compelled chiefly by the policies of apartheid.

Secondly, security and defence drove the development of S&T. Ventures like Sasol and Mosgass, designed to forecast and meet the energy needs of apartheid South Africa, as well as the uranium enrichment and nuclear weapons programmes, were inspired by security and defence considerations and not by service to the basic needs of the larger society.

Thirdly, there was little accountability in the system. Efficiency and effectiveness were given scant regard. The system, in cohort with its political patrons, defined its outcomes and was the final judge of its performance.

Fourthly, the human resources component of the system did not - and still does not - reflect the nation, a characteristic that renders it illegitimate. In the past admission to the system was based on the criteria of race and ideological correctness.

Finally, the system simulated a First World research infrastructure, instead of the real situation of a developing nation. That South Africa today has a First World science and technology system sitting atop a host of unsolved Third World social and economic problems is not by accident.

*South Africa has a first world system sitting atop a host of third world problems*

## The present

The ghost of the past undoubtedly haunts the present. The situation as existed under apartheid has not changed much, but since the April 1994 elections there have been developments worth mentioning.

Most significantly, the African National Congress led Government of National Unity has created a Ministry of Arts, Culture, Science and Technology. This is the first time in South Africa's history that the coordination and administration of S&T has been elevated to the highest level of government. Equally significant is that the new cabinet portfolio is held by an African.

*S&T has been elevated to the highest level of government*

The creation of a parliamentary select committee on S&T is also significant. The advantages for the country will increase to the extent that the mandate of the committee includes oversight and advice on the strategic implications of S&T with respect to national economic and social needs. The committee will be supported by a technical unit that should provide expert input into the decision making process.

Within the S&T system, changes are taking place slowly. Scientific and technological

**Table 1: Distribution of Scientists and Engineers by Main Sector**

| Sector | 1983 % | 1990% |
|---|---|---|
| Natural scientists | 62 | 70 |
| Engineers | 20 | 14 |
| Social scientists | 8 | 9 |
| Surveyors | 7 | 5 |
| Architects | 4 | 3 |

Note: Percentages rounded off.
Sources: Central Statistical Service and Department of Manpower

institutions - national laboratories, institutes, science councils and parastatals - which were once the enclaves of white privilege have began to re-assess their missions and goals against a new set of criteria.

As a result institutions which only five years ago operated within the strict confines of their mandates, and could not have cared less about the needs of the larger society, have been churning out corporate plans detailing new missions of social justice which they aver are in line with the broad objectives of the Reconstruction and Development Programme (RDP).

*Changes to institutions of vital importance must not be left entirely to the institutions themselves*

This development is important, not least because these institutions are a critical part of the national S&T base, which offers many possibilities for economic and social development.

That these institutions should even begin to assess their activities under different sets of criteria is commendable - although some of the changes are self induced and carefully choreographed to present a semblance of change.

Changes to institutions of vital importance to national goals must not be left entirely to the dictates of the institutions themselves. Statements made by Minister Ben Ngubane, regarding three major initiatives his ministry is undertaking this year, augur well for the future of S&T in South Africa.

They are the formation of a new national Science and Technology Advisory Council, the transformation of the Science and Technology Initiative (STI) into the National Science and Technology Forum, and a research foresight exercise.

These initiatives are indisputably great milestones for science and technology, but the important issue will be the way in which they are carried out.

For example, we believe it was perhaps misguided to transform the STI - created by the mass democratic movement before the elections to engage S&T institutions - into a national S&T Forum. The STI has outlived its usefulness. The nation needed a fresh start.

The Forum has been established, however, with around 80 stakeholders representing a very wide range of interests. Its purpose will be to develop policy ideas and bounce them off the Minister. Some Forum stakeholders will become members of the Advisory Council, which will be formed soon.

At its first plenary session, the Forum investigated ways of auditing and conducting a foresight exercise for S&T in South Africa, both of which will be important in informing new policy. It also discussed the skeleton of a S&T White Paper, which will be produced this year.

## Interest groups

The current environment is dominated by interest groups vying to influence the future of science and technology in South Africa. One of the interest groups wishes to maintain the status quo for benign reasons. The members of this camp fall two groups.

On the one hand are those who have personally helped steer South Africa's S&T to where it is today. They see the system as their handiwork and view any criticism of it as a personal affront. Their concerns are couched in the need to maintain excellence, quality and academic freedom, which are dramatically held up as sacred cows.

On the other hand are public servants who view any major reform of the system as a threat to their jobs. Thus they join the 'old guard' in trying to ensure it is left intact.

A second interest group comprises people occupying key positions in every facet of the science and technology enterprise, and serving on the committees and associations representing key S&T institutions.

**Table 2: Distribution of Scientists and Engineers by Population Group**

| Race | 1983% | 1990% |
|---|---|---|
| White | 91 | 82 |
| Indian | 3 | 5 |
| Coloured | 2 | 4 |
| African | 3 | 9 |

Note: Percentages rounded off.
Sources: Central Statistical Service and Department of Manpower

Their central thesis is that the current S&T system could be strengthened to accommodate new demands on it. They see a need for reform, but argue that it must not be imposed on institutions and facilities. Since they have experience in managing S&T, they argue that they must define the scope and rate of change, and oversee it.

The third group consists of black academics, scientists and engineers who in the past have been denied the opportunity to participate in managing S&T institutions. They rightly want to participate at the highest level in order to shape the future of the system.

The fourth group is made up of various elements of organised labour, civics and a whole host of South Africans whose lives have never been touched by the positive results of science and technology. This group believes it has the right to make demands on the S&T system because of the huge public investment that goes into it.

Characteristic of politics in a democratic society, all these interest groups have spent inordinate amounts of energy and time wooing the Minister and his Deputy with their individual agendas. The net result is less talk about a national agenda than about group agendas. Unless checked, this will widen the great divide in the S&T system.

Aside from these pressures, an enormous stress factor was created by the appointment of a Minister and Deputy Minister from political parties philosophically opposed on many issues. Public disagreements on policy between the Minister and his former Deputy, Winnie Mandela, resulted.

The Ministry of Arts, Culture, Science and Technology has also been besieged by internal squabbles. Its department has been non-functional bordering on paralysis. Policy making has been *ad hoc* and planning has lacked strategic coherence.

Thus the science and technology scene is murky and confused. But it is within this milieu that a new vision for science and technology in South Africa must be forged.

## The future

Whether science and technology thrives in the new South Africa given its chequered history and current imponderables will depend to a large extent on how the system is transformed and subsequently managed.

We reckon that any new S&T policies must contend with the constraints vestiges of the past may have on articulating a new vision. S&T reform will have to play the role of purger and pathfinder. As purger, it will have to root out the old order without harming the system. As pathfinder, it will have to chart a course for national economic and social development.

The reform process, we believe, must begin with a thorough national assessment of all publicly funded S&T institutions. This exercise is crucial for several reasons.

Firstly, it offers a unique opportunity to assess the strengths and weaknesses of the S&T system. Secondly, it would help define mechanisms for strengthening the infrastructure of S&T. Thirdly, the performance of institutions in the system could be measured against stated criteria as well as considering whether the criteria are sound.

*The current environment is dominated by interest groups vying to influence the future of S&T*

**Table 3: Estimated Scientific and Technical Human Resources for Africa 1985**

| | % |
|---|---|
| Arab states | 71 |
| Other African states | 21 |
| South Africa | 8 |

Source: National Manpower Commission, 1987

Better still, it could offer the opportunity to assess whether some institutions should continue to exist in their present form or whether their missions should be directed to reflect the new socio-political environment.

A national assessment is also important because in the last few years S&T institutions have undergone important changes: significant parts of their operations were commercialised at the instigation of the former government.

The new Government, members of the scientific community and the public may now wish to know exactly how institutions' operations are divided between private and public endeavours. Unless the structures, mandates, systems and cultures of these institutions are radically transformed, things will simply continue as before.

In this context, we believe that merely reconstituting boards and appointing new presidents for some institutions may not be the right approach to addressing problems confronting the S&T system. We

*Whether S&T thrives will depend largely on how the system is transformed and managed*

*Reform must begin with a thorough assessment of S&T institutions*

recommend that assessment be undertaken at the behest of the Cabinet since S&T is pervasive in all government departments.

Such an exercise would lay the foundation for a fundamental restructuring of the system. Once the system has been assessed, we propose that the following guiding principles underpin reform:

- The system must be expanded, maximised and made more relevant to the needs of South African society.
- The efficiency and effectiveness of the system must be maximised by setting specific goals and outputs for institutions, and matching outputs with appropriate investment. Changes in South Africa are strongly influencing public decisions on the direction, timing, and level of industrial research and development efforts.

*The new nation must construct a new agenda for science and technology*

- More people must be involved in S&T decision making as a way of broadening the constituent base. S&T did not have legitimacy because most South Africans were denied access to it. Equally, people are not well informed about S&T but live in a society of growing sophistication. If S&T begins to reflect the ethnic composition of South Africa, and people learn to appreciate the impact of science on their lives, the system will have a solid future.
- Conflicting objectives and interests must be minimised by setting well defined roles for institutions in the S&T system, which in the past was characterised by duplication and waste. This measure will also ensure accountability.
- The system must have short and long term goals. Tomorrow's emphases for S&T efforts arise from today's problems, so our S&T policies should not be dictated only by short term goals.

## New agenda

What the principles set out to do is to provide an opportunity to fundamentally rethink the role of science and technology. The result should be a new vision on how S&T can contribute to economic growth, social advancement and national security in the years ahead. It is possible to raise a set of questions that illustrate some of the issues which a new agenda must address.

South Africa has eight science councils and major national laboratories supported by nearly R3,5 billion a year. Are their missions still pertinent?

Should the councils compete for basic research funding as do universities and be compelled to find industrial co-funders for applied research?

South Africa has 21 universities. In an era of limited resources, can they all aspire to world class research in every field?

Industrial research and development plays a critical role in translating fundamental discoveries into practical innovation, yet private investment is stagnating and is shifting towards short term focus. What does this trend imply for the role of government in long term research?

The present science and engineering education system largely neglects the technical skills of those who are not destined to become scientists or engineers, and neither meets the country's need for a large pool of technically trained workers nor adequately prepares students for high-tech workplaces. What can South Africa learn from the training systems of other countries?

The research efforts in universities are strongly oriented toward fundamental research while industrial research is system oriented. Yet incremental improvements on the production line are key to industrial competitiveness. How can a better balance be achieved?

## Conclusion

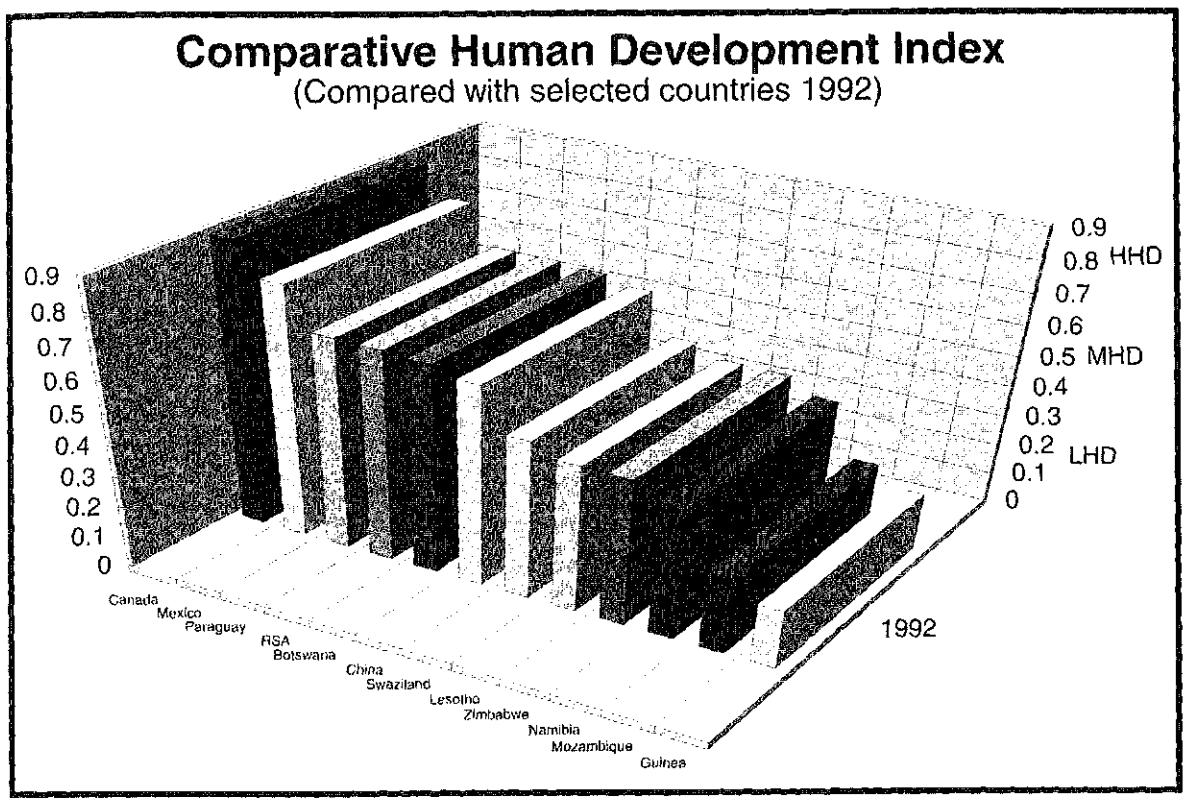
Some national imperatives are clear. South Africa must prosper economically to meet the needs of today and tomorrow. The future lies in innovation. We must strategically invest in S&T if it is to meet the challenge of the RDP, global industrial competition and a rising standard of living.

South Africa will also need new knowledge to meet new threats to health and the environment. These tasks require re-examination of the science and technology system and invigorating of its critical institutions, including its research intensive universities, research councils and industrial research capability.

The new nation must construct a new agenda for science and technology. IPIA

The views expressed in this article do not reflect the institutions of affiliation of the authors. The article first appeared in the Times Higher Education Supplement, London, February 24, 1995.

# COMPARATIVE
## M O N I T O R




The Human Development Index is a measurement of peoples' ability to live a long and healthy life, to communicate, to participate in the community and to have sufficient means to be able to afford a decent living.

With an index of 0,677, South Africa falls in the medium range of human development along with, among others, Paraguay (0,679) and China (0,644). The HDIs for South Africa's neighbouring countries range from 0,670 for Botswana to 0,252 for Mozambique.

**LEVELS OF HUMAN DEVELOPMENT**

HHD - High human development = 0,8 - 1,0
MHD - Medium human development = 0,5 - 0,8
LHD - Low human development = 0,0 - 0,5

**Source**: Central Statistical Services (1995) The Socio-Economic State of South Africa as reflected by October Household Survey and the HDI.

# Parliament's Role in Foreign Policy

***By Raymond Suttner***
***African National Congress Member of Parliament,***
***Chairman of the Parliamentary Portfolio Committee on Foreign Affairs***

*There has been controversy over the 'exclusive' way in which foreign affairs policy has been decided by the Ministry and Department of Foreign Affairs. Raymond Suttner, chairman of the Parliamentary Portfolio Committee on Foreign Affairs, believes Parliament has a greater role to play in foreign policy in the interests good policy, public scrutiny and debate.*

*The legislature in pre-1994 South Africa tended to rubber stamp decisions of the executive*

Traditionally, there has been little to say about Parliament and foreign policy. Foreign policy making has tended to be concentrated in the hands of a narrow circle of politicians and bureaucrats. Parliament has 'had its say' once a year in a debate on the Foreign Affairs budget vote. Otherwise it has had little role or input.

A very experienced former Ambassador, Donald Sole, has written:

> *"The formulation of South Africa's foreign policy has traditionally been the responsibility of the executive head of government (prime minister or president) and his foreign minister.*
>
> *"Policy formulation was therefore limited to a handful of individuals who constituted a special kind of elite. For all practical purposes Parliament played no role in foreign policy and the role of Cabinet tended to be limited to acquiescence or approval.*
>
> *"Decision making is typically the preserve of the select few: in major matters of foreign policy they would be the principal political office holders and a handful of top officials."*

He continues by arguing:

> *"The political structures created by the South Africa Act had further important and enduring implications for South Africa's foreign relations.*
>
> *"Following the British Westminster model, a parliamentary 'form of government' - a cabinet system - was established. This arrangement in practice greatly strengthened the role of the executive branch of government over that of the legislature in policy making.*
>
> *"In the realm of foreign policy making specifically, it is appropriate to say that the Westminster system tends to impose further restrictions on the already limited, secondary role that legislatures commonly play relative to that of executives."*

It may be that what is described regarding foreign affairs was merely an extreme example of a broader phenomenon: the legislature in pre-1994 South Africa tended to rubber stamp decisions of the executive.

There were no vehicles for ensuring that the legislature made a creative input into the governmental process.

Parliamentary committees in the old system were basically called in to refine the language of what had been drafted by the executive. They met in secret and seldom made significant changes to what had been drafted.

*There is a traditional culture of secrecy in foreign affairs. Information is only disclosed when there is a crisis*

More specifically, with regard to foreign affairs there is a traditional culture of secrecy, where information is not disclosed unless there is a crisis or some such eventuality forcing a break in practice.

## Involving Parliament

This article operates from the premise that Parliament should be involved in the process of foreign policy making: that foreign policy should not be the exclusive preserve of professional diplomats and the Ministry of Foreign Affairs.

(Strictly speaking, foreign policy is not the exclusive preserve of the Department of Foreign Affairs and is made and influenced by many other ministries.)

There is no reason why foreign policy should enjoy a special status in relation to the public and Parliament, compared with other areas of policy. Every area of policy is unique. But no area of policy can enjoy a status so special that it is outside of control and democratic influence.

We need to remember that whatever is done by the Minister or the Department of Foreign Affairs is done in the name of South Africa and the public. How do we react to what is done in our name? How do we monitor what is done in our name, and how do we ensure that it accords with our conceptions of what ought to be done?

Parliament is the pre-eminent institution through which the public expresses its views. We need to move away from a situation which presumes that because foreign affairs - like every other field of policy - has a special area of concern, it can be exempted from the same degree of parliamentary scrutiny that applies to defence or security or home affairs.

There is a form of elitism that can easily be allowed to re-develop in the executive unless we are wary. It is inimical to democracy, whether it comes under the guise of professionalism or not.

We must be wary of a claim that the public is not really interested in external relationships and we should concentrate on providing the information that will make such interest viable.

David Fig of the Group for Environmental Monitoring, in a submission to the Parliamentary Portfolio Committee on Foreign Affairs on May 31, critiqued the prevailing situation through reference to the controversy over the review of the Treaty on the Non-Proliferation of Nuclear Weapons (NPT):

*"All of this was decided, over our heads, by the Ministry of Foreign Affairs, which never sought to make the debate public in South Africa.*

*"In a number of approaches to officials of the Ministry it became clear that the officials had taken few if any steps to sensitise the public to its decisions; in fact, enquiries were treated with incredulity that the public might have any interest in the outcome of the New York conference.*

*"At most I received bland and patronising responses to questions about South Africa's official position. My abiding impression was that the Ministry was not behaving in...a transparent fashion.*

*"It assumed, moreover, that South African citizens were passive and unconcerned about the future of international relations, global security and the survival of the planet over the next 25 years.*

*"There is indeed a significant domestic constituency interested in these things. We have a perfect right to be. And we have a perfect right to demand full information of the Ministry."*

These are some of the reasons why Parliament must be involved in foreign affairs. The bulk of this article addresses how that involvement should be manifested.

## New rules

The evolution of the relationship between legislature and executive in the new dispensation is still being worked out. Nothing is final. This is a transition period.

The new Parliamentarians elected - especially the African National Congress (ANC), which drove the process of reform - were not prepared to follow in the steps of their predecessors and explicitly rejected the idea of being rubber stamps of the Cabinet.

Parliament is now seen as having a distinct role to play in the process of government. A revised parliamentary system is being developed in order to provide for the creativity of every member. This process also ought to facilitate the connection of Parliament to the public, through the committee system.

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*We must be wary of a claim that the public is not really interested in external relationships*

*The new Parliamentarians explicitly rejected the idea of being rubber stamps of the Cabinet*

*Parliamentary committees can summon people, procure documents and receive representations*

Rule 52 of the revised rules of Parliament, passed in February 1995, now empowers committees, among other things, to:

> *"monitor, investigate, enquire into and make recommendations relating to any aspect of the legislative programme, budget rationalisation, restructuring, functioning, organisation, structure, personnel, policy formulation or any other matter it may consider relevant, of the government department or departments falling within the category of affairs assigned to the committee...and may for that purpose consult and liaise with such department or departments...'*

In execution of these duties a committee has power, among other things and according to Section 58(2) of the Interim Constitution, to:

- Summon any person to appear before it to give evidence on oath or affirmation.
- Summon any person to appear before it to produce any documents required by it.
- Receive representations from interested people or parties.

*The relationship between the committees and ministries has varied*

A number of committees immediately acted to implement the new powers. In considering legislation, committees have met in public and in some cases received a great deal of written and oral evidence.

On other matters of public importance, such as consideration of draft policy documents, some committees have solicited public comments, some of which has been in writing, others orally.

The committees themselves have made inputs to their departments on policy and legislation. In some cases this has led to substantial exchange of views and revisions of policy positions and legislation.

*The new rules have provided opportunity for certain modifications of the old situation*

The relationship between the committees and various ministries has varied, and has been affected by several factors, including whether or not the Minister concerned is an ANC Minister, the personal style of the particular Minister, and the style, capacity and dynamics of the committee concerned.

Obviously the degree of cooperation between non-ANC Ministers and ANC dominated committees or ANC committees chairpersons can have definite limits.

But it is also true that the personal style of particular Ministers and Deputy Ministers - irrespective of their party affiliation - often determines the character of the input that committees are able to make. For someone who has never been a Minister before, the input of another factor into decision making may seem an unnecessary diversion.

There are no inherited mechanisms to ensure consultation with Committees or to ensure advanced notice of legislation and so on. Often consultation or briefing does not take place. Consequently, not every relationship is a smooth one.

Another important issue is building the capacity of committees to fulfil tasks that fall upon them. At present, most committees - including Foreign Affairs - are without any administrative or research back up. For any significant role to be performed, this will have to be remedied.

## After April 1994

The process of decision making on foreign affairs is not substantially different under the ANC led Government than it was before. Colin Eglin, Democratic Party Member of Parliament, remarked in the 1995 Foreign Affairs budget:

> *"Let me say as an outsider that it is not very clear what the Foreign Policy formulation process involves today. It is not very clear, it is not very obvious and frankly, it is not very transparent."*

Decisions with foreign policy implications are made by the President, Vice Presidents, Minister and Deputy Minister of Foreign Affairs and various other Ministries - in particular Trade and Industry, Home Affairs and Health.

In regard to the main actors - the Presidency and the Ministry of Foreign Affairs - there remains little room for input by the public or Parliament. The idea of such an interaction is welcomed in public statements by the Ministry, but decisions in fact take place without an opportunity for input.

But the new rules have provided opportunity for certain modifications of the old situation.

### ❑ Accountability

Unlike previous parliaments, the new one has taken steps to ensure that Ministries are

more accountable. A particularly significant step has been the recent process of reviewing the budgets of the ministries.

The Government of National Unity issued instructions to all departments to begin a process of thorough reprioritisation in the light of new objectives. Parliament instructed the committees to monitor the extent and manner in which departments reflected re-prioritisation in their budgets.

What the process threw up in the case of Foreign Affairs was an agreement over the overall goals of foreign policy, but a disagreement between the committee and the Ministry over how this ought to be reflected in the budget. The committee obtained a great deal of documentation in response to questions asked of the Ministry.

In analysing the documentation in its report on the Foreign Affairs budget vote on May 10 the committee criticised, among other things, the allocation of funds to missions, showing that of R645 million budgeted for foreign missions only around R105 million was allocated to missions in Africa.

The Minister responded to the criticisms in a speech to the National Assembly on May 18.

Where do we go to from here? There are no precedents, nor any rules. But it may be that the committee will pursue matters by inviting the Ministry to appear before it. At the very least these issues are likely to be pursued in the next budget in a more elaborated form.

### ❑ Briefing by the Ministry

There is no rule regarding the extent to which the department should brief the public or the Portfolio Committee. In recent times, there has been a tendency for the Ministry to provide a fair number of briefings.

These are sometimes briefings of a general character by the Minister, Deputy Minister or Director General. There is no regular mode of briefing to the public.

Until now, briefings to the committee have generally come at the request of the committee. These have related to significant international controversies or crises such as the NPT and Lesotho crisis of 1994. There is no record of briefing of the committee by the Ministry at the instance of the Ministry, prior to an important decision or visit.

### ❑ Decision making inputs

Involvement in the process of making inputs into the decision making process is entirely absent. Let us be clear what is sought. It is not a goal of the legislature or the foreign affairs committee to become part of the executive. It is not sought to make day to day decisions, nor to be involved in the specific staffing of individual embassies.

The committee does not wish to have a part in the implementation of policy. It does not deny the need for speedy action by the executive. It does not want to stand in the way of flexibility that may be needed in day to day diplomacy.

But what is needed is an opportunity to make a contribution towards an overall pattern, an input within the decision making process, to contribute to the framework of foreign policy decision.

To do this means that information is needed and the committee needs to know in advance what issues can be foreseen as likely to require decision. There then needs to be an opportunity for the committee to provide its views. Only with shared information can such a contribution be made.

What Laurie Nathan wrote with regard to the military is applicable here:

> *"Formal mechanisms of control and oversight may be frustrated or rendered ineffectual if critical information is absent, incomplete or misleading.*
>
> *"The problem is where to draw the line between the public's 'right to know' and the need for confidentiality in the interests of national security (in this case effective diplomacy: author). There is no obvious solution to this dilemma.*
>
> *"Nevertheless, there is a vast difference between South Africa's historical obsession with secrecy, as reflected in the Protection of Information Act and other legislation, and an emphasis on 'freedom of information' which is guaranteed in law."*

It may be that having sought and obtained some general information in advance - for example the schedule of meetings of the Ministry on a range of multilateral and bilateral issues - the committee could anticipate issues on which it might wish to

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*But the committee does need to contribute to the framework of foreign policy decision*

*Foreign policy may be best made when backed by a public consensus*

make a contribution. It could then seek an interview with the Ministry on those matters and try to make an input.

### ❑ Ratifying treaties

The previous constitution left the power to negotiate and ratify treaties in the hands of the President. In Section 231(2) the Interim Constitution, in contrast, leaves the power to ratify in the hands of Parliament. Parliamentary approval is now an integral part of the treaty making process.

This may provide an opportunity for inducing greater public awareness of our international obligations as well as popularising some important treaties, for example the United Nations Human Rights Covenants, thus contributing to a democratic culture in the country.

*If it has a chance to input before decisions, the legislature may be able to make an important contribution to foreign policy*

There is also a process of revision built in to certain treaties, for example the 1980 Treaty on Prohibition or Restriction on the Use of Certain Weapons. When the Portfolio Committee considered the matter it also indicated that it would want the opportunity to contribute to discussion on developing further protocols.

### ❑ High officials

The appointment of ambassadors is constitutionally within the powers of the President. But consideration needs to be given to the possibility of Parliament playing a role, interviewing candidate ambassadors and other high officials before appointments are finalised. This would add legitimacy to appointments.

## Public involvement

Foreign policy may be best made when backed by a public consensus. To achieve this requires a great deal of public education on foreign policy issues.

Perhaps the committee could assist. Already in the process of reviewing the foreign affairs budget, evidence was solicited from academics and institutes involved in foreign affairs issues. It may be that publicity around oral evidence will enhance public awareness and contribute to developing a debate on foreign policy.

There are also sectors of the public that have very definite interest in the outcome of foreign policy formulation. The committee should try to be a medium through which such positions can be heard.

## Ministry statements

The Minister, deputy Minister and Director General of Foreign Affairs have repeatedly acknowledged the importance of forming a creative relationship with the Portfolio Committee.

In the 1994 debate, the Deputy Minister of Foreign Affairs acknowledged that foreign affairs must involve all sectors of government and civil society. He argued that the Portfolio Committee on Foreign Affairs should:

> *"...play a greater role in the formulation of foreign policy. We are looking forward to a very dynamic relationship with that committee and we hope that we can enrich each other in this process."*

It has also been stated that inputs from the committee on issues like China and Western Sahara would be appreciated.

There is, however, no institutionalised mechanism for this relationship to be developed. There is no regulated structure within which meetings take place and briefings are given nor any structure for feedback. It is important to find some way of regularising the inputs of various actors and ensuring that South Africa makes the most of new opportunities.

## Conclusion

The failure to talk to one another before important decisions makes it hard to have good relations. It impedes the type of common reflection on policy that is needed to move away from *ad hoc* approaches to foreign relations.

Provided it has an opportunity to input before decisions and not only after the event the legislature, through the committee, may be able to make an important contribution. Foreign Affairs, to adapt what has been said with regard to military activities and security policy, should be sufficiently transparent to enable meaningful parliamentary and public scrutiny and debate. IPA

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# Continuity Rather Than Change

## South Africa's 'new' foreign policy

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*For too long the theory which underpinned South Africa's foreign policy was uncontested ground in the country. The ending of the Cold War has opened up new discourses in international relations: they need to be drawn much closer to the debate on South Africa's emerging foreign policy.*

***"We have no eternal allies, and we have no perpetual enemies. Our interests are eternal, and those interests it is our duty to follow."***

*Lord Palmerston, 1848*

The text and sub-text of South Africa's foreign policy were once quite simple. Slavishly committed to the central tenets of western economic interests, the country's security was dedicated to ensuring the preservation of white supremacy.

The making of foreign policy was closed, confined to 'a kind of an elite' almost exclusively made up of white Afrikaner males. Even within the confines of the limited (and limiting) minority democracy, foreign policy was the preserve of dictatorial figures - Hendrik Verwoerd on the Republican decision and PW Botha on the country's destabilisation of the region illustrate the point.

The traditional narrative around South Africa's foreign policy was standard Cold War. At its root was a haughty confidence that eschewed any questions about both the nature of the South African state and the course of international society.

This perspective reinforced patterns of official behaviour and determined - as it still appears to - the country's response to international impulses.

### Deeper forces

But deeper forces are at work, and understanding them is only possible against the backdrop of image and self image. This is especially important in foreign policy where - certainly, nominally - the late Victorian values of firmness, discipline and thrift have underpinned South Africa's appreciation of itself in international society.

In the much loved - but analytically quite threadbare - dichotomy represented by the poles of order and justice: South Africa was quintessentially for the former. And it is difficult to find a single instance of South Africa's behaviour in the world which has not been informed by this consideration.

A few additional conceptual points help to secure the platform upon which to understand continuity and change - an equally threadbare analytical tool - in South Africa's foreign policy.

The national *weltanschauung* profoundly influenced, and was influenced by, the idiom within which the state conducted its international relationships. There is no underestimating the importance of the narrow security driven idiom which closed off all other avenues of discourse.

Less than a decade ago, South Africa's United Nations ambassador told the Security Council 'to do their damnedest', and evidence of apartheid's extra-territorial mischief making - in the name of fighting a

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*The traditional narrative around South Africa's foreign policy was standard Cold War*

*The policy process in South Africa was entirely cut off from the domestic public*

'total onslaught' - was to be found in places as far apart as Oman, France and Sri Lanka.

In framing this behaviour apartheid's foreign policy makers drew on the crude realist paradigm which has inspired most modern discourse in international relations. This approach was embedded in the belief that - irrespective of the challenge to its domestic political legitimacy - South Africa had real, even 'legitimate' interests in the international system.

As the challenge to the apartheid state deepened in the 1970s and 1980s, South African foreign policy makers appeared to believe that any - perhaps all - methods could be used to defend the country's sovereignty and secure its self interest. Why else would the country manufacture seven and a half atom bombs?

Many of these features were not exclusively South Africa's foreign policy, of course. During the Cold War, most countries used realist templates to understand and respond to international questions, but three important differences set South Africa apart from the general cases.

*The ANC had a distinctive international personality which enjoyed extensive legitimacy*

## Comparisons

First, the policy process in South Africa was entirely cut off from the domestic public. Organised public interest in foreign policy and international relations - such as there was - supported, rather than challenged, exclusivity around the making of foreign policy.

This contrasts with the experience elsewhere. In the 1980s, organised public interest increasingly became a feature of foreign policy making in most democracies. Indeed, the international response to apartheid was a case in point: official shifts on the issue in the United States and in Britain were orchestrated by organised public pressure.

*South Africa's foreign policy is being conducted in a near carnival atmosphere*

Secondly, sanctions against South Africa compounded a problem associated with the country's geographic isolation. Being located far from competing centres of power meant that public discussion - limited as it was - on the issue was self centred and very parochial.

As taught in its schools, the country's positioning in the world was little more than a conspiratorial listing of the international 'wrongs' the country had suffered at the hands of its enemies. When it moved beyond this, the dominant themes were pro-western - Reagan's Washington and Britain under Thatcher were far closer to the mind of South Africa's voting public than were Swaziland or Lesotho.

Finally, there was a serious disjuncture between the theory which drove apartheid's foreign policy and its practice: but appreciating this was rendered impossible by the limitations of orthodox international relations methodology.

With its many lacunae, the study of international relations was largely uncomfortable with what to do about liberation movements. Were they - like the Basque separatist movement, ETA - sub-national elements within established nation states? Or as in Zimbabwe's case, part of the Cold War contest for the state itself?

In South Africa, however, something else was in place. The African National Congress (ANC) had features of both the ETA and Zimbabwe's Zanu and Zapu but - and this is the point - it also had a distinctive international personality which enjoyed extensive legitimacy: at times occupying a larger space in world affairs than did the South African state.

Like many other aspects of South Africa's international relations, this dimension was silenced by draconian security legislation.

## Changed politics

Politically things are very different now. South Africa's foreign policy is being conducted in a near carnival atmosphere. The fanfare which heralded its return to the international community make it an unusual country in a world in which grey uniformity is preferable to the rainbow option.

The experience of the April 1994 election, and the compromise at its base, suggested that - contrary to what the world believed would happen, and was itself experiencing - South Africans could rise to the essential challenge of the times: people who fundamentally differed could find a way to live together in peace and harmony.

More importantly in the short term, Nelson Mandela's courageous life and his towering stature have marked him as, perhaps, the last

true hero of the 20th Century. Queens, statesmen and common garden political leaders far and wide have beaten a path to his door.

The country's geographical location - once the bane of its international life - appears to have become an asset: aid agencies and, to a lesser degree, international companies are using South Africa to service the region and the continent.

The country has established diplomatic relations with 163 countries, and has acceded to 86 bilateral and 21 multilateral treaties since the inauguration of Nelson Mandela. But all these accoutrements have not made for a coherent foreign policy: indeed, in making foreign policy the new South Africa looks decidedly like the old.

## 'New' foreign policy

Like in many areas of its emerging personality, South Africa's 'new' foreign policy suffers from a crisis of multiple identities. This is not surprising.

The challenge of creative international policy in a confusing new world appears to have flummoxed experienced foreign policy makers and politicians in most countries. In post-apartheid South Africa, however, very specific symptoms of the malady are to be found.

Consider the issue of idiom. The mythology around George Bush's notion of 'new world order' has been surprisingly close to the framing of post-apartheid foreign policy. Nelson Mandela's speech writers have cued the President to uncritically use the phrase on several occasions. Foreign Minister Alfred Nzo has also used it, most recently in the speech to Parliament on his budget vote.

Understanding the immediate reasons for this particular rhetoric is not very difficult. The ending of the Cold War has produced very few coherent explanations for the deteriorating pattern of inter-state relations.

## Foreign Affairs

For the most part, the process of drafting presidential and ministerial speeches on international relations topics falls on the Department of Foreign Affairs, which has uncritically absorbed the language on the post-Cold War world from successive American administrations.

Understanding this raises questions about the bureaucracy. Although potentially the strongest department of the apartheid regime, Foreign Affairs was cowed by the long years of fighting isolation and acutely affected by the 16 year stewardship of former Foreign Minister, Pik Botha.

Anecdotal evidence suggests that in its ranks are great pools of competence, but that they were sidelined by cronyism and an emerging *ennui* in the mid and late 1980s.

The Department has other shortcomings: these have less to do with the notoriously poor analytical indicator of individual personality than with the situation in which the country found itself in the 1970s and 1980s - decades which were important to the development of modern diplomacy.

In crucial areas there is little or no expertise. Excluded from all but a handful of rarefied international organisations, apartheid had little need, or opportunity, for multilateral relations. This lack of experience may well prove to be a considerable handicap in a world in which multilateralism has become the prevalent form of diplomacy.

Arguably the ANC had more multilateral experience than did apartheid's diplomats: after all they were active in the United Nations, the Organisation of African Unity and the Non-Aligned Movement. In addition, both the late Johnny Makatini and Oliver Tambo built solid reputations as liberation diplomats within multilateral forums.

But access to this store of knowledge has been largely blocked by the slow process of absorption of the liberation movements into the Department of Foreign Affairs. Much of the formal blame for this lies in the confusion around the sunset clauses in the transition arrangements: in particular, the undertaking - no more, mind - to absorb the 'foreign ministries' of the former homelands.

The irony is that in this new period, the diplomats from apartheid's independent homelands seem poised to play a greater international role than was ever previously afforded them. But there is an impoverishing side to this: cadres with real international experience have been excluded.

Even when exile diplomats have been drawn into Foreign Affairs, this has not been gracefully done. Again, anecdotal evidence

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*The transforming the Foreign Affairs has been both skewed and slowed by the rush to appoint black staff to foreign missions*

suggests that levels of resistance have been high.

This is also not surprising: almost inevitably, incumbent bureaucrats strongly resist external intrusion, and South Africa's diplomats are no exception. South Africa's long serving diplomats have been at some distance from the raw passion of the country's day to day politics.

Posted abroad and cut off from the intense struggles of the 1980s, they may have little appreciation for the great wells of talent within the ranks of the country's majority. This distance may have been compounded by the elitist image which Department members have always had of themselves.

The process of transforming the Department of Foreign Affairs has also been both skewed and slowed by the rush to appoint black staff to foreign missions, which has left the internal workings of the ministry untouched.

*In most cases the 'new' foreign policy appears to be made by those who made the 'old' foreign policy*

In most cases the 'new' foreign policy appears to be made by those who made the 'old' foreign policy. Hopes that this might be changed by the appointment of senior staff in the ministry have been put on hold: it has taken more than a year to appoint second tier leadership.

The decision to appoint until the end of his current tenure Rusty Evans, the incumbent Director General of Foreign Affairs, was not without controversy of its own.

All this may have affected the public image of the Department and brings us back to the flamboyant Pik Botha. He was - and remains - a master of the sound bite: in conferences and on the hustings his dramatic performances gained him a certain international notoriety. But it was on television, where a two minute appearance would guarantee voter approval for the Department, that he is most sorely missed.

*A central threat to South Africa's 'new' foreign policy may well be the absence of a public profile*

This digression should not be read as an attack on Alfred Nzo. He is a person very different from his predecessor: far more the Victorian gentleman than any previous South African Foreign Minister.

Nzo's contribution to the process of building a new set of international relationships is, frankly, unknown. Official sources credit him with securing sets of relations with the African continent, but whether or not this has actually turned on his president or on Africa's joy at South Africa's return is uncertain.

The point of the comparison is that a central threat to South Africa's 'new' foreign policy may well be the absence of a clearly defined public profile. This promises to be important in South Africa where - again nominally - budgets and efficacy of government departments will be closely watched.

## Economic determinism

In systemic ways, South Africa's very success at transformation was destined to attract the dominant international discourse of the centrality of the market.

The ending of the Cold War witnessed the rise of a new genre of realism in international relations - trade and economic determinism.

It holds, quite simply, that the new conflicts are economic: that only countries who are positioned to respond to this can becoming 'winning nations'.

Of course there is ample superficial evidence to support this view, but it has been driven by economic interest groups in most countries and South Africa is no exception. The watchword of this neo-mercantilism is clear: the business of foreign policy is finding business.

This perspective has been enthusiastically embraced by the Department, which sees it as a means of contributing to the Reconstruction and Development Programme. But it faces an immediate challenge from the increasingly vociferous Department of Trade and Industry which was previously a bureaucratic backwater.

Trade and Industry has to all intents and purposes cornered the proverbial market on South Africa's international economic positioning. They have steered the debate and negotiations over South Africa's links with the all important European Community and set out the issues on the country's association with its immediate neighbours through the still to be refurbished Southern African Customs Union.

In all this the Department of Foreign Affairs has followed: although its is fair to say that individuals have made a difference, particularly on the European Union question.

## Security

If economics is one face of the 'new world order' debate in South Africa, the other is security. Here too the discourse has not been carried by Foreign Affairs but in this case by the South African National Defence Force (SANDF).

Like many other transitions - those in Spain and Portugal come to mind - South Africa's has been powerfully cast within a distinctive security conscious mind set which has uncritically continued to pursue the narratives and idiom of the security debates of the past.

True, the simplistic notions of a 'total onslaught' which were driven by crude strategic logic have been replaced by a familiar set of 'new world order' issues - migration, drugs, small arms proliferation.

While each represents distinctive challenges to the South African Government, whether - taken individually or together - they represent a threat to the security of the state is an altogether different question. The necessary unpacking of each suggests how dangerously simplistic policy approaches to issues can become when they are cast in the restricting logic of traditional strategic thinking.

In South and southern Africa, issues are only properly understood - let alone responded to - within a series of wider social contexts: migration within the context of the region's political economy, drugs within anthropology and rural economics, and small arms within township violence and the struggle for scarce resources at local level.

The strategic logic which underpinned the *ancien regime* made some sense in the context of, say, maritime security intents but even used in the context of the hotly debated issue around the Navy's desire to purchase four Corvettes, it has been shown to be wanting. The country's maritime interests may be best served by developing a comprehensive maritime policy in which the Navy might play a major, though not the dominant, role.

## Neighbourly relations

These macro and micro-security concerns touch the very core of South Africa's foreign policy: the country's relations with its neighbours.

And, quite understandably, southern Africa - certainly in abstract terms - has been identified as the priority area by Minister Nzo, his deputy Aziz Pahad and senior bureaucrats in Foreign Affairs.

But beyond declarations there seems to be a void. Although an elaborate scaffolding is in place both for a new regional security and economic structure, South Africa appears to be hesitant. In limited ways, the country is caught in a complex role - does it follow or lead the region into the 21st Century?

With Botswana and Zimbabwe, South Africa has shown the capacity to deal with the deteriorating situation in Lesotho by using a judicious mix of traditional diplomatic instruments.

Lesotho's tragedy, however, is that it may defy the solutions which these offer: until and unless the security of Lesotho's people is incorporated in a wider regional context which ensures them access to the contribution they have brought to South Africa's wealth, there can be no lasting peace in that country.

This means that the sub-region's borders will have to re-examined: Lesotho might, perhaps, only be stabilised by incorporation in a greater South Africa. The same logic applies to Swaziland and maybe Botswana.

There is, however, no indication that those who make regional policy are prepared to move the debate beyond the set routines of preventive diplomacy.

## Hard choices

Underlying all this, of course, is the nagging question of whether the new South Africa will be confident enough to draw on its domestic experience of reconciliation and help chart new directions in Southern Africa.

There are hard choices to be made in southern Africa: they are not to be found in the narrow discourse of orthodox realism but in the emerging global contours which are to be found beyond the nation state.

Innumerable other issues - of both theory and policy - remain in the air. Much to the chagrin of the Department, the increasingly assertive Parliamentary Committee on Foreign Affairs recently pointed out the inherent contradictions in the re-prioritisation of the country's foreign policy.

*The simplistic notions of a 'total onslaught' have been replaced by a set of 'new world order' issues - migration, drugs, small arms proliferation*

*Southern Africa has been identified as a priority, but beyond declarations there seems to be a void*

*There is no indication that those who make regional policy are prepared to move beyond the set routines of preventive diplomacy*

*Foreign policy continues to be made by an elite which is deeply influenced by the country's past*

While - certainly nominally - Africa enjoys precedence over Europe and North America, budget reallocations to match the new priorities have apparently not been possible. At issue is the immediate problem of bureaucratic transformation, but much deeper is the issue of foreign policy making in a democracy.

But how free is South Africa to produce an individual and authentic narrative of itself in the world beyond the Cold War?

In the single instance - the Treaty on the Non-Proliferation of Nuclear Weapons - where it seems South Africa did decisively manage to re-direct the course of events through a new and distinctive approach to international relations, nearly all the kudos were lost because the country has been seen to be too close to the United States.

*New discourses in international relations need to be drawn closer to South Africa's emerging foreign policy*

This is an interesting case which deserves greater attention than is possible in this space. The point is that if, as the South Africans claim, they did manage to increase the prospects for extending the Treaty, why has the United States been reluctant to allow the new South Africa to claim the scalp?

Then there is great confusion around President Mandela's approach to foreign policy issues: both China and Indonesia demonstrate the problem. For a mix of reasons - economic, sentiment and confusion - the country continues its formal recognition of Taiwan.

The simple clock which will determine the ending of British rule in Hong Kong suggests that this policy has a limited shelf life. Despite compelling evidence that it represents a trip wire, President Mandela continues to make conciliatory noises towards the island.

Indonesia is a slightly different case. The President visited the country on two occasions: in a recent trip he is reported to have has raised his concern over East Timor. But the worrying thing is that he has been not sufficiently forceful in promoting the requisite human rights narrative.

All the evidence suggests that South Africa's foreign policy continues to be made by an elite which is deeply influenced by the country's past international experience. This raises serious questions for progressive research.

## Conclusion

For too long the theory which underpinned South Africa's foreign policy was uncontested ground in the country. With few exceptions, intellectuals uncritically accepted the necessity of the realist paradigm which did little more than promote sectional interests.

The ending of the Cold War has opened up new discourses in international relations: they need to be drawn much closer to the debate on South Africa's emerging foreign policy. South Africa can play an important role in changing the debate on the course of international relations.

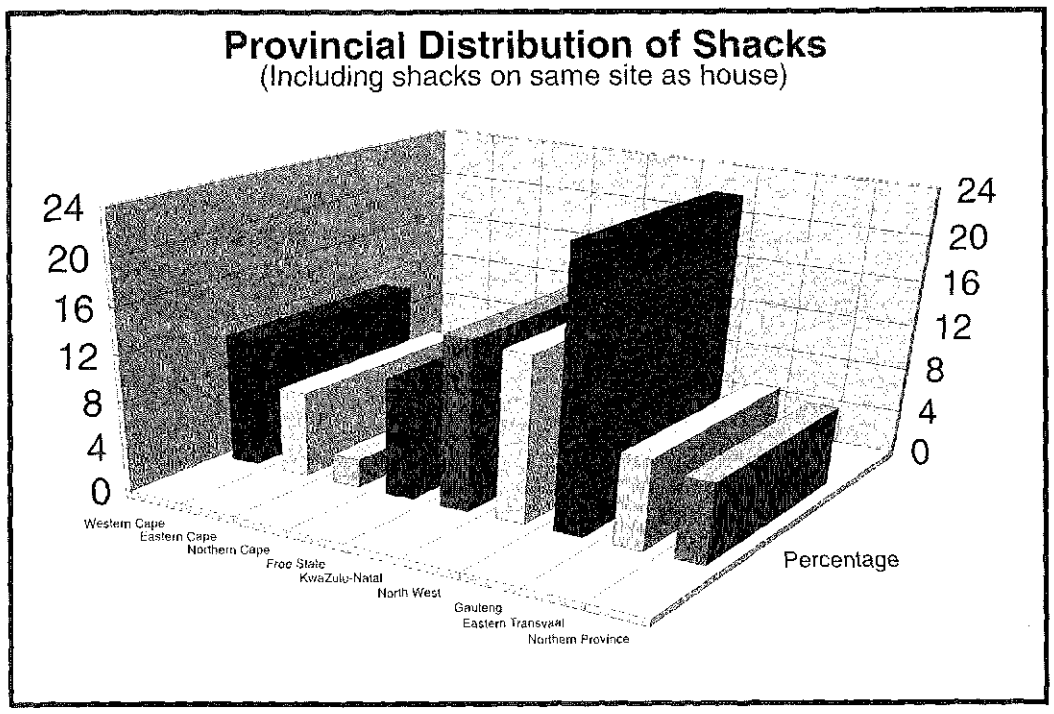
The rainbow option can become a force for intense new understanding of human relations as the 21st Century approaches, and the example of Mandela's life needs to inspire more than failing politicians, retired statesman and ageing monarchs.

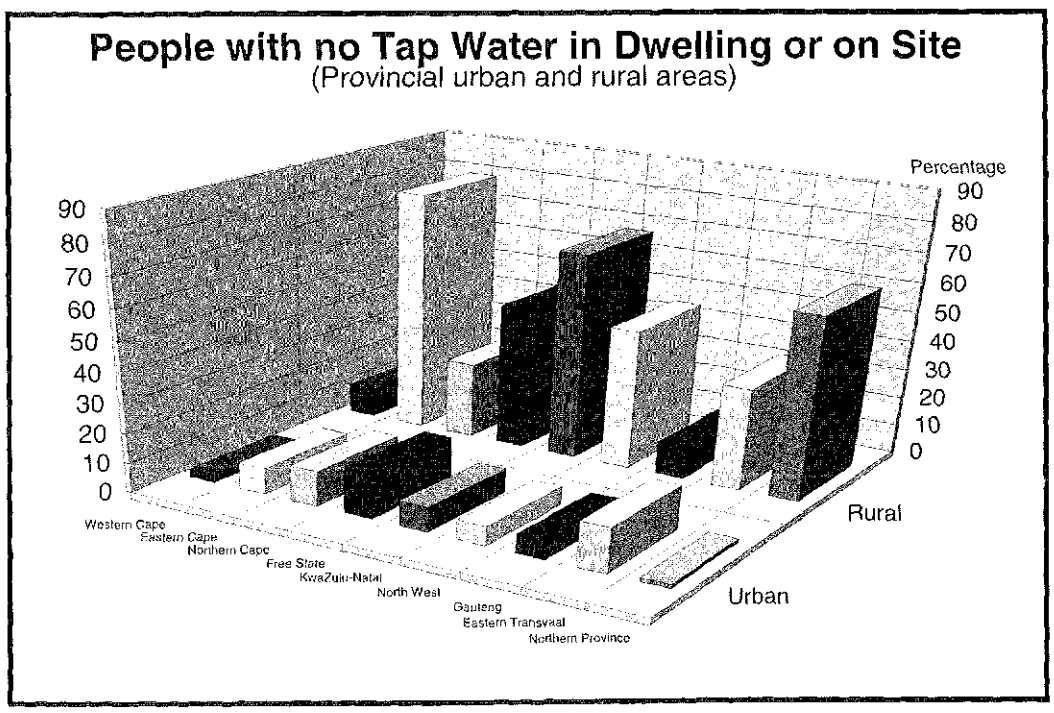
To do this, foreign policy makers will have to draw on the insights and energies of community groupings and unions. But they may also have to turn to the inventions of the future offered by a new and critical generation of intellectuals. IPA

* This paper is a version of an essay entitled 'The Practice of South Africa's "new" Foreign Policy', published in the *Southern Africa Report*, Toronto, Canada.

# DEVELOPMENT MONITOR

## PROVINCIAL DISTRIBUTION OF CERTAIN AMENITIES




**Source**: Central Statistical Services (1995) The Socio-Economic State of South Africa as reflected by October Household Survey and the HDI.

# Indicators for Africa

## The October Household Survey

***By Valerie Møller***
***Centre for Social and Development Studies, University of Natal***

*Government departments in the new South Africa have acknowledged the crucial role statistics should play in guiding the planning and delivery of services, and social indicator fever is sweeping the country. The latest comprehensive database of indicators is the Central Statistical Service's October Household Survey of 1994, conducted to make information available for the Reconstruction and Development Programme.*

*The October Household Survey is one of the Presidential Lead Projects*

Social indicator fever has reached epidemic proportions in the new South Africa. Throughout the country government departments at all levels are compiling wish lists of information for good governance, effectively acknowledging the important role statistics should play in guiding the planning and delivery of services.

Government departments are first identifying goals, and then translating them into an array of key indicators against which performance can be monitored. Much of the information required is already at hand in records kept by government departments and service organisations.

However, departments are also looking to fresh data sources. It is envisaged that multi-topic household surveys will increasingly serve the information needs of planners and policy makers.

*The survey yields the first official comprehensive picture of the state of the country and of the new provinces*

### Lead Project

Tellingly, the new October Household Survey is one of the Presidential Lead Projects. The October Household Survey of 1994 is the first official survey undertaken by the Central Statistical Service (CSS) with the specific aim of making information available for South Africa's Reconstruction and Development Programme (CSS 1995a).

As Jay Naidoo, Minister without Portfolio in the Office of the President points out, quality information can be a powerful weapon to ensure efficiency and proper planning.

The annual Survey will provide vital statistics to guide the reconstruction and development process in South Africa. There are other Lead Projects on land reform, provision of water and sanitation, urban renewal, the primary school feeding scheme, free health care for pregnant women and children under six, and clinic building (CSS 1995b).

The October Household Survey of 1994 is a benchmark in the history of South African information gathering. It covers more than 30 000 households countrywide and includes the former Transkei, Bophuthatswana, Venda and Ciskei states, which were previously excluded in country statistics.

Thus, the survey yields the first official comprehensive picture of the state of the country as a whole and of the new provinces. Future developments will be measured against the 1994 baseline.

The October Household Survey of 1994 follows hard on the heels of the Saldru-World Bank multi-topic household Survey

on Statistics for Living Standards and Development, which reported on poverty and inequality in South Africa (Saldru 1994).

The Living Standards Survey pioneered countrywide coverage but was conducted in the second half of 1993, before the Government of National Unity took office and the new provinces were designated. The October Household Survey confirms many of the facts revealed for the first time in the Living Standards Survey.

Thus South Africans are becoming more confident of their country's statistics and the baseline figures of poverty and under development. By the same token policy makers and analysts are better able to estimate the size of the problems which must be overcome to meet the needs of the population.

The October Household Survey follows international survey practice. It covers topics such as biographical information, education, migration and income, economic activity in the formal and informal sector and unemployment, and births and deaths.

The 1994 Survey was designed to monitor the future impact of reconstruction and development programmes including the Presidential Lead Projects, and therefore inquired into issues such as housing and service provision, the incidence of migrant households, health and health care, perceptions of crime and security, and the environment.

Various sections of the Survey will supply the information needed to regularly update measures of the Human Development Index. The Index is currently widely used as an alternative to purely economic measures of development. It is considered a useful tool to compare the development standing of countries and to monitor relative progress in improving the quality of life of a nation (see O'Donovan 1995).

## Indicator fever

The growing awareness of social indicators and what they signify for the task ahead are a sure sign of the new democratic order, in which the need to know about the state of the nation is shared by policy makers and citizens alike.

Indicator fever is sweeping the country. Preoccupation with measuring the state of the nation and where the country and its people are going is not limited to the Government of National Unity.

The new South African social indicator movement has gained a wide following among public and private service providers, and research organisations based in parastatals, tertiary institutions, non-governmental organisations and community based organisations.

This is particularly evident in the fierce competition among the end users of reliable national statistical information to ensure that the October Household Survey will supply the information their organisations require.

The public was initially invited to submit their wish lists to be included in the survey instrument. Currently an advisory committee with wide representation of all stakeholders is assisting the Central Statistical Service to ensure that further rounds of research will produce optimally useful information.

## Deciding content

Although the designers of the October Household Survey are guided by international practice, there are no hard and fast rules about what questions should be asked and in what manner.

Compared to other African countries, South Africa has the infrastructure to collect large quantities of systematic data. However, nationally representative surveys are expensive and it is therefore important to collect only what is useful now and in future.

A current concern of the advisory committee is to include in the Survey key questions which are too detailed and time consuming to ask in the Population Census scheduled for 1996. In this sense information supplied by the Census and the Survey can complement each other.

An important feature of the Census is that it pinpoints the exact distribution of the population and services for detailed planning purposes. Even with 30 000 participating households, the October Household Survey cannot match this detail. Survey information cannot be disaggregated below the provincial level.

A further consideration is which questionnaire items in the Survey constitute

*South Africans are becoming more confident of their country's statistics*

*Policy makers are better able to estimate the size of the problems which must be overcome*

*South Africa has the infrastructure to collect large quantities of systematic data*

## Select quality of life indicators: 1994 October Household Survey

| | African | Coloured | Indian | White | Total |
|---|---|---|---|---|---|
| Population | 30 944 267 | 3 472 960 | 1 038 851 | 5 192 498 | 40 648 594 |
| Urban (%) | 35,6 | 83,1 | 96,1 | 91,0 | 48,3 |
| ***JOBS*** | | | | | |
| Unemployed[1] (%) | 41,1 | 23,3 | 17,1 | 6,4 | 32,6 |
| Main reason for being unemployed | | | | | |
| * Lack of skill or qualification (%) | 35,7 | 22,0 | 10,6 | 7,7 | 33,3 |
| * Cannot find suitable work (%) | 59,6 | 69,1 | 82,1 | 65,2 | 60,8 |
| Looked for work for over one year (%) | 70,0 | 56,2 | 52,3 | 39,2 | 67,6 |
| ***HOUSING*** | | | | | |
| Characteristics of dwelling occupied by household: | | | | | |
| Average estimated value (R1000) | 15,3 | 41,7 | 90,0 | 167,2 | 50,9 |
| Six rooms or more (%) | 14,1 | 9,2 | 20,3 | 50,8 | 21,2 |
| Shack accommodation (% of of urban dwellings) | 18,0 | 2,0 | 0,0 | - | 9,4 |
| ***HOUSING SERVICES:*** | | | | | |
| **Rural water supply** | | | | | |
| Main source of domestic water for rural dwellings: | | | | | |
| * Piped water to dwelling/site (%) | 28,5 | 82,2 | 65,9 | 82,3 | 32,6 |
| * Unprotected spring/dam/pool/ stagnant water (%) | 8,2 | 2,7 | 0,5 | 0,3 | 7,7 |
| Fetch water from a supply 1 km away or more (% rural households) | 19,5 | 0,5 | 26,1 | 3,7 | 19,5 |
| Water supply is "always" available (% rural households) | 46,4 | 92,4 | 71,4 | 94,8 | 49,9 |
| **Energy in the home** | | | | | |
| Main sources of domestic energy: | | | | | |
| * Electricity for lighting (%) | 39,6 | 85,6 | 99,0 | 99,5 | 57,0 |
| * Wood for cooking (%) | 31,7 | 11,6 | 0,4 | 0,3 | 22,8 |
| **Sanitation** | | | | | |
| * Flush toilet (%) | 34,1 | 83,3 | 97,1 | 99,9 | 53,1 |
| * No toilet facility (%) | 12,6 | 2,4 | 0,1 | 0,0 | 8,9 |
| **Urban refuse removal** | | | | | |
| * By local authority (% of urban dwellings) | 80,3 | 98,3 | 97,7 | 99,6 | 89,5 |
| **Telecommunications** | | | | | |
| Households with no access to a telephone (%) | 47,6 | 13,8 | 12,4 | 6,4 | 35,6 |
| ***EDUCATION*** | | | | | |
| Persons (16-24 years) without Std 10 not attending school (%) | 29,9 | 50,1 | 21,7 | 12,6 | 29,7 |
| Main reason for above persons not attending school: | | | | | |
| * Not enough money to continue education (%) | 32,4 | 14,3 | 10,1 | 19,3 | 28,6 |
| ***SAFETY AND SECURITY*** | | | | | |
| Households indicating: | | | | | |
| * Physical security in the neighbourhood | | | | | |
| Feel "very" and "rather" secure (%) | 82,8 | 82,4 | 86,6 | 89,9 | 84,3 |
| Feel "very" insecure (%) | 6,8 | 6,7 | 4,5 | 3,1 | 6,0 |
| * Physical security inside the dwelling | | | | | |
| Feel "very" and "rather" secure (%) | 83,0 | 88,3 | 89,4 | 93,6 | 85,8 |
| Feel "very" insecure (%) | 7,4 | 3,4 | 3,7 | 1,6 | 5,8 |
| * Physical security in the home compared to a year ago: | | | | | |
| - More security (%) | 10,8 | 5,5 | 3,1 | 8,3 | 9,6 |
| - Less security (%) | 8,4 | 7,4 | 11,4 | 12,1 | 9,2 |
| ***HEALTH AND ENVIRONMENT*** | | | | | |
| Distance from nearest medical clinic: 5 km or more (% individuals) | 41,0 | 12,6 | 12,6 | 19,2 | 35,0 |
| Access to medical aid benefit (% individuals) | 9,2 | 24,1 | 28,4 | 76,4 | 19,6 |
| Difficulty with breathing in winter due to smoke and pollution in residential area (% households reporting that it is "very", "rather" & "slightly" difficult to breathe) | 37,5 | 18,9 | 19,4 | 14,9 | 31,0 |

1 Available for paid employment or self-employment and willing to take up work.

**Source:** Compiled from the 1994 October Household Survey, CSS Statistical Release P0317. Truncated percentages.

core information to be collected annually, and which items form modules which can be measured in less frequent intervals or in a once only survey effort.

Currently, survey designers are preoccupied with the information needs of reconstruction and development. Many items in the Survey cover aspects of service provision. It will be important to consider for each item whether it will be a useful question to put to households in the longer term.

Typically, questions concerning basic needs outlive their usefulness when needs are saturated or changing societal values determine new levels of acceptable living standards.

As one designer of longitudinal surveys put it, it is wise to remember that questions which reflect urgent needs of the period tend to date quickly and sound peculiarly quaint in a new era. Candidates for a short life in a panel study, for example, are questions on household consumer items which are rapidly displaced by technological breakthroughs.

## 'Hard' and 'soft' data

It is worth noting that the October Household Survey is currently mostly limited to the collection of 'hard' data: that is, factual information which does not vary according to which member of the household supplies the details.

The current debate is whether to retain questions which are subject to personal judgements - examples are items which ask households to estimate distance to services - or whether such items should be avoided.

As an official in the Ministry of Water Affairs argues, the convention which avoids subjective judgement at all costs may be short sighted and impractical given current fiscal constraints.

For example, not every peri-urban and rural household in South Africa may covet a flush toilet or piped water. In some instances expert definitions of standards of service provision may be wasteful of scarce resources whereas popular definitions may be fine tuned to local needs and should be consulted first.

A borderline case in the collection of 'softer' data is a section in the October Household Survey which goes under the heading of 'perceived quality of life'. It inquires into the household's perception of security in the home and the neighbourhood, among other items.

More leeway is given in this section for households to colour their reports on the situation with underlying feelings of fear, anxiety and personal confidence. It is known that perceptions impact on population behaviour, therefore knowledge of perceived quality of life issues are as important as hard facts for planning and policy formation.

## Data quality

Given the increased public awareness of the power of numbers, information transparency is essential to guard against misuse of national statistics. To date the biggest problem for the Population Census has been the undercount, typical in most countries.

However, consider the opposite scenario, where regional interest groups are motivated to boost regional population figures and to overstate inadequate services to draw attention to their plight.

This is not an unlikely scenario in view of the fact that in some countries national resources are distributed according to the head count and population figures are seen to be the key to accessing scarce resources.

To guard against flaws in the quality of national data, an education campaign for the Census is being mounted to explain the need for accurate planning and policy information. The quality of data collected in the October Household Survey stands to benefit if the general population is better informed about how household survey data is used.

Obviously there are unlimited uses to which household data can be put for planning, monitoring and social research purposes. Much will depend on the design of successive surveys and the quality of the data. A few examples are discussed below.

South Africa registers as one of the most unequal societies in terms of income distribution. According to a United Nations development planning expert, the fact that South Africa's Human Development Index lags behind its income position means that there is plenty of scope for translating income into improved well being for all South Africans.

*Avoiding subjective judgement may be short sighted given current fiscal constraints*

*Information transparency is essential to guard against misuse of national statistics*

*An education campaign for the Census is being mounted to explain the need for accurate planning and policy information*

*The next step for analysts will be to monitor trends over time as more data become available*

In order to assess whether opportunities to advance materially and socially - and the distribution of goods and services - are becoming more equal in South African society, it will be necessary to continue breaking down national statistics by race and gender, as well as by the new provinces. Statistical breakdowns will tell us whether previously disadvantaged population groups and regions are catching up.

Beyond the primary task of identifying persistent pockets of poverty and under development, the rich source of information can be used to tell us more about the underlying causes of poverty and, by implication, of growth.

This type of analytical task requires greater skill. South Africa is currently building the skills to analyse large national data sets to monitor not only trends but also causalities underlying trends. It is envisaged that research tasks beyond the descriptive ones will be more in demand once successive household surveys confirm the overall picture.

## The task ahead

Elsewhere the onus has usually been on researchers to seek the best ways of communicating social indicator trends to inform decision making. Researchers have often failed in this crucial endeavour.

When the pioneers of the social indicators movement met in 1989 to discuss the future of social reporting in the 1990s, distinguished quality of life researcher Frank Andrews remarked on the limited applications of social indicators in the past:

> *"It was hard to show...that government agencies used social indicator data...in making operating decisions. Similarly, it was hard to show that people's perceptions of well being were shifting markedly and in ways that could be directly linked to social policy actions." (Andrews 1989)*

The Government of National Unity deserves full marks for taking the lead in establishing a national system of social accounting and attempting to make the work of social reporting a transparent, consultative process. The initiative to engage many sectors of civil society in the social indicator movement can only strengthen South Africa's emergent democracy.

A challenging task for South African analysts of the October Household Survey lies ahead. The data set collected for the Survey is in the public domain: it became available to users in June this year.

Users are being encouraged to undertake their own data analysis to 'ensure optimal utilisation of this valuable source of information' (CSS 1995a). The next step for analysts will be to move from reporting on the state of the nation at baseline to monitoring trends over time as more Survey data become available.

## Quality of life

The Reconstruction and Development Programme is committed to improving the quality of life of all South Africans. Quality of life is an inclusive concept and the multi-topic October Household Survey provides many insights.

Samples of information contained in the Survey which impinge on perceptions of life quality have been extracted from the recent statistical release (CSS 1995a). Table 1 tells us about quality of life at the 1994 baseline.

The racial breakdowns show marked inequalities among population groups. Without doubt there would also be evidence of quality of life gaps in statistics on breakdowns by gender and region.

It can be anticipated that despite the ambitious Lead Projects to kick start South Africa's reconstruction and development, progress in closing the poverty and quality of life gaps may only be discernible after several Octobers have passed.

Speaking on the Third World situation, a participant in the symposium on social indicators noted that 'social changes tend to occur rather slowly' (Ward 1989).

In the interim, following the advice given by Andrews, South African researchers might do well to enhance their understanding of the factors that affect changes in people's own sense of life quality.

A persuasive demonstration of the actual contributions social indicators can make for policy purposes would be to discover linkages between changes in life quality - objective and subjective - and the political, policy, demographic, environmental and social factors that may cause the changes. IPM

**Acknowledgements**

Data courtesy the Central Statistical Service. Views expressed are those of the author and do not necessarily reflect those of the CSS or members of their advisory committees.

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# INDICATING DEVELOPMENT
## THE HUMAN DEVELOPMENT INDEX

*By Michael O'Donovan*
*Group Social Dynamics, Human Sciences Research Council*

*The Human Development Index, designed to compare nations in terms of human development, has been calculated in South Africa. The Index is a composite of three factors - longevity, economic prosperity and education - and, as long as its limitations are acknowledged, could be a useful tool in identifying development priorities.*

When South Africa was reintroduced to the mainstream of United Nations and World Bank thinking, the Human Development Index prompted a great deal of excitement.Here, it was hoped, was a fair and sophisticated measure of human development: a single indicator which would reflect some of the nuances of human development for a country, its regions and major social groups.

In keeping with this sentiment the draft Reconstruction and Development Programme White Paper instructed the Central Statistical Service and the Human Sciences Research Council to develop a Human Development Index (HDI) for South Africa.

The immediate impact of this directive was the application of existing demographic data to the United Nation Development Programme's HDI formula. This task was complicated by the need to reincorporate data from the former states of Transkei, Bophuthatswana, Venda and the Ciskei.

The end result was the generation of national and provincial HDIs for 1980 and 1991, and specific HDIs by population group, gender and location for 1991.

Although no single number or index can meet the demands of the full range of those with an interest in social development, the exercise has been informative. The Index does afford us the opportunity to better understand our social condition, particularly with regard to its disparities and its potential.

## The HDI

In developing the HDI the United Nations Development Programme (UNDP) followed the philosophy that the goal of development was to ensure that individuals lived long, informed lives free from want.

Reflecting this philosophy the Index is a composite of three factors - longevity, economic prosperity and education. It was designed to reflect on a comparative scale - using readily available information - how nations compare in terms of human development when only these factors are taken into consideration.

In practice the measures used are: life expectancy, per capita income and educational attainment. Educational attainment is itself a composite of adult literacy rates and the average number of years schooling of adults.

Per capita income is measured in purchasing power parity (PPP$). This is the cost of an appropriate 'basket of goods' against which income in each country is evaluated.

The comparisons between these prices and the 'basket of goods' allows the generation of a common measure through which income can be compared.

The components of the Index are combined in such a way that the most highly developed communities have an HDI value approaching one and the least developed communities have a value approaching zero.

*Existing demographic data was applied to the HDI formula*

*The Index affords us the opportunity to better understand our social condition*

*The Index could be used in determining development funding*

## South Africa 1980 to 1991

The calculation of the 1991 Index by the Central Statistical Service reveals a slightly higher value than that estimated by the UNDP. This is primarily a reflection of greater access to census and other information not originally available to the UNDP.

The bulk of the increase can be directly attributed to a higher estimate of educational attainment. According to the UNDP, the average number of years of schooling of South African adults was three years - that is, a standard one education. By contrast, the Central Statistical Service offers an estimation of 6,9 years.

## Economic development

*w HDI and high r capita income nay indicate that South Africa has substantial resources at its disposal*

Despite the correlation between income, education and longevity, the HDI offers a more sophisticated reflection of development than the frequently used Gross National Product (GNP) per capita.

A comparison between the position a country holds on the rank order of all countries' HDIs, and its position on the rank order of all counties' GNP per capita, is enlightening.

Countries which hold a higher rank order on the HDI scale than they do on the GNP per capita scale can be considered to have invested their limited economic resources in human development. China's HDI position is 49 points higher than its per capita GNP position.

Conversely, countries which hold a lower rank order on the HDI scale than they do on the income scale can be considered to have either misapplied their economic potential or have recently acquired the economic resources to improve their human development. Examples are mineral rich Botswana - a drop of 29 positions between HDI and income scales - and war ravaged Angola - a drop of 35 positions.

According to the UNDP, South Africa's HDI position is approximately 33 positions lower than its position on the GNP per capita scale. This can be interpreted as both a reflection of how economic resources have to date been misapplied or as an indication of the extent to which the country is in a position to improve human development through the judicious investment of existing economic resources.

While this comparison highlights the extent to which economic resources have not been invested in human development, it says nothing about the source of economic wealth. The generation of the economic wealth through which human investment is possible may well have been related to the failure to make massive investments in human development at an earlier stage.

It has been suggested that the Index could be used in determining development funding. In this regard the response of donors to the discrepancy between HDI and average per capita income is crucial. The discrepancy represents the gap between economic resources and human development.

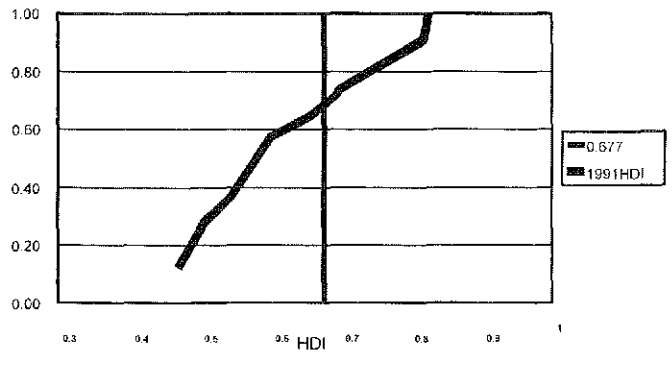
While the low HDI may prompt greater international assistance, the high per capita income may well indicate to donors that South Africa already has substantial economic resources at its disposal. Our expectations of international aid may thus be better informed by the experiences of countries with similar HDI and income profiles, such as Mexico and Brazil.

In order to better understand the discrepancy between economic wealth and human development in South Africa we have to examine the distribution of wealth in the economy.

## Income profile

The gap between rank order of HDI and income aside, diseconomies exist with respect to the distribution of resources in the economy. The use of averages in the Index formula conceals the unequal access to resources enjoyed by residents.

GRAPH 1
HDI PROVINCIAL PROFILE 1980 - 1991



For example, South Africa suffers from a highly skewed income distribution profile: relatively small numbers of people have incomes well in excess of the national average while most people have incomes significantly less than the national average.

This 'tyranny of averages' ensures that the HDI reflects only what lies between the extremes while rarely reflecting the situation experienced by the 'man in the street'.

This shortcoming is partly overcome through the use of the income distribution adjusted HDI. This is calculated by decreasing the HDI by a factor proportional to the 'skewness' of the income distribution profile. The drop created by adjusting the HDI can be dramatic but normally ranges between 10% and 20%.

In South Africa's case the drop is one of the most severe - from 0.677 to 0.470, or approximately 30%.

Comparing the country's position on the rank order of income distribution adjusted HDIs to its position on the GNP per capita scale, leaves an even more vivid impression of the past misapplication of economic resources and/or of great potential.

## Social disparities

HDIs have been generated for the nine provinces and for the main social groups in the country. As expected, the results indicate that women, rural residents and black people are the social groups most in need of investment in human development.

Similarly the Eastern Cape and Northern Province require the most investment in human development. While no one would be surprised by these findings, the HDI offers a way of quantifying the disparities while trading relative advantages.

For example, it offers us a way of trading the greater life expectancy enjoyed by women off against their below average incomes and poorer education.

## Provincial changes

A novel application of the regional HDI data is to examine the changes in regional HDI over time. Central Statistical Service calculations reveal that between 1980 and 1991 there was a substantial increase in the HDI.

**Table 1: Examples of HDI Disparities**

| | |
|---|---|
| Women | HDI is approximately 80% that of males |
| Blacks | HDI is 74% that of the national HDI or 56% that of whites |
| Non-urban areas | HDI is 57% that of urban areas |
| Eastern Cape | HDI is 74% that of South Africa as a whole |
| Northern Province | HDI is 70% that of South Africa as a whole |
| Western Cape | HDI is 22% greater than the national average |

Small improvements in the HDI could be expected, in accordance with international trends, as a result of improved education and increased life expectancy. The size of the increase indicated by the Central Statistical Service is unexpectedly large.

An examination of the data reveals that the bulk of the improvement is due to a 40% increase in the per capita PPP$. Such an increase in economic wealth can not be substantiated and probably reflects the method of calculating the PPP$.

The best 'equivalent' measure when international comparisons are not being drawn is per capita Gross Domestic/ Regional Product. During the period in question per capita GDP probably fell.

These limitations aside, an examination of the relationship between provincial HDIs and the size of their populations offers some insights. The graphs reflect the regional disparities of development at provincial level, and how the disparities have changed between 1980 and 1991.

The slope of the line represents the relationship of the accumulated - and ordered - population to the HDI. Graph 1 represents the HDI profile at provincial level for 1991. In that year around half the population lived in provinces with a HDI of less than 0.6.

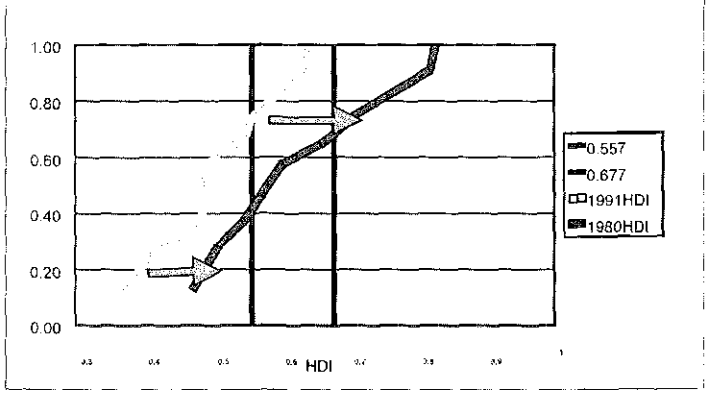
Other information is immediately evident from the graph. For example, the slope of the curve reflects the disparity of development between provinces - the steeper the curve the more equal the human development between provinces. Between 1980 and 1991 a definite reduction in the slope is evident, indicating that some provinces appear to be lagging behind in human development (Graph 2).

Furthermore, the extent to which the graph shifts to the right over time represents the improvement in the HDI during that period.

*The HDI reflects what lies between extremes while rarely reflecting the situation of the 'man in the street'*

*HDIs have been generated for the nine provinces and for the main social groups in the country*

**GRAPH 2**
**HDI PROVINCIAL PROFILE 1980 - 1991**




*The HDI has been used in South Africa to allocate provincial budgets for human investment*

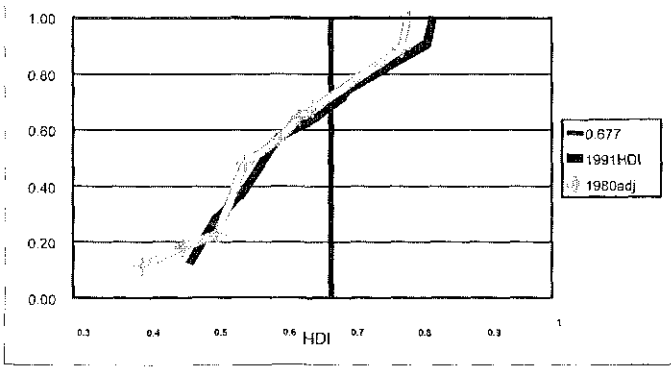
We are able to abstract from the contribution made by the increase in PPP$ over this period by calculating the 1980 HDI at 1991 PPP$ values. Graph 3 reflects changes in HDI between 1980 and 1991, when the 'phantom' increase in PPP$ is ignored.

Only a slight improvement between the adjusted values for 1980 and 1991 is now evident: that is, the shift to the left between the two curves is much reduced. Unfortunately this 'compensation' also obliviates the change in the slope of the line (reflecting changes in inequality between provinces). But we are able to get a more realistic representation of improvements in the HDI for the 11 year period.

Data on migration has long indicated how labour migrants react to wage differentials. The HDI allows us to examine how migration patterns respond to differences in human development between provinces.

In this instance, if we can plot the 1991 HDI values against the 1980 population profile

**GRAPH 3**
**HDI PROVINCIAL PROFILE 1980 - 1991**




we are able to see the HDI profile had the population of every province grown at an equal rate between 1980 and 1991.

Graph 4 shows that this hypothetical line would lie to the right of the 1991 curve: the country would have had a higher HDI if these ratios had not changed. This reflects the faster than average population increase in provinces with lower HDIs.

Populations movement can thus be seen to have been unable to take full advantage of improving human development through the relocation of people to provinces with higher HDIs. The extent to which the uneven population growth serves to reduce the HDI can be quantified. It is indicated by the area 'X' on Graph 4.

## HDI uses

The UNDP suggests that the Index has several uses. Many of the suggestions concern the stimulation of debates around aid and development policy.

The HDI has more practical applications. These include acting as an instrument through which political representatives can be called to account or through which groups can press for greater access to resources.

Another function to which the HDI has been applied in South Africa is the allocation of provincial budgets for human investment.

## Provincial budgets

One such practical application is in determining the most desirable budget allocations for welfare investment.

Following the logic that human investment is best made where human development is the lowest, the most appropriate budget allocations can be informed by the HDI. Population weighted HDIs have been used to inform the size of the provincial social welfare grants.

One method of grant allocation based on the HDI would indicate an 'ideal' resource allocation of human investment (Table 2).

The logic of the budget allocation rests on two conditions. The first is the absence of other appropriate data reflecting the requirements of residents, defined by both geographic and socio-economic characteristics.

The second is that the need for a sensitive instrument is overshadowed by the distortions in existing allocations. In this context the HDI has been used for little more than to indicate the magnitude and direction of existing distortions.

While methods similar to this may be of some use, the fundamental limitations of the HDI need to be highlighted. These include:

- The most important limitation - particularly for Reconstruction and Development Programme projects - is that movement of the HDI is, at best, sluggish. Investments in health and educational services will not be reflected by improvements in the HDI for years.

  As a result, recurrent allocations on the basis of the HDI will ensure that returns on investment in human development will not be timeously acknowledged - possibly until they have created imbalances of their own.

- Like most indicators the HDI reflects the conditions of the 'average' person. The extent to which individual experiences deviate from this norm are not reflected. Of particular interest here is the impact the redistribution of resources will have on the Index. The redistribution of income will not be reflected by an improved HDI as long as the average income remains the same.

- The HDI should probably best be used only as a supplemental index. It should be supplemented by other indicators which are more 'targeted'. The Index takes only a few factors indicative of human development into consideration.

- Subjective considerations - political or economic freedom, happiness etc - are not considered at all. Neither are factors like the quality of schooling.

- It is probably best to think of the HDI as an index which should be employed like per capita income: as a blunt instrument most often used when other information is not available.

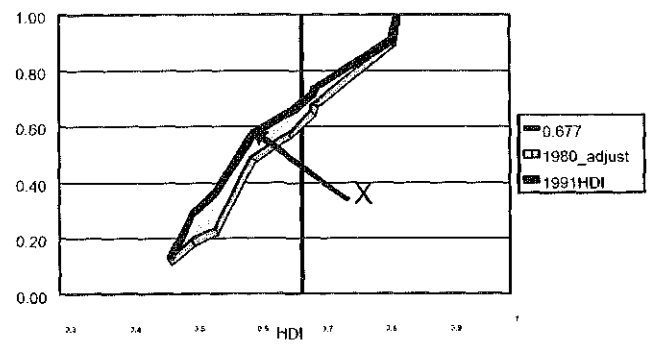
## Conclusion

The limitations described hold some *indication of the direction* in which the development of the HDI and similar indices should probably proceed.

**Table 2 (1991)**

| | H.D.I. | % Pop. | % Budget |
|---|---|---|---|
| Western Cape | .826 | 9.1 | 4.3 |
| Gauteng | .818 | 17.2 | 8.6 |
| Northern Cape | .698 | 1.9 | 1.6 |
| Eastern Transvaal | .694 | 7.0 | 5.9 |
| Free State | .657 | 6.9 | 6.5 |
| Kwazulu-Natal | .602 | 21.2 | 23.2 |
| North West | .543 | 8.2 | 10.4 |
| Eastern Cape | .507 | 15.6 | 21.1 |
| Northern Province | .470 | 12.5 | 18.3 |

**GRAPH 4**
**HDI PROVINCIAL PROFILE 1980 - 1991**




Over and above the need to formulate and identify supplemental indicators, and to have an HDI more responsive in the short term, several factors impede the use of the Index in more practical ways.

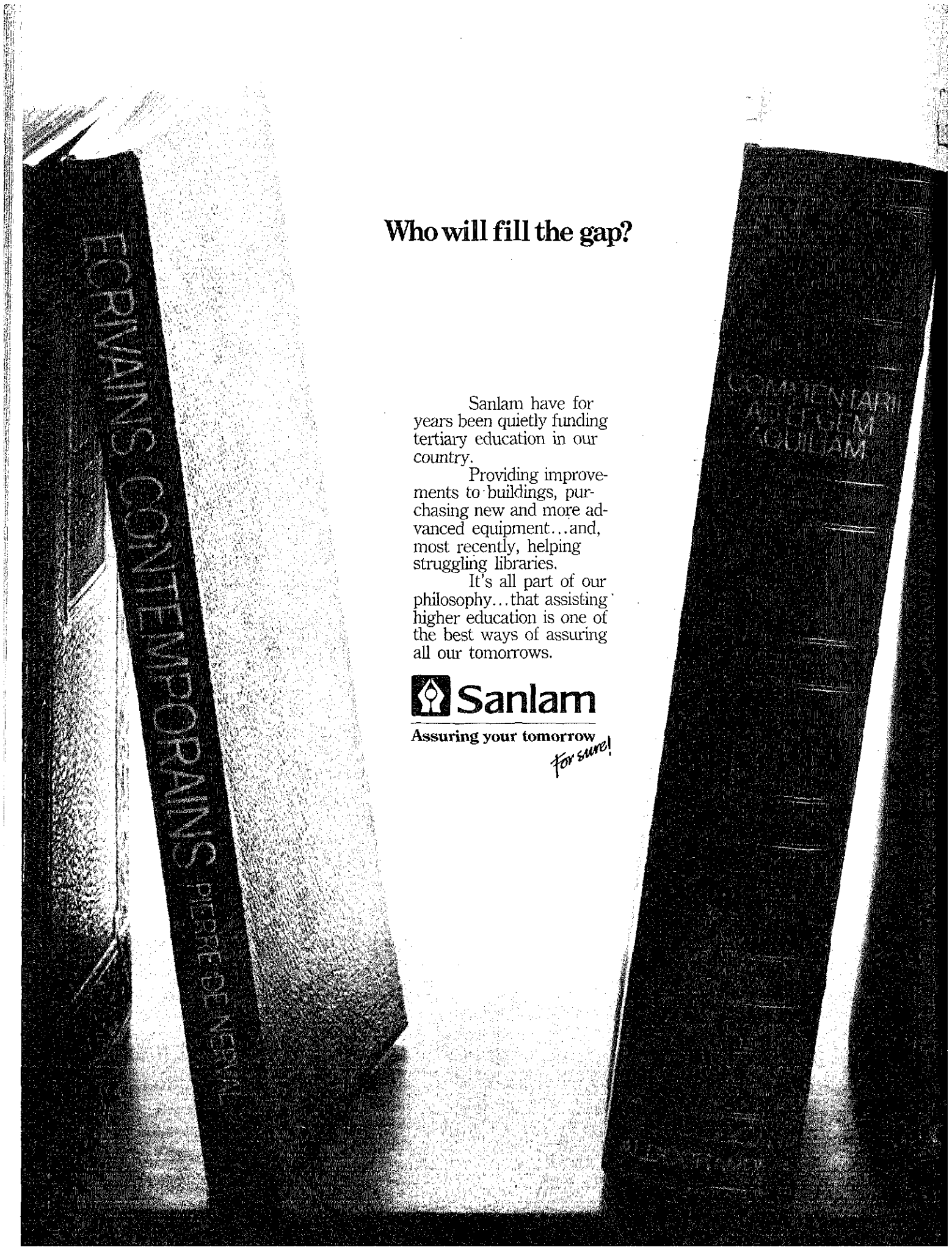
These include the use of life expectancy. Life expectancy is notoriously difficult to estimate - particularly when smaller discreet regions are considered. The HDI does not, in its present form, allow us to compare the level of human development between towns or even metropolitan areas.

The identification of a more accessible alternative will be important if the application of HDI type indicators is to become more widespread.

As long as its limitations are acknowledged the HDI may be a useful tool in identifying development priorities. Despite its advantages over indicators like GNP per capita, it remains an attempt to summarise complex social dynamics in a single number.

The use of such indicators limits policy makers' ability to make subjective decisions or decisions informed by parochial interests. IPA

*Movement of the HDI is, at best, sluggish*

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