

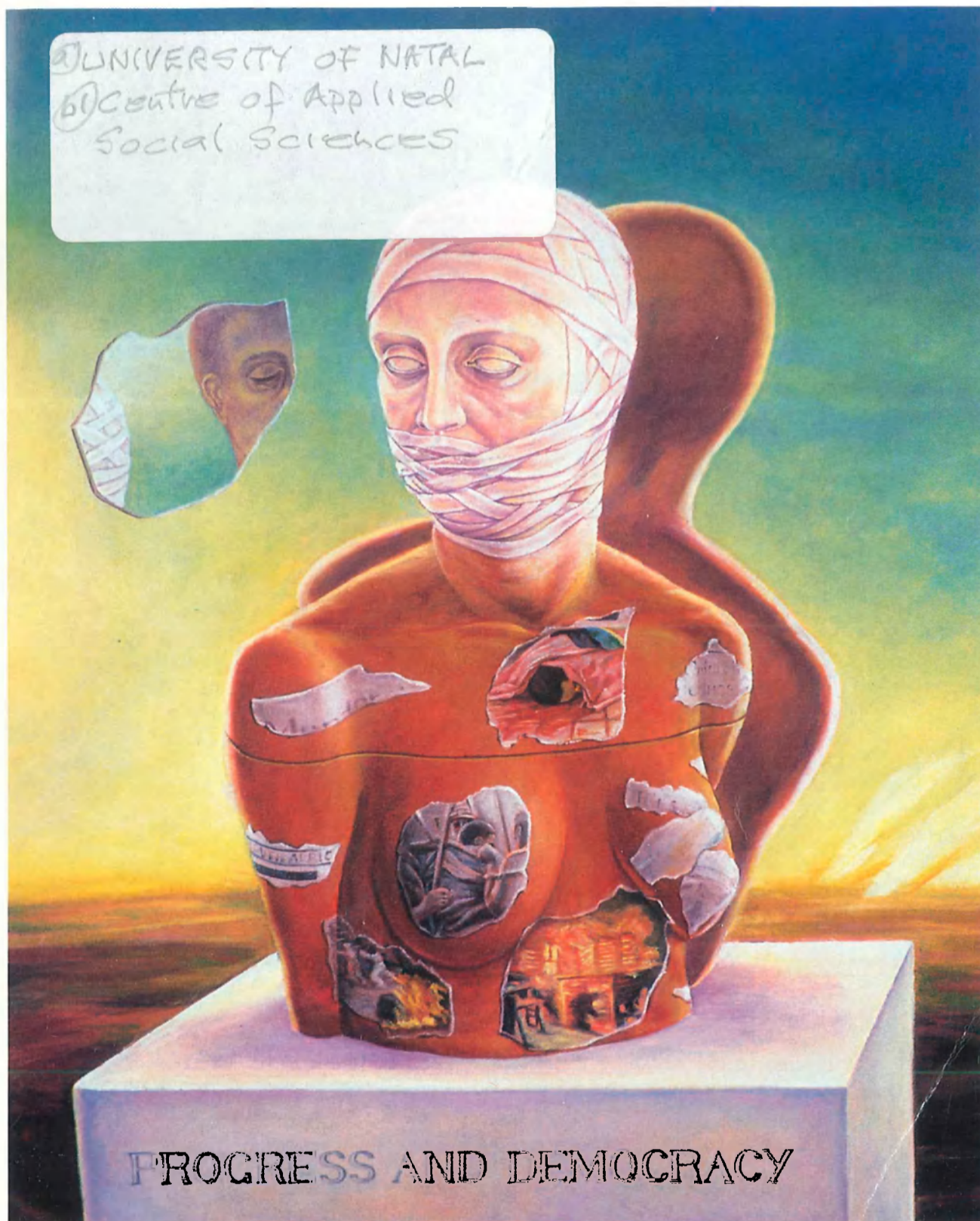
VOLUME TWELVE NUMBER TWO

AUTUMN 1995

(86)

# INDICATOR

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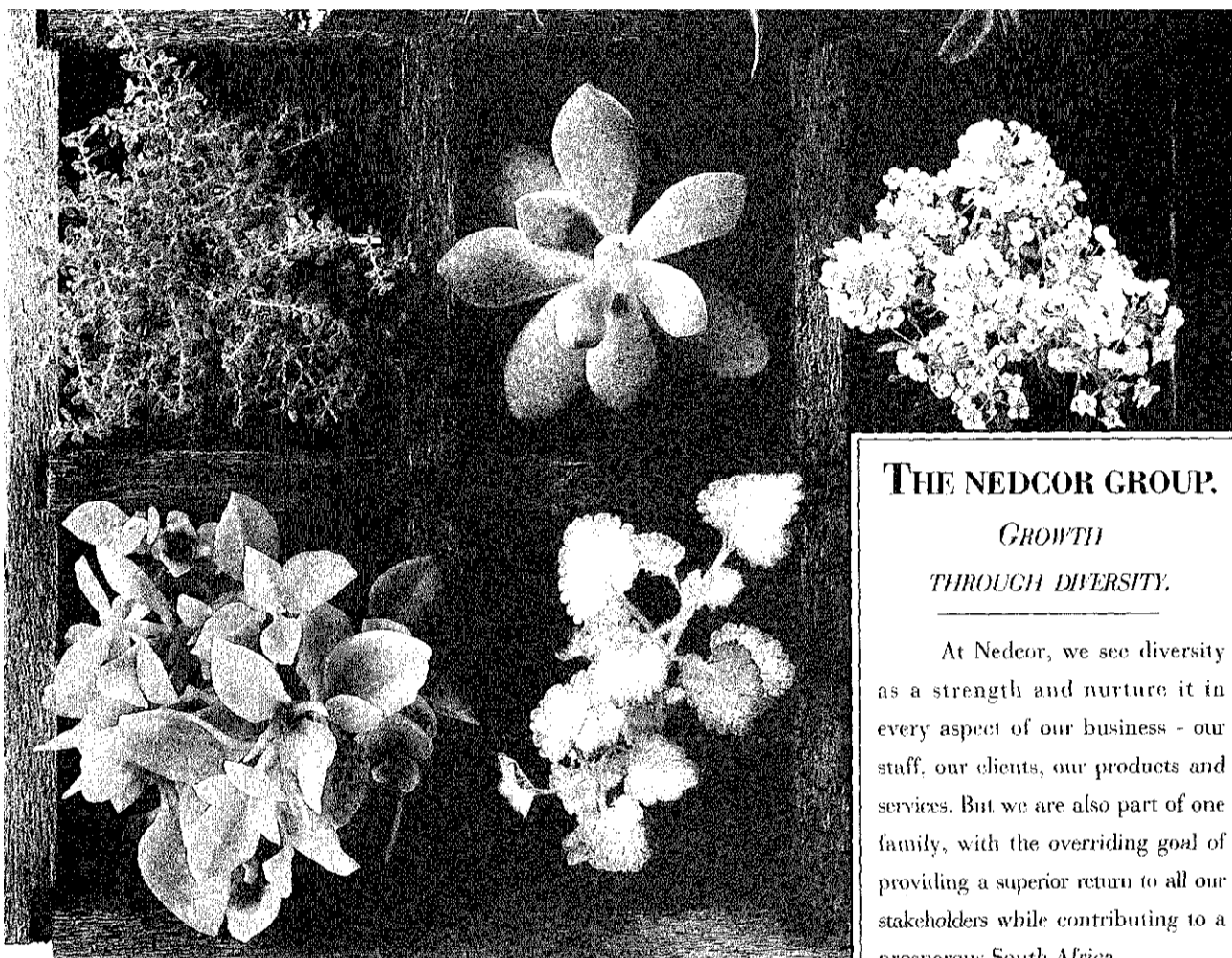
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## Editorial

It is hard to believe that only a year has passed since the less rational among us began stashing baked beans, long life milk and candles. A year into the new South Africa - although its effects remain a harsh reality - apartheid is beginning to seem like a bad dream.

Taking stock of the infant democracy's achievements, there is much to be pleased about. The economy is growing and business is confident. People are happier and reconciliation is working. Central government at least is ticking along. More children are in school. Victims of removals are reclaiming their land. Peace prevails in most places.

All this despite the fact that little has actually happened. The new Government looks different but acts quite a lot like the reforming old one.

This is not surprising in a Government of National Unity which operates on consensus, incorporates old faces and is propped up by a civil service still largely comprising old bureaucrats. Also, in its dying years the former government consulted widely and the new Government is doing the same.

Consensus often takes a long time and tends to produce middle of the road policies. So building houses and clinics is held up while stakeholders argue over policies and delete controversial clauses. A cautious budget is produced in which the word socialism is not so much as mentioned. And land reform proceeds in bits and pieces.

Taking time over policies is a good thing. Transforming South Africa is a critical task, far too important to be dashed off in a few months and poorly implemented. However, many constructive and relatively simple changes are becoming long overdue.

As Tom Lodge points out, reform programmes are tending to be overly ambitious and are taking too long to implement. New houses - when they finally get built - are going to help fewer people than servicing sites, for example, and he sees no reason why arguments over the Deebie option should delay mass vaccination programmes or why agreed on education policies should be paralysed.

It is crucial for the Government to begin acting on new policies. Jobs must be created, houses built and services provided if South Africans are to be kept happy, new markets are to be opened and new consumers created. Health must be improved, crime must be tackled and education levels must be urgently raised to improve our skills base.

And much more. South Africa currently has more conferences per head of population than almost any country in the world. It is time for action to take the place of words.

**Karen Mac Gregor**  
Editor

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# INDICATOR SOUTH AFRICA

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AUTUMN 1995

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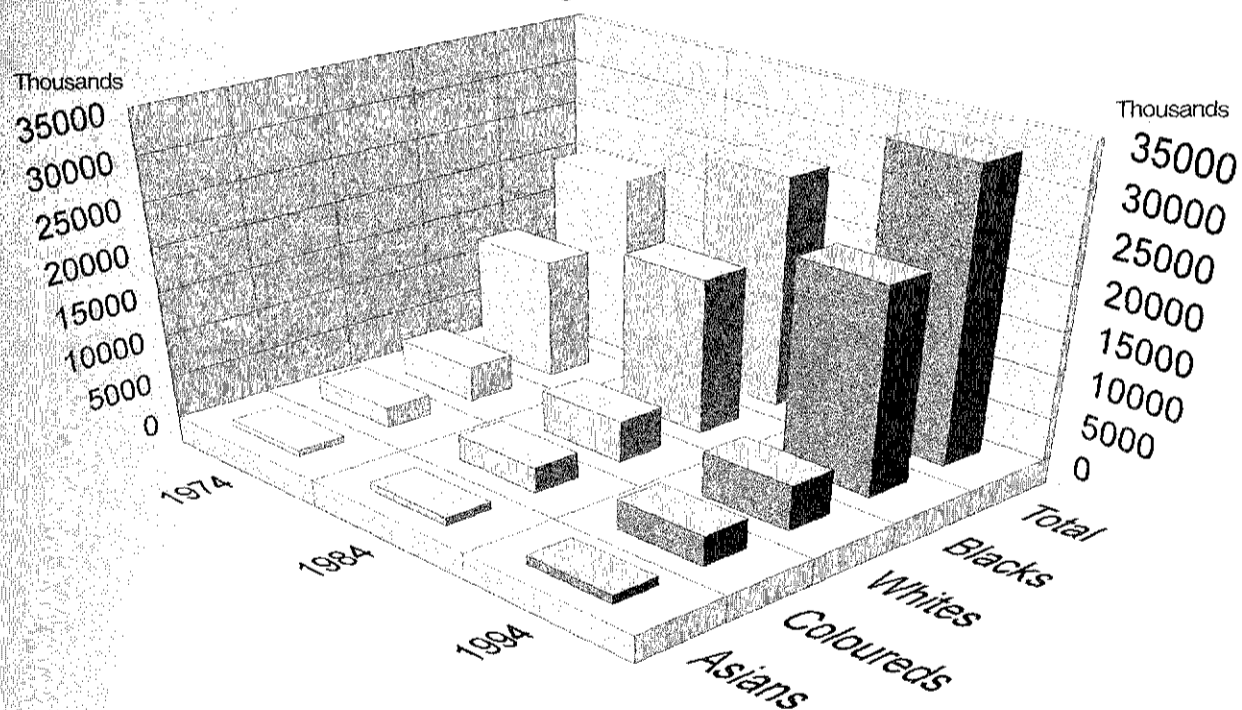
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# POLITICAL

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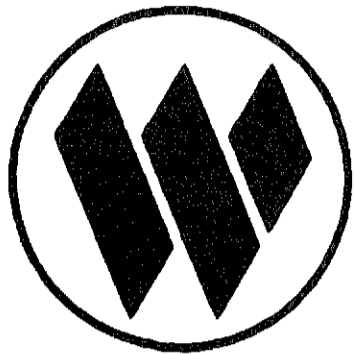
## DEMOGRAPHIC TRENDS IN SOUTH AFRICA 1974 - 1994

### Profile of South African Population 1974 - 1994 Excluding TBVC States\*



**Note:** \* The graph excludes the former Republics of Transkei, Bophuthatswana, Venda and Ciskei.  
The estimated population of the former TBVC States as at 30 June 1994 is 7 169 million.

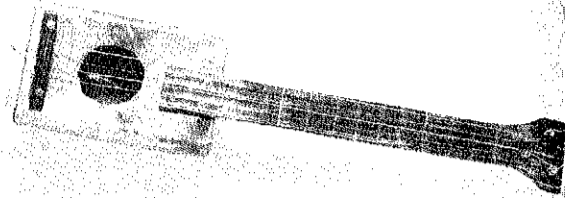
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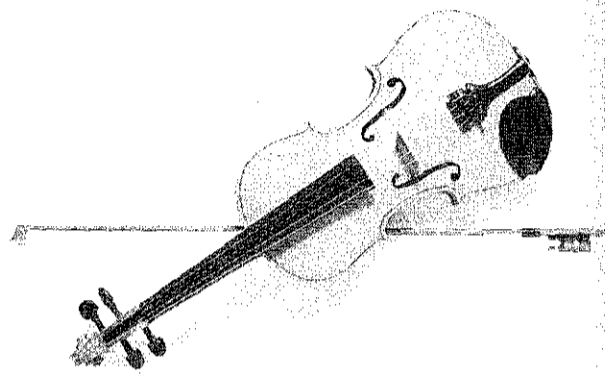
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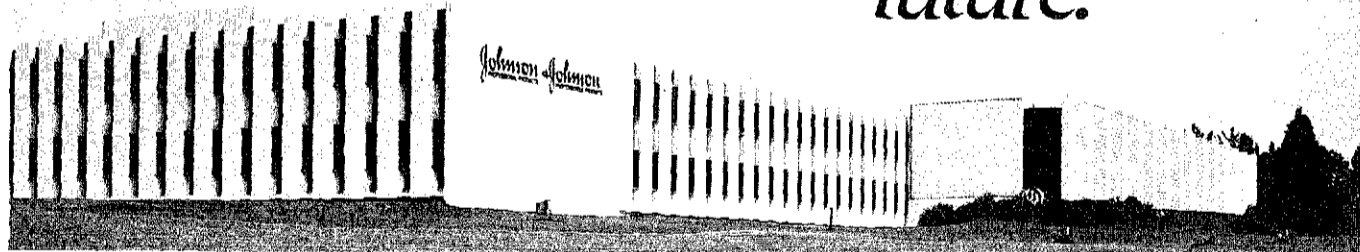
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# A year in the New South Africa

Tom Lodge

Department of Political Studies, University of the Witwatersrand

*South Africa's democracy is one year old but its new Government has achieved very little so far. The reasons include overly ambitious reform programmes which are taking too long to implement, expensive pre-election commitments to civil servants and extravagant spending within government which is fuelling public unrest. Nevertheless, African National Congress supporters remain satisfied and the party has time to improve its performance.*

**O**ne year on from victory in the April 1994 polls, it still seems premature to make predictions about the African National Congress's capacity to keep its election promises.

To be sure, there has been very little reconstruction and development which is visible to members of the ANC's popular following. By-elections are precluded by the Interim Constitution, but if the ANC was fighting one today its list of tangible achievements would be really quite short.

Housing Minister Sankie Nkondo recently conceded that since April 1994, less than 1 000 houses had been constructed through government initiatives - and that those which had been, represented the legacy of programmes pre-dating the election.

More worryingly, she implied that new financial arrangements would allow for only 50 000 loans a year to homeowners for the next five years. Whichever way people do their sums, that suggests a lot less than a million houses by 1999.

Free meals for four million rural schoolchildren does represent a substantial achievement for the ANC's first year in office - and a bonanza for Black Cat peanut butter.

But like the piped water and electrification extensions, the school feeding programme will probably make most impact upon rural political perceptions rather than upon urban communities in which populist critics of the Government find their readiest following.

Free medical care for pregnant mothers and children as well as the extension of primary

education may have pleased a wider constituency. But long queues outside hospitals - not to mention the collapse of medical services in some former homelands - as well as even worse overcrowding in classrooms have probably offset the effects of these social palliatives.

Of course, ANC apologists could maintain that redirecting a government away from serving relatively privileged minorities takes more than a year, that bureaucratic reform has to precede social delivery. Such protestations are only half convincing.

## Housing

It is true that the provision of housing depends on a delicate partnership between financial agencies, construction companies and the Government, and that establishing the terms of this partnership has involved a protracted series of negotiations.

On the whole, media commentary has reviewed the performance of the Ministry of Housing favourably, pointing to its dynamic political leadership under Joe Slovo and the expertise of the technocrats he recruited.

But would the housing project have taken so long to get going if a less ambitious programme had been conceived in the first place, one which emphasised serviced sites, foundations and basic services, and which was implemented with tight coordination between the different ministries concerned with land, power, water and housing?

Sadly, the type of housing contemplated by the department does not suggest a radical improvement over the kind of accommodation offered by apartheid town

*The ANC's list of tangible achievements is really quite short*

*Since April 1994, less than 1 000 houses have been constructed through government initiatives*

*Piped water, electrification extensions and school feeding will probably have less impact on urban than rural communities*



*Less ambitious reform programmes may not have taken so long to get going*

*The Government has earned good marks for fiscal prudence through the caution of its two budgets*

*Commitments to a trimmer civil service have proved impossible to reconcile with affirmative action and the early retirement of senior bureaucrats*

planners to permanently urbanised Africans in the 1960s: the main difference is that it will cost consumers much more and, it seems, it will be built on a considerably smaller scale.

## Health

Health, too, is a department in which planning and negotiation have been the chief preoccupations for the last year, this time for a national health scheme. Again, does everything have to be done at once?

Obviously the medical profession is going to resist a reallocation of resources from cities to the countryside as well as some of the more draconian prescriptions from the Minister's advisers for national service by recently qualified doctors.

But argument over the virtues or otherwise of the Deebie option should not delay the launch of mass vaccination programmes, the extension of free family planning or the digging of pit latrines. None of these things have happened yet on a significant scale.

## Education

Education is one area in which it is particularly difficult to find an alibi for continuing inaction in planning and negotiation. There was no shortage of detailed prescriptions for educational reform, including the ANC's own 'yellow paper' and the compendious National Education Policy Investigation recommendations.

It has taken the Ministry a year to produce a White Paper on schooling and to establish a commission - another commission - on tertiary education. The White Paper contains nothing which has not been proposed before.

The five year plan to equalise educational expenditure between races and overhaul the structure of secondary education to enable more flexibility in access and departure points as well as entry into tertiary education, have long been orthodoxies in educational policy debates across the political spectrum. The equalisation of expenditure, incidentally, represents a continuation of trends initiated under the Botha administration.

Minister Sibusiso Bengu earned his first editorial praise for his pragmatic decision to maintain the current status of Model C schooling for the foreseeable future. Semi-privatised public schooling is likely to become a permanent feature of South African education: it already incorporates 100 000 middle class black children and that number is set to swiftly expand.

While it continues, though, the incentive to substantially improve ordinary state schooling will continue to be weak.

More Afrocentric social studies, abandoning formal grammatical training and blurring traditional conceptions of failure and passing may for a while enhance the self esteem of teachers and pupils. They are unlikely to correct a situation in which black schools produce a tiny fraction of university grade mathematics matriculants each year.

## Finance

The Government has earned good marks for fiscal prudence through the caution of its two budgets and the discipline of its expenditure within the parameters of budgetary allocations. Good marks from businessmen may not mean good marks from voters, though, unless the Government's financial responsibility succeeds in attracting significant quantities of foreign investment.

Whether foreign investment in general succeeds in seriously alleviating unemployment is unclear: what is quite clear is that much of the kind of foreign investment received up to now is unlikely to dent the statistics significantly.

Such enterprises as MacDonalds fast food franchises and licensing arrangements to bottle Pepsi Cola and stitch up Levi Jeans may open up chances for black entrepreneurs, but otherwise they compete in over traded local markets, import very expensive technology and employ small numbers of unskilled labour.

In any case, government fiscal responsibility does not seem to go much further than keeping a ceiling on company tax and limiting public sector borrowing: in its expenditure within budget categories, political concerns seem to have taken precedence over economic and social imperatives.

Electioneering commitments to a trimmer civil service have proved impossible to reconcile with pressures for affirmative action and its concomitant, the early retirement on full pensions with handsome gratuities of senior white bureaucrats.

In addition there has been the cost of absorbing overmanned homeland civil servants on 'parity' wage scales, including all the superfluous officialdom associated with formally independent statelets. For example, today South Africa has five postmaster generals, each paid a salary equivalent to a minister in the national cabinet.

Depending on how the arithmetic is calculated, civil service salaries and pensions take up between half and three-quarters of what the Government spends and there seems no prospect in the near future of this share lessening.

Of course, it would be unfair to blame the ANC for having to shoulder the financial legacy of apartheid's bureaucratic idiocies: that was part of the deal which enabled a relatively peaceful transition to democracy, and given the plausible alternatives to that process, most people would agree that the costs were worth the price.

### Extravagant spending

The terms of the deal, though, did not necessitate all the extravagant expenditure which has been evident since the election.

If the ANC's caucus in the House of Assembly had turned down the Melamet Commission's salary recommendations for ministers and parliamentarians it is most unlikely that there would have been serious discord in the Government of National Unity, not in public anyway.

As it is, Nelson Mandela's cabinet is excessively well paid for a relatively poor country, as are most senior civil servants, whose numbers considerably enlarged with the creation of nine regional governments, each with dozens of director generals.

ANC notables defended their new levels of remuneration through nationalist rant of the 'just because we are black you think we should be paid less' variety, by complaining about the financial sacrifices they had made by moving out of the private sector to take up office or, most ingenuously, by arguing that high salaries were the best guarantee against corruption.

It now seems quite likely that they have not provided such safeguards: whatever the truth of the various charges which have been made against Winnie Mandela, the public spectacle of venal misbehaviour among ANC office holders and public servants has become a cause of acute embarrassment to the organisation's leadership.

At the same time, its traditional preference for consensual styles of leadership makes it extremely reluctant to take the one action that would discourage corruption: dismissal from public office of those suspected of it.

Nor can the ANC attribute such foolishness as the recent spending on table linen for the British royal visit or the quasi-public money

devoted to refurbishing the national airline's corporate identity on the obligations arising from coalition politics.

In neither case were the actual amounts of money terribly significant until one remembers that housing construction in 1994 did not exceed three figures. Foregoing a new paint job for the ageing Jumbos at Jan Smuts Airport and making do with patched table cloths during the Windsors' trip could have saved a sum equal to the cost of building a hundred or so houses.

A rigorously implemented government austerity programme could add quite significantly to the finance available for reconstruction and development projects.

More importantly, it would create a different ideological impression: at least some of the recent labour unrest in the public sector - especially in the police - has been fuelled by increasing disparity in levels of remuneration. It would certainly make it easier for the ANC to mount a moral crusade against rent boycotters.

### People driven

Cynics might be tempted to observe that the recently launched 'Masakhane' campaign to encourage rent defaulters to start paying for the services they use is the only government programme which so far is 'people driven', despite the inevitable inclusion of the phrase in any public rhetoric about official planning.

So far, much of the projected social reform seems to allow very little room for the expression of popular ideas. Certainly there have been conscientious efforts to solicit public contributions to the constitutional debate, but these are unlikely to be decisive.

In a debate which has had to be predetermined by the Codesa negotiations, the invitations in the press for people to write their own constitution are skillful political theatre rather than serious forays in participatory politics.

Really 'people driven' development would require a much more decentralised process of planning and implementation of reforms in health services, housing and education than the ANC seems ready to countenance.

'People driven' social reform is probably very difficult in an industrialised modern society in which all the traditions predispose people and government to authoritarian social engineering. That seems a poor excuse, however, for not trying a little harder to discover what people really want.

*The cabinet is excessively well paid for a relatively poor country, as are most senior civil servants*

*A rigorous government austerity programme could add to the finance available for development and create a different ideological impression*

*Really 'people driven' development would require much more decentralised reforms than the ANC seems ready to countenance*

*The loyalty of the ANC's support base may be less uncertain than party leaders think*

*Bereft of external funding, the ANC's organisational weakness is very evident as a party based mainly on the support of extremely poor communities*

*The ANC now has to locate substantial domestic donors on a sufficient scale to fight sophisticated election campaigns*

## Prospects

What are the ANC's political prospects for the remainder of the century? Are the disappointments in its performance likely to result in splits and disaffection? This seems unlikely.

It is true that today there is open conflict among top ANC leaders, and a minority who are at odds with a more dominant group seem to enjoy a popular following among the most marginalised of the ANC's supporters.

Too much should not be made of this. Winnie Mandela, Bantu Holomisa, Peter Mokaba et al may appear a fairly formidable alliance: they certainly enjoy the confidence of ANC grass roots activists, as demonstrated in the national executive elections last Christmas. Certainly, other ANC leaders appear to be very nervous of openly opposing them.

But it is difficult to calculate how much public appeal they would have if they attempted to mobilise support outside the ANC. None of the ANC populists have strong records as activists or organisers.

Mrs Mandela has always bolstered her following with bounty and patronage: she has had curiously little difficulty in securing resources in even the most respectable of quarters. Anglo-American, for example, are among the list of corporate donors for her Coordinated Anti-Poverty Programme.

But the era of easy access to soft money for charismatic politicians is probably coming to a close. Hence the ferocity of such squabbles as that in the Women's League over whatever remaining pickings may be gleaned from such dubious ventures as Omar Sharif's tourist company. In future, control of patronage will be most powerfully invested in those who administer public employment. Mrs Mandela is an astute enough politician to realise this.

South African political pundits are very quick to conclude that the aggressive and unruly disposition of strikers in supermarkets and police stations signals a more generalised public crisis of disappointed expectations.

Polling evidence suggests otherwise. Media Marketing Research conducted a survey in July 1994 in which respondents were asked how they felt about the overall performance of the Government of National Unity.

Among ANC supporters, 23% perceived the Government to be doing its work about as well as they expected, 46% said it was doing a little better and another 23% thought it was performing much better than they had predicted.

A third of Pan Africanist Congress supporters were disappointed but more than a third were pleased with the new Government. Interestingly, approval among the Government's supporters was progressively stronger among poorer groups.

Focus group monitoring of popular African expectations conducted by the Centre for Policy Studies in November 1994 gave a similar picture of qualified optimism, as well as a preparedness to recognise the limitations of what any government could be expected to achieve. The loyalty of the ANC's support base may be less uncertain than party leaders think.

In any case, political disaffection is more likely to take the form of abstentionism and apathy than open opposition or rebellion. This seems to be the message emerging from the failure so far to enlist the participation of Africans in local elections voter registration.

The small number of registrations reflect public ignorance about and lack of interest in the proposed organs of local government, and also indicates a decay in the ANC's own organisational structures on the ground, for these should be the primary vehicles for mobilising registration.

Bereft of external funding, the ANC's organisational weakness is very evident as an electoral party based mainly on the support of extremely poor communities. Before the election, less than 5% of the ANC's income came from membership contributions and the vast majority of its funding arrived from overseas.

It now has to locate substantial domestic donors and no doubt it will discover them on a sufficient scale to fight sophisticated election campaigns, just as did the National Party through most of its history. Local corporate funding and even state subventions will not enable more than this.

The days of the ANC as a standing liberation bureaucracy are over. Whether it likes it or not, it has become an electorally oriented political party. ~~PPA~~

# Masters of the Mansion

By Heribert Adam  
Simon Fraser University, Vancouver  
and the Graduate School of Business, University of Cape Town

*Concerns that the new Government would be subverted by conservative white Afrikaner civil servants are proving largely unfounded. For a variety of reasons the old bureaucrats are, on the whole, rather trying to impress their new masters with their efficiency and expertise. The main concern of the Government should now be to ensure that its new leaders avoid the bad behaviour of their predecessors.*

A welcome surprise for the new South Africa is the behaviour of the Afrikaner civil service. Overwhelmingly supportive of the National Party, the former apartheid servants were always considered a major headache for an African National Congress dominated government.

However, instead of subverting the new masters, the old bureaucrats - on the whole - seek to impress them with their efficiency and expertise.

In astute reflections on nationalism in his book *Imagined Communities*, Benedict Anderson contemplates the temptations and constraints of successful revolutionaries. He uses the analogy of new owners of an old mansion. He writes that they:

"...inherit the wiring of the old state: sometimes functionaries and informers, but always files, dossiers, archives, laws, financial records, censuses, maps, treaties, correspondence, memoranda and so on.

"Like the complex electrical system in any large mansion when the owner has fled, the state awaits the new owner's hand at the switch to be very much its old brilliant self again. One should, therefore, not be too much surprised if revolutionary leaderships, consciously or unconsciously, come to play lord of the manor."

In South Africa, the old owners of the decrepit mansion have not fled. Not only did the African National Congress (ANC) inherit the dossiers, but the inventors and executors of the memoranda as well.

The Afrikaner bureaucracy still holds its hand at the switch. The ancient ghosts of the mansion haunt the newly decorated place everywhere from its colonial architecture to deference to authority and hierarchy.

Thanks to the inevitable power sharing and wise sunset clauses, the apartheid public service emerged the major winner from the negotiations, at least temporarily. Even those security officials whose past deeds and frozen habits disqualify them from a continuing career, benefit from huge early retirement payouts.

However, the state cannot continue with the costly buy out that was designed as an option for a minority of incorrigibles in the first place. Nor can the Government afford many more over priced 'consultants' who merely add political reliability to an under utilised existing expertise. Creating a parallel civil service through expansion would contradict the promised fiscal discipline.

One of the most fascinating questions in the new South Africa, therefore, concerns the relationship of ANC politicians with a politically hostile civil service. How can an ANC or Inkatha Freedom Party minister entrust senior bureaucrats with sensitive information and strategic planning when he or she knows that the subordinates are likely members of the Broederbond?

As the ANC tries to outperform the previous National Party administration, so its supporters in the bureaucracy can be expected to paint the newcomers in poor light by leaking damaging secrets.

Hence transparency and interdependence is built into the setting. The fear of a lame

*The apartheid public service emerged the major winner from the negotiations*

*The state cannot continue with the costly buy out that was designed as an option for a minority of incorrigibles*

*Nor can it afford many more over priced consultants who add political reliability to existing expertise*

*Politically opposed politicians and bureaucrats hold each other in check*

*Forty eight percent of all employed Afrikaners work for the state - a nation of civil servants unique in the world*

*ANC politicians are constantly astonished by the willing cooperation of most of their staff*

opposition in a Government of National Unity is exaggerated because politically opposed politicians and bureaucrats hold each other in check.

Who is more dependent on whom? Generally, no minister can succeed without the support of a civil service that can paralyse and subvert any initiative from the top almost at will.

To be sure, of the approximately 780 000 public servants in 1993, blacks constitute the majority. However, if all the messengers, 'tea boys', cleaners, drivers and bodyguards who are almost exclusively black males are subtracted, the public service, particularly in its upper echelons, is overwhelmingly white, Afrikaner and increasingly female in the middle ranks. Only 27% of all clerical posts are held by 'non-whites'.

Forty eight percent of all employed Afrikaners work for the state - a nation of civil servants unique in the world. Tragically, it is still always white officers who smash mutineering or striking blacks, although they act in the name of an increasingly tough black President.

## Reactions

With affirmative action looming ever more threateningly, one can expect four possible behaviours from resentful and apprehensive state employees:

- Active sabotage.
- Inertia and work to rule, as happened to the newly installed social democrats in the German Weimer Republic.
- A political professionalism along the lines of the British model.
- Genuine identification with the new order. This could happen for opportunistic career or ideological reasons.

In short, do tax officials and police colonels subtly subvert the newcomers out of racist loyalty to the old masters? Alternatively, do they pretend neutrality in the struggle about the inheritance, dutifully serving those who pay them? Or do they perhaps even identify with the victors, proclaiming the foolishness of the past in the hope of benefiting from the more rational new order in the absence of alternative careers? Are people brought up in an authoritarian way attracted by authority, regardless of colour?

Impressionistic evidence suggests all four reactions occurring. While active sabotage seems rare and passive waiting for orders more common, the overwhelming majority reassert a proud professionalism.

## Astonished

ANC politicians are constantly astonished by the willing cooperation of most of their staff, apprehensions about endangered pensions and potential replacement notwithstanding. Much depends on the stature of the minister. Pro-active cooperation varies widely. Where director generals and senior bureaucrats have been new appointments, their underlings take their cues from the changed top.

In sections of the police and military, on the other hand, it is business as usual. Even there political obstructionism is hardly encountered. On the contrary, the feeling of having been exploited and then left in the lurch by the previous apartheid brass dominates. Cynical disillusionment with a corrupt hierarchy by the middle ranks far outweighs racial or political commonalities.

Racism was more a by-product of previous line ups than an ingrained belief. Afrikaner nationalists have always been more concerned with ethnic survival than racism, enacted to secure dominance.

Unlike Nazi anti-semitism, colonial racism was a tool rather than a commitment. Racism was motivated more by expediency than embraced as an end in itself. The expedient tool was, therefore, discarded when it became dysfunctional. Yet old habits die hard and tensions persist.

In the absence of sufficiently trained black bureaucrats the new ministers, like it or not, have to work with the old ghosts. All they can hope for is to motivate the best and gracefully retire the worst. A massive purge of the civil service would contradict the programme of non-racism and reconciliation.

If the necessary affirmative action were to block normal career progress of white bureaucrats, why would they give of their best? Involuntary retrenchment of civil servants would strengthen the right wing that already banks on imagined refugees from affirmative action for the volkstaat.

While both sides learn to work with each other, another possibility should not be ruled out: victorious revolutionaries increasingly adapt to the unsavoury habits of their subdued opponents. They are rapidly sucked into 'playing lord of the manor', as Anderson perceptively diagnosed elsewhere.

Nothing will prove more counterproductive for the moral authority of the ANC and the political culture of the country than the perception of the new masters joining the gravy train just as readily as some of their corrupt predecessors. **IP/A**

# The ANC Populists

By Alexander Johnston  
Department of Politics, University of Natal

*The African National Congress's 'populist' leaders - among them Winnie Mandela, Bantu Holomisa and Peter Mokaba - are volatile, high profile figures with strong support among party members but with little influence in government and the tendency to self destruct. Populism is likely to remain a structural feature of South African politics for the foreseeable future, with much depending on ANC leaders to contain their influence.*

In the months preceding the African National Congress's conference in late December 1994, there was much speculation in the press about behind the scenes leadership struggles between Thabo Mbeki and Cyril Ramaphosa.

It became clear on the eve of the conference that the leadership was secure for Mbeki and that a united front would be shown. After all the leaks, whispers and speculation, the story floated off on a tide of bonhomie between the ANC and the press, spoiled only by journalists' disgruntlement at the stage management and secrecy of the conference itself.

But the press corps did not depart entirely empty handed from Bloemfontein. The elections for the National Executive Council (NEC) provided some grounds for discussion. It was the success of what have come to be known as the ANC 'populists' which provided the point around which this discussion centred.

This success, which was not universally predicted, saw Bantu Holomisa obtain the highest total of votes, with Peter Mokaba third and Winnie Mandela fifth.

Another populist, Rocky Malebane-Metsing - elected number 44 on the list in 1991 - was not voted onto the national executive this time but was also in the news because of his successful defiance of North West premier Popo Molefe. Malebane-Metsing was subsequently dismissed as minister, but re-engaged as special adviser to the man who dismissed him.

The question of populism in the ANC camp is by no means new. In fact it is a running item. But the NEC elections provided a good opportunity for running it again.

At its simplest a loosely knit group of charismatic high profile figures have a support base in the most marginalised and poorest sections of the ANC's constituency. They are often in conflict with the pragmatic policies of the party's leadership and consider themselves to be the conscience and authentic voice of the organisation.

Like their followers, they themselves are marginalised. Despite their popularity, they do not hold the highest offices of the party but are precariously confined to minor government posts, perpetually in danger of being sacked. On the whole, the broadcasting and print media are unsympathetic and sometimes outright hostile towards them.

## Understanding populism

Populist and populism have become such commonplace terms on the agenda of South African politics that it is worthwhile discussing them in a wider context and at greater length than is usually possible in a newspaper article.

Several things stand in the way of a clear understanding of populism:

- The term has acquired a pejorative quality and it is used to marginalise and demonise more often than to merely analyse.
- There are populist strains in many,

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*They often conflict with the party's leadership and consider themselves the authentic voice of the organisation*

*Despite their popularity, they are confined to minor government posts, perpetually in danger of being sacked*



Picture courtesy of Natal Newspapers

*Populism invades nationalist, socialist and conservative movements*

*Important elements in populist politics are a levelling impulse, a taste for psychodrama and a distrust of institutions*

perhaps most, 20th Century movements and ideologies

Where populism takes on organisational forms in its own right, they are diverse and hard to classify.

'Populist' as a term of abuse can be found on the left, where a vocabulary of words ending in 'ist' are deployed in factional disputes. In this context, populist tends to mean 'not amenable to party discipline'. Further to the right, disdainful liberals are fond of pointing to the populist elements of conservative parties' policies on race relations, education, welfare and crime, where they are in conflict with liberal intellectual orthodoxy.

Populist has come also to be used by international lending institutions to denote fiscal irresponsibility by Third World governments, and this interpretation has been taken up by newspapers and journals representing business interests.

On the whole, these usages broadly hint that all is not well with conceptions of democracy which take too literally the idea of popular will. In this view, populists are wrong because:

- They confuse a section of the people with the whole.
- Or 'the people' does not exist at all and the phrase is merely a rhetorical smokescreen concealing a multiplicity of competing interests.
- Or what 'the people' want is unfeasible, misguided, or - as in the case where majorities favour barbaric punishments for offenders - morally wrong.

Populism has an opportunistic, even parasitic quality. It invades nationalist, socialist and conservative movements, enabling them (indeed forcing them) to manage the imperatives of mass democracy. It is an essential element in fascist and national socialist movements and parties.

Populist images, rhetoric and policies can equip the landed, military and business elites of conservative parties to compete for mass support. The populist appeal to the 'little people' who stood helpless in the path of the big battalions of capital and labour was indispensable to the rise of national socialist and fascist parties. Populist themes give socialism an emotional charge which can stir bloodless abstractions of 'scientific' and rational ideology into life and clothe them in human experience.

### Organised populism

Insofar as populism takes on organisational forms of its own, it inhabits widely differing social and economic conditions. Rarely, if ever, does it display the cohesion of social origin and ideological imprint which would make it easily comprehensible in conventional terms of class analysis and terminology of right and left.

In Latin America and Eastern Europe it has been associated with agrarian and peasant grievances. In Latin America it has also been linked with strains of rapid urbanisation, and the absence or weakness of working class organisations like labour unions. In the United States it was the vehicle of small scale commercial farmers and small town entrepreneurs, who combined firmly capitalist beliefs with egalitarianism and radicalism.

In short, populism is probably the most difficult 'ism' to contain within conceptual boundaries. It is more often a term of disapprobation than analysis. It appears more often as a theme in the dominant political ideologies and movements of our time than in its own right. Populist movements themselves do not admit easy classification and generalisation. Nevertheless, it ought to be possible to offer some generalisations which extend the discussion of populism in South Africa.

### Populist politics

Some of the most important elements in populist politics are a levelling impulse, a taste for psychodrama and a distrust of institutions, bureaucracy and concentrations of power.

The levelling impulse which animates populists everywhere shows itself in anti-hierarchical and anti-elitist attitudes. The idea that leaders and followers, either in the state or in the party, are bound together in a hierarchy of functions and positions takes second place to the myth of a direct relationship between leaders and followers.

Because hierarchical relationships are indispensable in running a modernised or modernising state or party, there is a contradiction between populism's authentic mobilising ideas and the organisational imperatives of giving them expression.

Anti-elitism is shown in opposition not only to 'old' sources of power - wealth, land, ethnic or racial privilege - but also to new authority claims like knowledge, expertise and control of party hierarchies. In their own ways, these are just as exclusionary as the old hierarchies and, as such, they are an offence to populist conceptions of solidarity.

Although anti-elitist and anti-hierarchical elements of populism reflect a concern with levelling, populists do not have a philosophy of equality based either on individual rights (like liberals) or the vision of a classless society (like socialists).

Populist leaders often have tastes for unaccountable power and flamboyant conspicuous consumption which are at variance with the democratic principles of liberalism and socialism. Far from being hindrances, these things are often key elements in populist leaders' charisma.

It is tempting to believe that populists are less concerned with principled and consistent conceptions of socio-economic equality than with psychological relationships in which popular needs for dignity and respect are transferred upwards and find satisfaction in the elevation of leaders from humble backgrounds.

The taste for psychodrama, which is the second important element in populism, is more than the flair for theatrical self presentation possessed by all successful populist leaders, whether their persuasion is conservative, nationalist, fascist or socialist.

Deeper than this is the ability to stand as a 'representative individual', in whose life the experience - often of suffering, persecution or betrayal - of a nation or class is symbolised. The ability to dramatise conflict as a clash of wills, rather than as a contest of interest or principle, is another essential aspect of psychodrama which inspires the populist vision of politics more than organisation or analysis.

A classic element of populist appeal is to the individual caught between, and excluded from, the large concentrations of influence represented by corporate power, organised labour and government.

Populists are especially sensitive to any hint of collusion between these forces and, in general, populist sentiment thrives on the belief that conspiratorial forces are at work in society. This distrust of concentrations of power extends to a suspicion of the institutional machinery of government, with its elaborate procedures and layers of bureaucracy which cause frustrating delays.

Such established procedures dilute and absorb the thrust of radical change and remove politicians - even radical ones - from direct contact with the people. Indeed, the institutional nature of modern politics creates and sustains bureaucratic classes with their own interests in both party and government structures, helping to foster the populist's sense of exclusion.

## Conditions for populism

These generalisations about the nature of populist politics throw back many echoes from the careers of ANC populists and prompt discussion of the conditions under which populism might be expected to flourish in South African conditions.

The first is a situation in which both corporate power and labour unions are strong and well organised, but neither is able to dominate the other. Even more important is the fact that, even between them they are not all embracing in the economy and society.

Many South Africans are outside the formal economy and not subject to the disciplines and securities afforded by corporate employment, social democratic and working class organisations, or state welfare. All of these are the enemies of populism, and where a substantial proportion of the population cannot be reached by them there is fertile ground for populist politics.

A second condition hospitable to populism is the absence of a hegemonic ideology or a contest between two potentially hegemonic ideologies. This condition also characterises contemporary South African politics.

The first potential candidate for hegemony is socialism - but it is in doctrinal disarray and retreat around the world. In any case, patterns of employment and class formation in South Africa do not encourage class analysis and mobilisation in classical socialist terms. Socialism is not irrelevant, and its devotees

*Populist leaders often have tastes for unaccountable power and flamboyant conspicuous consumption*

*Populist sentiment thrives on the belief that conspiratorial forces are at work in society*

*People outside the formal economy provide fertile ground for populist politics*



*In a society with many volatile contradictions, the absence of a dominant ideology invites exploitation of populism's emotional and theatrical possibilities*

*Land hunger in South Africa follows a classical populist pattern*

*The ANC's organisational weakness creates political space for populism*

will work hard to find ways of re-shaping and applying it to specific and general conditions of South African society, but the conditions are absent for it to be a hegemonic ideology.

Another candidate is some form of black nationalism. Despite South Africa's history of racial division and continuing inequality and material deprivation of African people, formal doctrines of black solidarity and literal versions of African nationalism have not proved popular. They have been superseded from above by the non-racial character of the ANC alliance and undercut from below by regional and specific ethnic identities, notably in KwaZulu-Natal.

In the 1970s and 1980s, the most likely candidate for ideological leadership in a post-apartheid South Africa was the kind of Third World regime which stressed the following elements: mass mobilisation through a single party, diluted and adapted socialism, and solidarity with like minded countries and the Soviet Union.

At the same time, such regimes practised uneasy compromises with the reality of First World political and economic power. This possibility was swept away by the need for compromise in dealing with undefeated white power and a very greatly altered global political and economic environment.

Under these circumstances, the ANC's ideological resources have been reduced to a greatly circumscribed commitment to redistribution and a carefully modulated citizen nationalism which, though praiseworthy for its inclusiveness, civility and rationality, is somewhat bloodless and bland.

There is, then, a kind of ideological vacuum in South African politics in which socialism, nationalism, liberal democracy and conservatism are all weak, either in numbers or force of expression.

Some would argue that a substantially de-ideologised politics like this is just what we need at this point. This argument has its merits, but in a society with as many volatile contradictions as South Africa's, the absence of a dominant ideology or ideological contest invites exploitation of populism's emotional and theatrical possibilities.

### **Fertile ground**

Three other aspects of a rapidly changing South Africa also contribute to populist agitation. The first is that rural poverty and rapid urbanisation have left many people marooned between traditional and modernising values and structures.

Populist leaders are better able to exploit this dualism than party and government hierarchies, who tend to be out and out modernisers. In this context, it is significant that Winnie Mandela recently became treasurer of the Congress of Traditional Leaders of South Africa.

Secondly, the militarisation of the latter phases of the anti-apartheid struggle has left substantial numbers of demobilised personnel who, if they are not ex-combatants, have at least received some military training. Such individuals, when removed from military affiliations, often provide fertile recruits for populism.

Thirdly, the centrality of land hunger to political grievances in South Africa, whether on the part of dispossessed peasants or the new urban homeless, follows a classical populist pattern.

A final characteristic of contemporary South African politics is worth mentioning in the list of factors encouraging populism: organisation in the ANC, the dominant political force, is relatively weak.

Effective organisation is the enemy of populism because it creates bonds between people on the basis of bureaucratic function, manufacturing elites whose careers are advanced by responsibility to the party hierarchy. The routines of political organisation also curb the spontaneity and theatricality on which populism thrives. The ANC's organisational weakness creates political space for populism.

### **Curbing influences**

The conditions which give leverage to South Africa's populists, however, co-exist with others which tend to curb their influence.

The first is that although populism has a substantial constituency, it is neither coherent nor numerous enough to form the basis for an internal party coup or an electoral challenge. Populists are most unlikely to be propelled into power by either route.

An aggravating factor is that populists' hostility to organisation and bureaucracy has a self limiting effect. The more populists organise themselves with a corporate identity, the less like populists they become.

Not surprisingly, few populists have a genuine appetite and talent for organising, although factional intrigue can be a speciality. A carefree approach to organisation is often closely linked to cavalier attitudes to standards of personal probity. Populism's

enemies rarely lack for ammunition in the struggle to discredit and marginalise them.

Another limiting factor for ANC populists is the lack of any viable alternative political home. The Pan Africanist Congress's weak showing in the April 1994 election, allied to its endemic problems of underfunding and weak organisation - indicative of its own populist provenance - rule it out as a destination for disgruntled or expelled ANC populists.

As for an independent existence, in the foreseeable future there is no prospect of more than a toehold in African popular politics for any group outside the mantle of the ANC's liberation heritage. Any threat of secession from the movement would be a hollow one and any threat of expulsion would carry real terminal penalties.

Populism is also contained by the resourcefulness of South Africa's political elites in meeting its challenge. An example is the decision to extend representation on the National Economic Development and Labour Council (Nedlac) to groups such as civic and youth, women's and rural associations.

Although such groups will be represented only on the fourth chamber of Nedlac dealing with development - the other three chambers are labour, trade and industry, and public finance and monetary policy - it reflects an awareness that if corporatist bodies are confined to business, labour and government, the atmosphere of exclusion and conspiracy on which populism thrives will be aggravated.

### Here to stay

Commentators vary greatly in their response to the phenomenon of ANC populists. Some verge on alarmism, others are dismissive. The truth is, populism will remain a structural feature of South African politics for the foreseeable future and the balance between factors which allow it to flourish and those which confine its influence will fluctuate. Much, in the last analysis, will depend on the ANC leadership.

The loss of Joe Slovo was a serious setback in this respect. He had enormous credibility and popular authority, but deployed these assets with considerable intellectual agility, discipline and deep organisational loyalty. These qualities, which are the antithesis of populism, made him invaluable in persuading the rank and file that tactical retreats were the foundation of strategic advances.

The death of Chris Hani is more difficult to assess. He had the same qualities as Slovo, which was scarcely surprising given their common nursery in the South African Communist Party and Umkhonto we Sizwe, but his well publicised attachment to Winnie Mandela would have made him a pivotal figure either in encouraging or containing her.

As it stands, the commanding figure of Nelson Mandela exemplifies the essential point that charisma and populism do not necessarily go together.

Despite his enormous personal popularity - and a discernible taste for the exercise of personal authority - he takes great pains to act in the name of the organisation which he leads, to make promises on its behalf rather than his own and to stress that it is the organisation, not solely himself, which mirrors and comprehends the experience of the grassroots members.

Of the younger generation of leaders, Cyril Ramaphosa exemplifies the logical opposition of populism and party organisation. He has been one of Winnie Mandela's most vocal critics and has taken upon himself the task of creating a 'new' ANC by combining popular enthusiasm with bureaucratic efficiency, financial probity and organisational accountability.

He has had mixed fortunes in pursuing this double agenda of disciplining the populist wing and carrying out organisational reform. He and others know that success in either of these tasks demands progress in the other.

The future place of the populists in the ANC will depend greatly on whether Thabo Mbeki, heir apparent to Nelson Mandela, is one of those who think like Ramaphosa.

It is not clear whether Mbeki's well publicised alliances with the populists have been merely tactical weapons in the succession contest with Ramaphosa, or whether he genuinely feels that populism remains an essential element of the ANC's appeal at this juncture.

The issue is likely to be forced by self destructive behaviour on the part of the populists, which has left them open to accusations of corruption in a series of scandals which began to gain momentum in late February this year. But whether Mbeki comes to regard these allies as disposable or not, populism will continue to feature in his - and everybody else's - calculations for some time to come. *PPA*

*A carefree approach to organisation is often closely linked to cavalier attitudes to standards of personal probity*

*Populism will remain a structural feature of South African politics for the foreseeable future*

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# Ruyterwacht and Reconciliation

*By Courtney Jung  
Centre for Social and Development Studies, University of Natal  
and Jeremy Seekings  
Department of Sociology, University of Cape Town*

*Cape Town's Ruyterwacht suburb became synonymous with white racism when angry white residents protested against the presence of black school pupils. But media portrayal of the episode simply as white racism misrepresents the causes and nature of the confrontation. Crucially, conflict could have been avoided if residents had been consulted beforehand. The lesson is that reconciliation and reconstruction require consultation with all interested parties at the local level - including the white working class.*

*Ruyterwacht is home to about 6 000 people. It was built as a suburb for poor whites*

*Unemployment is high and incomes are generally low*

*Until the late 1980s the buildings that are now Esangweni High School housed a primary school*

**T**he confrontations in February in Cape Town's Ruyterwacht suburb seemed to illustrate one of the dangers facing the country: television and press reports depicted violent, racist white men and women denying black pupils access to school.

Ruyterwacht became synonymous with white racism, vilified not only as an unacceptable outpost of apartheid in the new South Africa but also as a portent of trouble to come with white racism sparking a black reaction.

As one letter writer warned in the *Sunday Times* on February 26, 1995: "The provocative behaviour of the Ruyterwacht residents could trigger a catastrophic sequence of events in the Western Cape and the rest of the country."

The images of barbaric white protesters persist. When Nelson Mandela visited the school in Ruyterwacht in early March, residents gathered to watch.

Photos in the Cape Times on March 9 showed grannies in smart dresses, but the accompanying text wrote of police keeping Ruyterwacht residents 'at bay'.

Poor white people are described in the terms that newspapers used to reserve for black 'youth'. Just as the stereotyped image of black 'youth' misrepresents young black people, so the media imagery of violent white racism misrepresents the people and the issue at hand in Ruyterwacht.

## The suburb

Ruyterwacht, in the words of one resident, is "a small place for poor people". Bounded by the Goodwood showgrounds to the west, a railway line and beyond it Goodwood to the north, and the old coloured area of Elsies River to the east, Ruyterwacht is home to about 6 000 people.

It was built as a suburb for poor whites, and stayed a white working class area until very recently. As one resident told us: "Dis 'n arm mans dorp die, dit is net vir mense wat sukkel." (This is a poor man's town, it's only for people who are struggling.)

In the past three years there have been some changes, with an influx of slightly better off families - mostly coloured or white, with just a few black families. Overall, however, pensioners continue to comprise a high proportion of the population, unemployment is high and incomes are generally low. Most houses are sparsely furnished and most yards are enclosed with wire only.

In this bleak environment stand the attractive school buildings that now house Esangweni High School. Up until the late 1980s these buildings housed a primary school. Residents say that they invested time and money in building a school hall and planting trees in the grounds.

After the school merged with and moved to another school nearby, the buildings were leased by the South African Defence Force.

In January, faced with an apparent shortage of classrooms in Cape Town, the army agreed to move out and make the buildings available for teaching once again.

## The pupils

On January 30, school buses arrived and left about 3 800 black pupils. The residents of Ruyterwacht had been neither consulted nor warned.

The schools had no desks and no facilities to occupy the pupils. Some unemployed and unpaid teachers tried to register the pupils.

The pupils, unsupervised and presumably bored, inflicted minor damage on the buildings, damaging the floor of the gym and some of the toilets. For the most part the pupils just milled around the school grounds and the surrounding streets.

Ruyterwacht residents recall that they felt overwhelmed by the massive and unexpected influx of pupils into their streets. They allege that pupils wandered into their yards where they helped themselves to or demanded tap water, sat in the shade, urinated and left their litter.

Residents complain that pupils obstructed them in the street and jeered at them and their children. "Hulle het in my gesig gespoeg en my nat gepee," (They spat in my face and pee-ed on me), charged one middle-aged woman.

Pupils allegedly smoked dagga. Some pupils stole food from the local cafe-supermarket. All in all, pupils did many 'naughty things', said one pensioner.

Rumours of particular incidents spread rapidly. An eight year old girl was allegedly offered 20 cents if she got into one of the buses with (much older) black pupils. Pupils were said to have had sex in the school grounds or between parked buses.

Some of these stories were second hand. When asked if people had seen incidents themselves, our informants retreated: "Well no, but my neighbour told me she saw it..."

In other cases we found the person at the centre of the story, who repeated the allegation. For example, we found an invalid who claimed that she had been tipped out of her wheelchair on her way to the shop.

Whether or not all of these allegations were true, they were widely repeated and apparently believed to be true within Ruyterwacht.

Some residents told us about the alleged behaviour of black school pupils in openly or thinly disguised racist terms. The school pupils were said to have hung out of the school windows 'like baboons', and run about the streets 'like baboons', and they were 'barbarians'.

But many residents did not describe events in racist terms. Many pointed out that some pupils were well behaved, asking for water politely and picking up their litter. "There are bad apples in every basket," we were told.

## The residents

It is not surprising that there was widespread misbehaviour - even accounting for some exaggeration in the stories told to us. It would be expected of almost 4 000 pupils of any background who were left in a small suburb, day after day, with nothing to do.

Nor is it surprising that Ruyterwacht's residents, many of whom are elderly or stay alone with young children during the day, were deeply disturbed.

Suddenly there were many more black pupils in the area than there were residents at home during the day. Parents started walking their children home from school, and fathers and brothers stopped by at lunch time to check on their families.

Ruyterwacht's streets were filled with unoccupied and unsupervised pupils for two weeks. Community leaders - including a dominee and the local National Party (NP) organiser - held meetings with the Department of Education and the National Education Coordinating Committee (NECC). They asked that the number of pupils be reduced, but their requests were ignored.

On Monday, February 13, they reported their failure to residents at a packed public meeting. After the meeting some people decided to hold a protest outside the school the next morning.

On Tuesday, February 14, a group of residents gathered at the school, some with sticks and dogs. By the time the buses arrived there were several hundred protesters and the situation was tense. One worried community leader called the police.

Protesting residents and pupils traded verbal abuse. Chants of 'one settler one bullet' were met with similarly racist invective. A few stones were thrown by both sides. But the stand off was essentially non-violent. Some residents employed a classic technique of non-violent direct action, lying down in front

*On January 30, school buses arrived with about 3 800 black pupils. Residents had been neither consulted nor warned*

*Residents allege that pupils wandered into their yards, helped themselves to water, sat in the shade, urinated and left their litter*

*Misbehaviour could be expected of almost 4 000 pupils left in a small suburb, day after day, with nothing to do*



Picture courtesy of Natal Newspapers

*Residents and pupils traded abuse, but the stand off was not violent*

*After a day and a half of protests, the pupils stayed away*

*Ruyterwacht residents insist that their response was not racist*

of the buses to prevent them driving to the school. The local dominee appealed for peace and calm.

Nobody was injured or killed in the confrontation, although one pupil was later killed inside the school grounds in an apparently unrelated incident. The police, who seem to have acted commendably, eventually escorted the buses into the school yard.

For the remainder of the day pupils and residents squared off across the fence. Police kept them apart while Ruyterwacht community leaders strategically drew some of the most voluble protesters into a committee to negotiate and, as importantly, to help maintain order among the protesters. This situation continued for another day and a half, after which the pupils stayed away.

For the following week the situation remained confused. There were police but no pupils at the school. Western Cape premier Hernus Kriel overruled his provincial education minister, Martha Olckers, and insisted that the school be opened to black pupils.

Meanwhile, Ruyterwacht residents continued to organise. Some had lost their jobs when their photographs appeared in newspapers or on television. Many joined and radicalised the local Neighbourhood Watch scheme, patrolling the suburb and surrounding areas. 'For sale' signs sprang up. An old proposal that the school buildings be converted into an old age home was revived.

### Racist response?

Was the response of Ruyterwacht residents to the black pupils racist? Residents insist it was not. In some cases this claim is very unconvincing, but in most cases we were unsure.

The residents' accounts raised the question: what does it mean to say people are racist? Residents saw the pupils as black and understood their 'blackness' as part of the problem. But the pupils' 'blackness' was far from a sufficient explanation of the residents' discontent. And just how unusual were Ruyterwacht residents in thinking in racial terms, in a country where race is so deeply engrained in people's consciousness?

There is no denying that some residents understood and described the situation in racial terms, and spoke pejoratively of black people who were seen as a 'swart gevaar' (black threat). As one old man put it: "I know the blacks, you give them your one finger, they take the other finger; you give them that finger, they take your hand: they keep on taking."

Black pupils were seen to have seized control of the school and then the streets. Next, rumours had it, they would seize houses around the school - to accommodate teachers or pupils.

A young man told us that black people should "boggoroff terug Khayelitsha toe...Dis nie hulle plek die nie. Dis 'n wit dorp die, ons mense bly lankal hierso...Daai swart gevrete

wil ons nie hier hê nie". (They should bugger off back to Khayelitsha... This is not their place. This is a white town, our people have been staying here for a long time... We don't want their ugly black faces here).

One elderly white man was typically both patronising - "let's face it, we like to see them get on their feet" - and demeaning - "look how they kill one another; they've got no respect for one another".

Some of the pupils contributed to this racial polarisation, chanting 'one settler, one bullet' and poking fun at the 'poor whites' who 'don't count for anything in the new South Africa', as one pupil told us.

But many residents distanced themselves from apartheid. Said one middle aged man: "Apartheid was in my oë nog altyd 'n probleem gewees." (Apartheid was always a problem as far as I was concerned.) He added that people should not oppress one another because of the colour of their skins.

"We have blacks, we have coloureds, we have Malays, we have whites, and they're all integrated in the schools here, all the schools around here, and in the crèches," said one young woman, "and I mean there's never been a problem".

Residents acknowledge that some people in Ruyterwacht are racist. "But we won't accept them because it's a new South Africa and we accepted the new South Africa," one militant protester told us. The people "throwing racist remarks" had been asked to leave the protests: "we don't need that."

White residents claimed to get on well with the many coloured people that had moved into Ruyterwacht. They proudly showed us photographs of their children standing alongside their coloured friends in school sports teams.

Most of the coloured residents we spoke to agreed that there was little racism in the suburb. One 'mixed' couple told us that they were quite happy in Ruyterwacht, having been abused in other Cape Town suburbs. A few coloured residents joined in the protests.

Although residents were clearly less accepting of black people, almost everyone we spoke to outside the small core of militant protesters said that black pupils should be allowed to attend the school - so long as they behaved like other pupils in the suburb and did not exceed the school's capacity of 500.

One young woman said: "They're human just like us, and the Lord made them like he made us." A fear of being 'swamped' by black

people coexisted with a willingness to open the school to well behaved black pupils.

For most residents of Ruyterwacht the issue was not whether black pupils should be bussed into the area to go to school, but rather the presence and behaviour of thousands of unoccupied pupils in their streets.

Residents objected to the process by which pupils had been brought into the area. "What annoys the community the most," a young man told us, "is that they haven't informed anybody about this whole situation, what was going to happen, that it's going to be a school, or anything like that."

The dominee complained: "It is very undemocratic to decide something for a community without pulling that community into negotiation so that it can come smooth on them." Residents concurred on the importance of negotiations: "By talking you can solve the whole situation."

An attempt (presumably by some residents) to burn part of the school was widely criticised: "Ons moet nie afbrand nie, ons moet opbou," (We must not burn down, we must build up) urged a middle aged man, echoing the National Party's 1994 election slogan.

## The solution

On March 1, pupils were again bussed into Ruyterwacht. This time their arrival was better managed. Desks were brought in beforehand and teachers accompanied the 400 or 500 pupils. There was a small police presence and no clash.

Over the following days residents declined to support a handful of militant activists who sought to revive the protest and keep the school pupils out of the suburb. Perhaps residents felt powerless to protest further, but it is surely more likely that they recognised they had been successful: henceforth there would only be 500 or so pupils instead of nearly 4 000, and they would be inside the school rather than out on the streets.

Over the following days the new Esangweni High School was visited by both national Minister of Education, Sibusiso Bhengu, and Nelson Mandela. Both exhorted pupils to be well behaved. Neither used the opportunity to speak to the residents of Ruyterwacht.

But Ruyterwacht has remained calm. Residents have minor grumbles and there are probably more than 500 pupils in the over crowded school, but there have not been any major incidents.

*Some residents understood the situation in racial terms but many distanced themselves from apartheid*

*Almost everyone said black pupils should be allowed to attend the school - so long as they behaved and did not exceed 500*

*On March 1, pupils were again bussed into Ruyterwacht. This time their arrival was better managed*

*It was a strategic blunder to have 'swamped' a suburb, and it was a mistake not to have consulted the local community*

*Official disregard for people in places like Ruyterwacht undermines the goal of reconciliation*

The new headmaster has met with local community leaders. Estate agents report that most people who wanted to sell their houses when the conflict erupted have since changed their minds and stayed in the area.

### **Irresponsible**

The successful accommodation of 500 or so pupils in March highlights the irresponsibility of education authorities and the NECC in February. It was a strategic blunder to have 'swamped' a suburb for two weeks, and it was also a mistake not to have consulted with the local community.

The cynical approach to the whole episode on the part of the NECC and provincial education department is illustrated further by their response to the death of the black pupil in the school grounds. The department refused to acknowledge any responsibility. The NECC eventually promised to provide buses for the funeral, but reneged even on this.

There would probably not have been any confrontation if residents had been consulted adequately. Such consultation is clearly advocated in the Reconstruction and Development Programme, and is essential for genuine inter-racial reconciliation at the local level.

The emphasis placed on reconciliation by Nelson Mandela and others, and indeed the existence of the Government of National Unity, is premised in part on a fear that unless everyone pulls together the centripetal forces in South African society will rip apart our miraculous but fragile democracy.

At the local level, however, official disregard for people in places like Ruyterwacht undermines the goal of reconciliation. The residents of Ruyterwacht were themselves the victims of discrimination, stereotyped by the media and ignored by the authorities.

Calm may have descended on Ruyterwacht, but the suburb has been politicised in ways which are far from conducive to reconciliation. Ruyterwacht has in the past been a stronghold of NP support, residents claim. Now, disenchanted NP supporters have shifted to other parties, especially the Freedom Front.

On the one hand people are said to be angry with Kriel - who never visited the area - and the NP in general: "We don't have political leaders who stood up for us or came to see what the situation was," complained one resident. On the other hand, 'race' has been mobilised in new ways - ways which the Freedom Front and Inkatha Freedom Party are best placed to pick up on.

It is difficult not to see both residents and pupils as victims of official neglect. The fact that thousands of black pupils waited so long to find places in schools is a tragedy. The failure of educational authorities and the NECC to consult or liaise with people in places like Ruyterwacht is surely another. **DDA**

\* This research was conducted with the assistance of Devah Pager, Zubair Sayed, Carol-Jane Talbut, Andre Malhoney, Ben Morgenthau and Nicoli Natrass. Research comprised discussions or interviews, varying in length from five to 10 minutes to an hour and a half, with more than 50 residents between February 23 and March 3.

# Losing the Land

## Securing Tenure in Tribal Areas

By Catherine Cross  
Rural Urban Studies Unit, Centre for Social and Development Studies,  
University of Natal  
Peter Rutsch  
Legal Resources Centre, Durban

*Millions of people living in rural communal areas have neither reliable rights over land nor the clear possibility of development, leaving a dangerous legal gap which is unlikely to be plugged for years. Cases are being reported of communal land being sold by tribal authorities to developers and private interests in extra-legal deals which could later be challenged and do not always take the interests of communities into account. A clear and secure rural tenure system is urgently needed.*

**T**he goal of the Government's rural land policy is to redress the injustices of apartheid and establish diversity of tenure rights. Some new legislation exists and more is coming which delivers land rights to many deprived black communities. The Reconstruction and Development Programme is striving for decent living conditions for the rural poor.

But political complications have left millions of South Africans living in communal areas with neither reliable rights over land nor the clear possibility of development. Under the pressures of transition, tenure seems to be becoming unstable and contentious in black rural areas.

There is still little or no legal tenure in the former homelands and independent states, where half of South Africa's total population is concentrated. These people - the poorest in the country - make up most of the rural population and could be left behind as urban and land redistribution areas receive infrastructure and services.

At stake is infrastructure development for up to 10 million people living in Tribal Authority areas. The total value is difficult to estimate, but would probably run to over R1 billion. Along with physical infrastructure goes the economic turnover and employment generation from these projects, and most of

the new Government's hopes for ecotourism. The situation is very urgent.

Meanwhile, cases are being reported throughout the country where areas of communal land have been handed over by tribal authorities to developers and private interests in deals which seem to have no legal basis and which do not always take the interests or rights of local people into account.

Since 1991 the old government's land laws have been cancelled, but after four years no new tenure system is yet in place. The Ministry of Land Affairs is concerned and has several initiatives in the pipeline, but it appears that the gap which has developed will not be closed for several years.

Property deals which have little or no current legal basis may become invalid in future, meaning that developers and others could lose the land they seem to be buying. Developers who are aware of the lack of legal coverage in most communal areas may be reluctant to undertake projects in them, also meaning that many of the poorest parts of South Africa could wait for years for development to begin.

Rural communities want secure tenure on their present land, and freedom from outside intervention that would weaken their tenure security. Within this frame, they want development.

*There is still little or no legal tenure in the former homelands and independent states*

*At stake is infrastructure development for up to 10 million people in Tribal Authority areas*



*KwaZulu-Natal and the Eastern Cape are each locked in crisis. Together they contain the largest reservoirs of rural poverty*

*The result of lack of tenure could be inconsistency, administrative paralysis and a serious temptation to corruption*

*Since the elections limited progress has been made in creating new structures for land law and administration*

The private sector and the development community want firm, enforceable legal arrangements that will allow them to provide developmental infrastructure on a secure basis, without exposure to unforeseen risks and unpredictable interventions. Within this frame, they want to help to provide development.

Both communities and developers therefore need a clear and secure rural tenure system for the old homelands.

### **Land rights**

A number of concepts and approaches are currently being looked at by the Department of Land Affairs in the field of rural tenure. Laws are already available which can provide private rights for communities that choose freehold, but indications are that private tenure is unpopular with most black rural communities.

Legislative prospects now being considered will still leave the old homelands largely with no tenure, and they are coming onto a critical policy terrain.

There is severe conflict in KwaZulu-Natal over the rights of the King, traditional leaders, the provincial government and the national government. In the Eastern Cape, the South African National Civics Organisation (Sanco) and African National Congress-supporting traditional leaders are locked in crisis.

Between them, the two provinces contain the largest reservoirs of rural poverty in South Africa. These huge and desperate constituencies are locked into the silence of poverty. They have little advocacy in the national policy process.

Policy issues currently being heard from these areas are mainly political, relating to the standing of traditional leaders, and most are only indirectly developmental.

At the same time, existing rights are under threat. The overall lack of legal tenure means administrative decisions tend to be a substitute for legal procedure. In the existing legal limbo, administrators at all levels have great discretion, and they may not be transparent nor accountable, nor consistent, nor coherent. Administrators are also understandably reluctant to act in cases where they have no clear guidelines.

The result could very easily be inconsistency, administrative paralysis and a serious temptation to corruption and self interest on the part of overstrained administrators trying to deal with rights that have no legal existence.

What is needed are interim measures, which are as politically uncontentious as possible, for people living in tribal areas - and possibly even a temporary return to certain principles of former legislation, until a framework for communal areas can be thrashed out.

### **Legislation**

Land law is currently clouded by legal and administrative confusion. The Abolition of Racially Based Land Measures Act of 1991 and related legislation cancelled Proclamation 188 and most of the other laws which governed tenure and the administration of rural land under apartheid.

Drafting a new legal framework was left to the new Government. However, laws take time to write. Since the April 1994 elections limited progress has been made in creating new structures for land law and administration.

The Ministry of Land Affairs faces a serious dilemma in regards to homeland tenure. There is a strong case for urgent intervention, but detailed and deliberate consideration is also vital for a sound outcome. Meanwhile, some laws passed between 1991 and 1994 are still in force, but none provide for routine tenure in the old homelands.

The Provision of Certain Land for Settlement Act of 1991 enables communities to acquire new land with government help, but does not affect land already occupied by communities. The Upgrading of Land Tenure Act of 1991 provides for Tribal Authority communities to switch from communal to private tenure.

This Act has not been widely applied, but its provisions may tempt bureaucrats in former homelands to intervene for gain. After the recent case in Lebowa, where a transfer of land rights involving several million rand had to be reversed, the Act is being amended.

In 1994, the Ingonyama Trust Act located ownership of land previously owned by KwaZulu with the King by means of a statutory trust.

This Act may have contributed to a new perception by many traditional leaders that they own their community land as freehold property, and can legitimately sell it. Its principles could provide a model for traditional authorities wanting to increase their control over land under their jurisdiction.

New legislative plans which will provide for diversity of tenure are being framed. Possible Acts under consideration include:

- \* Communal tenure proposals, to allow individual communities to choose communal tenure by registering a constitution.
- \* Tenure protection proposals, to give interim protection against interference by administrators in land rights that already exist.
- \* The Development Facilitation Bill, intended to fast track rural services and infrastructure, with authority to override conflicting legislation
- \* A Land Administration Bill, to authorise the Minister of Land Affairs to delegate land related powers to provincial governments from the national level.

Communal tenure proposals would assist communities taking up land restitution claims or participating in land reform programmes, as well as people in blocks of flats and other communal occupation in urban areas. In the old homelands its impact would be very slight.

Tenure protection proposals would provide only a mechanism to hold rights hearings when existing rights are threatened. By their nature they would not concern themselves with the routine need to establish new rights either for new households or to support development.

The Development Facilitation Bill gives enormous authority to development 'tribunals', without providing for clear community input. It does not establish a tenure system and nor will delegating powers to the provinces.

Through the soup of legal provisions, it seems evident that neither the old nor the new legislation replaces the former mechanisms for creating new rights across the broad land area of the old homelands.

In addition, the existing legislation and the new Acts taken together provide a great deal of scope for administrative intervention without community input or approval. In this light they are highly subject to legal challenge.

An important reason why tenure has not been straightened out is possible reaction from traditional leaders. Government appears to be proceeding very carefully in view of the delicacy of the political situation in advance of the local government elections.

But at present, it seems that nothing will come through before the major tenure reform proposals are completed some time in or after 1998.

Land Affairs is also not on the wrong track. But it may be finding it difficult to move for several reasons, including the political

situation in the homelands and the need for speedy intervention as against the need for clarity and deliberation. Both are complicated by serious staff shortages.

But with land reform and land restitution jostling for attention at the top of the list, conditions on the ground in the homelands seem to be falling off at the bottom. It seems clear that stopgap remedies will not meet the need. The situation is bordering on emergency, and a courageous new look is needed.

The Department of Land Affairs is correct in seeing that revising homelands tenure is a very delicate and difficult issue, which needs to be thoroughly negotiated and considered in depth. The prospective tenure programme is a very positive step. However, the separate decisions which seem to be emerging around prospective legislative proposals leave Tribal Authority communities drifting in shark filled waters.

## Administration

The legal emptiness around rural tenure has thrown most of the burden of maintaining land rights onto national, provincial and local administration structures. In the absence of new legislation, administrators at all levels appear to be carrying on as if earlier forms of authority to issue land rights were still in force.

It appears that both national and provincial administrators are only now becoming fully alert to the problem with the legality of their procedures. It is not completely clear how current development undertakings are obtaining access to land.

It seems as if Permissions to Occupy (PTOs) - which governed land in the old homelands - are still being issued, probably to prevent land administration from breaking down completely and until integration with the new provinces is complete. But day to day administration of land matters in the former homelands is often delayed, and in some cases has collapsed.

Land is a national competence, and in principle, authority to make laws dealing with land cannot be delegated to the provinces. Land Affairs has responsibility for land administration functions in the former independent states and self-governing territories, but following the Abolition Act it no longer has administrative capacity to deal with land. Implementation now has to go through other departments.

Provincial powers were formerly delegated to administrators from central government by

*An important reason why tenure has not been straightened out is possible reaction from traditional leaders*

*Administrators appear to be carrying on as if earlier forms of authority to issue land rights were still in force*

*Conflict between national and provincial government for control over land legislation seems set to trigger major challenges in court, with massive litigation*



Amur Bozas

*The social fabric of rural communities is in danger of being ripped wide open by conflicts around land rights*

*Development is already being blocked in a number of areas, and rural warlords seem to be setting up shop*

power of attorney. These delegations are now legally in doubt, and provincial officials are now reported to be unwilling to deal with land administration. Conflict between national and provincial government for control over land legislation seems set to trigger major challenges in court, with massive litigation.

A team from the Ministry of Land Affairs is developing proposals for delegating land functions to the provinces, emphasising the most urgent routine administration issues, but it may be years before relative responsibility under the present Constitution is ironed out.

### Controlling land

In KwaZulu-Natal the present ownership of former homelands government land rests with the King, Goodwill Zwelethini, who is in conflict with the provincial administration. Press reports indicate that he is in danger of being dethroned and replaced.

In the Eastern Cape, the underlying title for the old homelands is with the state. But with Sanco and the Congress of Traditional Leaders of South Africa in collision, violence appears to be spreading. The social fabric of these rural communities is in danger of being ripped wide open by conflicts around land rights.

Development is already being blocked in a number of areas, and rural warlords seem to be setting up shop where administration is weak. Encouraged by the oncoming local government elections, levels of violence are rising. Again and again, rural violence is linked to local conflicts over land.

Warlords operate by taking control of land, giving illegal land to people who become their followers and then withholding access to services and land from people reluctant to cooperate. Once in place, many warlords also demand illegal rents to place people in the status of tenants. These practices seem to be spreading in rural areas.

At the same time, traditional leaders seem to have been encouraged to sell tribal authority land by several national Acts and the KwaZulu Land Act. The latter was intended to promote development and gives *amakhosi* authorisation to sell Tribal Authority land to outside buyers.

Taken together, existing laws have been widely interpreted to mean that traditional leaders can now claim they personally own the land their communities live on. The Government has not taken action to make clear who owns tribal authority land, or to stop this land being sold off. The chances of corruption are enormous as long as legal tenure is in doubt.

PTOs in the old homelands were issued under the authority of traditional leaders, acting on behalf of the government. They took the form of actual documents in the case of permanent facilities such as schools or tourism developments.

For ordinary community members, the transaction was secured by the community at large witnessing the arrangements. These verbal PTOs had legal status under the old legislation, but this legal mechanism - Proclamation R188 - was cancelled in 1991 and has not been replaced.

Both formal developments and ordinary land transfers in communities are now going ahead without any legal base. Developers and traditional leaders appear to be concluding deals using invalid PTOs.

Parties to these deals would be in the position of cartoon characters who walk off the edge of a cliff with their eyes closed, but don't actually fall till they look down and see that they are standing on fresh air.

Many other development attempts have been completely blocked by the uncertainty around tenure, resulting in delays of a year and more on specific projects.

Against this background the position of traditional leaders, which has always been difficult, is now close to impossible. They have been assigned great responsibilities in the fields of land and development, but get very little in the way of training and resources.

Many traditional leaders are seriously demoralised by their position. Temptation is continual, with most underpaid, short of money and in need of constructive support.

At the same time, rural expectations are high. Many traditional leaders see no alternative to using community land to attract development and bring in money.

There are also reliable reports from Lebowa, Transkei and KwaZulu-Natal of land being sold to forestry and commercial developers as well as to private individuals looking for cheap holiday properties. These transfers seem to be taking place without community members being fully consulted, and the money is rarely accounted for. In reported cases there is little if any benefit returned to community members who lose rights.

The legal basis of present development permissions that succeed is open to challenge in court. The tenure protection proposals will offer a chance to rights holders to do this, but will still leave them the burden of defending weak rights against powerful interests.

Also, the proposals are not ready to go to Parliament and will not come into force for some time. At present it is not clear how communities or individuals can challenge corrupt developers, chiefs or administrators.

It seems almost inconceivable that the former homelands will be able to get through the next two to four years without the present rickety semi-legal administration of rural tenure and development coming crashing down.

## Holding land

Finding a way out of the tenure swamp means considering not only the implications of existing and new legal rights, but also how they are going to be informalised - how they will play on the ground.

It is generally assumed that traditional leaders are administering customary land law, but it now seems clear that this is not the case. Probably no community has actually used 'customary law' since the last century, if then. What is recorded as customary law is an administrative concoction, revised from the indigenous system during the 1800s to support colonial rule.

What contemporary traditional leaders administer is local practice, which varies a good deal and bears as much resemblance to customary law as a sports car does to an ox wagon. Implications follow because people on the ground, civil society more than

leaders, work with the underlying legal tenure systems to pull them around to do what they actually need.

This informalisation process goes on all the time but always represents tension between the provisions of the underlying legal tenure and informal practice. With no legal tenure system it can go badly wrong.

The risk is that, without underlying legal tenure, informalisation can run wild and be used by powerful people to build and secure positions of domination. As mentioned, warlords are popping up in many areas, and in some parts of the country traditional authorities also seem to be turning community members into tenants. Anyone who can claim control of land by force can do the same.

## Implications

The present non-existence of legal tenure in most of the old homelands has very serious implications for South Africa and for the Reconstruction and Development Programme (RDP). Land is being allocated and sold outside the strict limits of the law under confused conditions, apparently by government as well as by traditional leaders and warlords.

The weakness of the present land system is also destroying existing rights and threatens stability in the countryside. Under these chaotic conditions, the benefits of infrastructure and ecotourism development may never reach the rural poor, who may slide further into misery.

The reaction of the Government at all levels has so far been to try to go ahead as if old legislation was still in force. All over the country, it seems that traditional leaders are continuing to issue PTOs that are now baseless and seem to be illegal. The Department of Land Affairs and the provinces have to face up to this issue.

The situation is getting to the point where what is being enforced as tenure is often whatever the parties can get away with. There is enormous scope for arbitrary action - by administrators, developers, traditional leaders and warlords.

But by the same token, decisions taken by administrators, developers and chiefs are frequently not safe or secure. More and more these decisions are subject to challenge or collapse, or to popular action. Warlords, with de facto control of force through control of land, may be the safest under existing conditions.

*Many traditional leaders see no alternative to using community land to attract development and bring in money*

*There are reliable reports of land being sold to forestry and commercial developers, and to individuals looking for cheap holiday properties*

*The legal basis of present development permissions that succeed is open to challenge in court*

*The worst possible outcome is for everything that is done to be left to the discretion of administrators*

*There are at least three options: one is leasing land from the Government, while a second would be to try other legal devices such as servitudes*

*A further possibility would be an interim reinstatement of PTOs, phrased to meet the requirements of the present Constitution*

Land and land rights are the entire basis of rural society. The present instability and rural violence, and the unravelling of rural institutions, are directly connected to loss of land rights as the basis of all rural social institutions.

### Way forward

In legal terms the worst possible outcome is for everything that is done to be left to the discretion of administrators - the goal of framing land law is for as little to be left to administrative discretion as possible so as to get a sound, just, coherent and consistent system with a firm base.

What South African rural communities are most afraid of, on history's track record, is government intervention which will interfere in or reduce their tenure rights by expanding government control.

Under the old government, it was a regular practice for legislation to be framed to leave wide deliberate scope for administrators to govern by laying down ad hoc administrative regulations. New legislative proposals around land in the old homelands are likely to leave administrative discretion flapping in the breeze at all levels.

With no effective legal tenure provisions for tribal authority areas, the fast track provisions of the Development Facilitation Act could empower and oblige development 'tribunals' to make open ended lists of ad hoc regulations, with very little accountability.

Meanwhile, the powers of the national and provincial administration, of local government and of the tribal authorities will probably remain an arena process, largely undefined, chaotic and in chronic conflict. Any tenure related outcomes will be subject to a host of possible legal challenges, any of which could tie up projects for years.

The Government is not doing nothing. It is protecting existing rights, delegating powers to the provinces and establishing a tenure reform programme which will come up with a new tenure system: but this process is expected to take two to four years. In the meantime, new rights cannot legally be created to meet the needs of communities and developers.

South Africa is on a rising curve of service delivery in rural areas which is not going to wait. And it is vital to establish the legitimate position of traditional leaders and return to the true democratic character of tribal governance, where a chief is a chief by his people. In addition, the trust status of land in

the old homelands needs to be confirmed and strengthened to prevent sale for private profit.

### Options

There are at least three options, and more can probably be identified. For services and development, one possibility is leasing land from the Government.

Somewhere in the system there is an underlying land title. Whoever is the administrator of that title can lease to developers on behalf of the resident community, but there is presently no clarity around whether such a right can be defined and determined, or how to get it done.

In addition leases, unlike PTOs, do not give permanent rights. This may be unattractive to developers. For rural communities, the principle may be very dangerous. The history of South African rural tenure teaches that people who pay rent become permanent tenants, condemned to marginality and to uncertain access to land and resources.

A second option would be to try other legal devices such as servitudes. There are several types available. None of them are ideal, but they may be pressed into service as an interim device. They do not require reciprocal rent payment, and are binding on the land owner. Essentially, they allow the holder of the servitude to occupy and use land for specific purposes for a specified duration, such as for life. But they are not inheritable or transferable.

Both of these alternatives require lawyers' help and are likely to be too complicated to be accessible for communities wanting to do routine transfers.

A further possibility would be an interim reinstatement of PTOs, phrased to meet the requirements of the present Constitution. This route might stabilise the issue of the powers of traditional leaders until the tenure commission reports.

Meeting constitutional equality provisions might draw some resistance from traditional leaders, but any legislation which avoids the Constitution's principles would immediately be challenged and struck down.

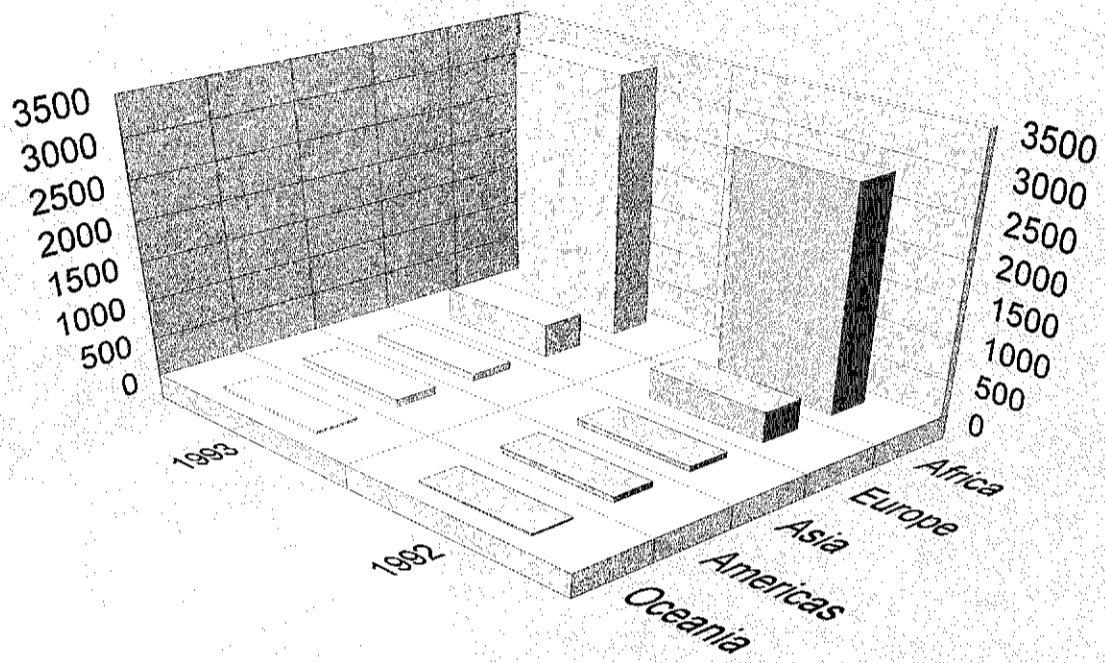
Whatever is contemplated regarding the tenure commission and the Acts governing development, the Government should give urgent attention to the rights and needs of the rural poor. It is past time that the rural majority in the old homelands receive acknowledgement as the country's largest and most critical rural interest group. **IPWA**

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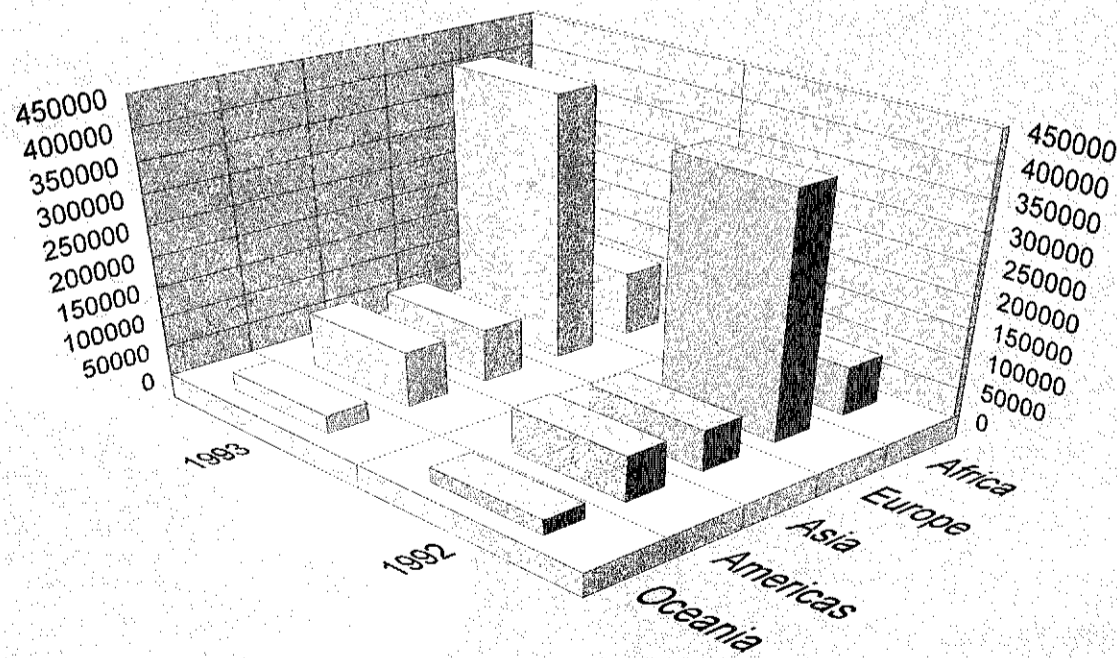
M O N I T O R

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**Tourists to South Africa 1992-1993**  
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**Tourists to South Africa 1992 -1993**  
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Source: Central Statistical Service. Bulletin of Statistics: Quarter ending December 1994, Volume 28 No 4, 1994.

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# Playing with Fire

## Inkatha's Fight for Federalism

By Peter Smith

Member of Parliament, Inkatha Freedom Party

Member of Constitutional and Management Committees, Constitutional Assembly

*Peter Smith presents Inkatha's view of the constitution making process and the role of international mediation. In the Agreement for Reconciliation and Peace signed just before the April 1994 elections, he writes, Inkatha won a crucial compromise in its fight for federalism - a commitment which its partners in the Government of National Unity are now understandably but unacceptably trying to wriggle out of.*

**T**he Inkatha Freedom Party's withdrawal from Parliament on February 21, 1995 was dramatic and, unfortunately, absolutely necessary under the circumstances.

Some 10 months of constant reminders to the African National Congress (ANC) and National Party (NP) at every conceivable venue had failed to result in either of the parties being prepared to implement the Agreement for Reconciliation and Peace signed by the three parties' leaders on April 19, 1994.

The issue was raised in the National Assembly, Senate, Cabinet, Constitutional Assembly and Constitutional Committee and Management Committee, and in private communication between Inkatha Freedom Party (IFP) president Mangosuthu Buthelezi and President Nelson Mandela and NP deputy president FW de Klerk.

It was also articulated in IFP National Council resolutions of December 4, 1994, in those of the *amakhosi* of December 13, and in their follow up communication with Nelson Mandela on December 22.

It is important to note that the Agreement for Reconciliation and Peace was a solemn agreement, not an ephemeral issue of no

consequence. It did not signify a vague statement of intent, a maybe or a perhaps. It was on the strength of the Agreement alone that the IFP entered the April 1994 elections, and it is the reason that the IFP walked out of Parliament when it did.

It had by then become quite clear that the ANC and NP were in effect playing games, on the one hand pronouncing their willingness to see international mediation take place, but on the other using every trick in the book to ensure that it would not be implemented.

Intense pressure from the IFP during 1994 and early 1995 eventually resulted in the appointment of the '3-M' committee, comprising Ministers Moosa, Meyer and Mzimela, ostensibly charged with the task of taking the process forward.

However, it soon became apparent that the ANC and NP were not serious. Their key ploy was to claim that mediation should only proceed once the terms of reference had been agreed to by the three parties, and presented to mediators as a consensus document prior to their arrival in South Africa.

A further ploy was to claim that since the Zulu king had rejected mediation, it was unnecessary. This was rejected by the IFP on

*The Agreement for Reconciliation and Peace was a solemn agreement, not an ephemeral issue of no consequence*

*It became quite clear that the ANC and NP were in effect playing games*



Mangosuthu Buthelezi casts his vote in the April 1994 elections



Picture courtesy of Natal Newspapers

*The final straw was Nelson Mandela's emphatic rejection of mediation*

*Should mediation not take place, the IFP will not recognise the legitimacy of the new Constitution*

*The IFP always opposed the two stage constituent assembly approach to writing the new Constitution*

the grounds that the King was not party to the agreement, and since one of the issues to be mediated was the institution of the monarchy, not the status of the incumbent himself.

Shortly after the last of the failed '3-M' meetings, on the Sunday before the walk out, the final straw for the IFP was the ANC president's emphatic rejection of mediation. It was finally clear that the 'negotiations' were going nowhere and the walk out was inevitable.

### **New mandate**

Since the IFP Parliamentarians were in Cape Town purely by virtue of the agreement, the moment it was clear that the ANC and NP had no intention of honouring it, the party's MP's were honour bound to withdraw from Parliament and seek a fresh mandate from those who gave them the prior mandate to enter the elections and assume their positions in Parliament - the party's highest decision making body, its General Conference.

On March 5, Conference mandated their return to Parliament, but with the proviso that should mediation not be implemented within 30 days they would be obliged to withdraw from the Constitutional Assembly - though remaining in Parliament and the Government of National Unity.

This conciliatory approach followed a telephonic appeal from the United States by South African deputy president Thabo Mbeki, and was more moderate than widely anticipated. However, Conference also resolved that should mediation not take place, the IFP would not recognise the legitimacy of the new constitution.

The party would in any event accelerate the constitution making process in

KwaZulu-Natal, and would also assert provincial autonomy by resisting central government interference in the province and by its own legislative programme.

### **Key questions**

Two key questions - why the ANC and NP reneged on the agreement, and if mediation goes ahead how it will impact upon the present constitution making process - have a common answer. The IFP always opposed the two stage constituent assembly approach to writing the new Constitution, proposing a one stage, consensus based process.

After its withdrawal from Kempton Park multi-party negotiations in July 1993, the IFP embarked upon intensive bilateral and trilateral negotiations with the ANC and NP, centred around what became known as the Yellow Paper objections and proposed amendments to the Interim Constitution.

With no hope of these being substantially agreed to, the IFP decided to exercise its democratic right of non-participation in the election. As a consequence, international mediation was agreed to. This agreement almost failed because the parties had separate terms of reference, but these were timeously merged into the Consolidated Terms of Reference, agreed to by all three parties.

That the mediation attempt failed is now history. But the failure was not occasioned by the terms of reference, but rather by opposing what the mediation was intended to achieve. The IFP wanted the elections to follow constitutional amendments, while the ANC and NP saw the election date as sacrosanct.

Although mediation collapsed, on April 19, 1994 the three parties signed the Agreement for Reconciliation and Peace, providing for

the IFP's entry into the elections, limited constitutional amendments and this promise:

"Any outstanding issues in respect of the King of the Zulus and the 1993 Constitution as amended will be addressed by way of international mediation which will commence as soon as possible after the said elections." The 'outstanding' issues were those agreed to in the Consolidated Terms of Reference.

### Constitutional issues

There were nine constitutional issues identified, to be explored through international mediation and renewed negotiation:

- The extent of the powers to be given to the provinces, with specific reference to the issue of the central government overrides, exclusivity, residual powers, judicial functions, entrenchment and integrity of provincial autonomy, provincial civil service and police, and jurisdiction over local government (primarily Section 126, Schedule 6 and related provisions of the 1993 Constitution).
- Fiscal and financial autonomy of the provinces.
- Preservation of provincial autonomy during future stages of constitutional development.
- Autonomy of the constitution making process at provincial level.
- The adjudicatory role of the Constitutional Court with regard to national and provincial constitution making.
- Procedure for constitutional amendments and future stages of constitutional development with specific reference to the entrenchment of fundamental rights, constitutional guarantees and provincial autonomy.
- Process of rationalisation and empowerment of the new provincial governments, with specific reference to certainty in the transfer of existing functions and assets to the new provinces.
- Citizenship and residence requirements for active and passive electoral rights.
- The international mediation would also address the issue of the claims and demands of the Zulu King with respect to the restoration of the Kingdom of KwaZulu, with specific regard to the right of self determination of people on a territorial basis.

In essence, these issues all centre around provincial autonomy, for which one can read 'federalism' and/or 'forms of state'.

What was in fact accepted by all parties when signing the Agreement - assuming they did so in good faith, rather than as a ruse to dupe the IFP into entering the election - was that the form of state would be addressed not by way of the Constitutional Assembly, which only started deliberating on substantive matters in January 1995, but by way of international mediation and negotiations immediately after the elections.

Once agreed to, this would be a constitutional skeleton to be subsequently fleshed out by the Constitutional Assembly. The Agreement therefore constituted a restriction on the sovereignty of the Constitutional Assembly: a compromise between the IFP's demand for a consensus based constitution and the ANC's demand that it be drafted by the Assembly alone.

It is this that subsequently resulted in the ANC and NP reneging on the Agreement, for there is little doubt that it undermined the Record of Understanding agreed to by the ANC and NP on September 26, 1992.

The Understanding underpinned the entire negotiations process from then until the elections. Once the elections were over, however, the two parties had second thoughts about what they had agreed to and decided to stall for as long as possible hoping that the issue would quietly go away.

In fact, their breach of the Agreement was a reaffirmation of the Record of Understanding and of the politics surrounding it.

### Two options

There are two options facing the parties. The less palatable is that mediation is not agreed to and the constitutional impasse widens substantially, perhaps resulting in a replay of the immediate pre-election crisis. This would be very unfortunate, and inexplicable, for it is difficult to understand why the NP at least fails to perceive the benefits of mediation in regard to its Western Cape bastion.

In any event, if the IFP were to withdraw from the Constitutional Assembly, the ANC would have an automatic two thirds majority, rendering the NP unnecessary in drafting the new constitution, and totally negating its leverage to bargain for concessions.

Neither does it make sense for the ANC to continue reneging, for there is no doubting the commitment of the IFP to pursue

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*Democracy is not simply about the will of the majority - it must also recognise the rights of minorities*

*The constitution making process should be sufficiently flexible to take on board the pluralist aspirations of people*

provincial autonomy come what may. Moreover, in the context of a society whose moral fabric is falling apart, it is inconceivable that the ANC and its president could breach an agreement, let alone one as important as that signed in April last year.

The alternative is that mediation does proceed on the basis of the Consolidated Terms of Reference. The issue then is to identify its precise role in the constitution making process. There are two choices.

First, the product of mediation could be fed to the Constitutional Assembly as an input, automatically supported by the members of the parties agreeing to the mediation. Although the ANC would not accept that the Constitutional Assembly is in any way bound, it would find it difficult to resist accepting that its members should be bound by whatever it agrees to via mediation.

Second, against the background of mediation originally being intended to amend the Interim Constitution and of the Agreement referring to mediating the Interim Constitution, there is the possibility of mediation still being utilised to amend it notwithstanding the time that has passed since the April 1994 election.

The argument that this is unnecessary since the new constitution is shortly to be finalised is immaterial. In March 1994 the IFP secured a key concession from the ANC and NP - Constitutional Principle XVIII (2).

This states that 'the powers and functions of the provinces defined in the Constitution, including the competence of a provincial legislature to adopt a constitution for its province, shall not be substantially less than or substantially inferior to those provided for in this Constitution.'

In other words, any amendment to the Interim Constitution providing for greater provincial autonomy would automatically be binding upon the Constitutional Assembly.

Either of these options should achieve the goal sought by the IFP: namely, securing greater provincial autonomy in the new Constitution.

### **Form of democracy**

This issue, or more accurately the means involved, raise certain issues which are critical to the type of democracy we build in South Africa. Democracy is not simply about the will of the majority - it must also recognise the rights of minorities.

Rousseau's classic rationalist formulation of democracy expressing the will of the majority in which the majority is necessarily right, had as its corollary the view that the minority is necessarily wrong since it opposes the will of the majority. It is this philosophical approach that underscores much of the constitutional debate in South Africa, and it is this approach that could well defeat democracy.

Europe's Age of Enlightenment was politically liberating but its epitome, the French Revolution, also heralded The Terror of a capricious majority. We too have witnessed our Terror: the struggle between 'the people' - the majority 'democratic movement' - and 'enemies of the revolution' - especially other liberation movements, the black consciousness movement, the Pan-Africanist Congress and the IFP. If nothing else, this showed that there is no necessary correspondence between might and right.

Modern constitutionalism is therefore centred around the beneficial control of power, or more specifically around controlling the will of the people, and there is consensus in South Africa on a *Regstaat* as an appropriate and necessary means to achieve this.

But in itself this is not enough. South Africa is part of the African continent, and we should never forget that politics in Africa is premised upon reaching consensus, no matter what or how long it takes. It is simply not the African way to reach all decisions by way of a majority, and there are always issues on which consensus is both assiduously sought and is necessary.

If a constitution determines the rules of the game in terms of which politics is played out, then these rules require an adequate level of consensus. Moreover, there are certain issues of such fundamental importance that they cannot be left to the majority to decide. The issue of provincial autonomy is one of these.

In its submission to the Constitutional Assembly, the IFP stated that 'even if the rest of South Africa wishes to organise itself as a unitary state, regions such as KwaZulu-Natal which have expressed federal aspirations should be entitled to receive the autonomy they demand and to coexist with the rest of South Africa on the basis of a federal relation'.

This is the acid test of pluralism and thus of modern democracy itself. It is for this reason that the mediation process is so important, and for this reason that the constitution making process should be sufficiently flexible to take on board the pluralist aspirations of the people of the country. **IPIA**

# Traditional Trauma

By Peter Rutsch  
Legal Resources Centre

*Ever since the colonisation of Natal by the British the 'amakhosi' and the tribal system have been subverted to serve the interests of political masters. The role of traditional leaders needs to be re-evaluated at all levels of government if they are to be given a respected place in society. Surely it is not beyond the powers of the country to give both traditional and modern leaders complementary roles to play.*

**A**t this time of debate on the role and function of traditional leaders in KwaZulu-Natal, it is useful to look at the actual role they are allowed to play. That role differs significantly from the role they played in traditional Zulu society.

Ever since the colonisation of Natal by the British in the last century, the *amakhosi* and the tribal system have been subverted to serve the interests of the colonial masters. That subversion has been perpetrated to this day and, amazingly, continues to be the case under the laws inherited from the former KwaZulu assembly.

Section 229 of the 1993 Constitution provides that all laws in force in South Africa continue in the area for which they were intended. Thus the Amakhosi and Iziphakanyiswa Act still applies in the area which was formerly KwaZulu.

Before considering the position of traditional leaders and their structures, it is necessary to make the point that their continued existence is beyond doubt. To suggest their demise is shortsighted and foolish.

They enjoy the support and respect of a large majority of their subjects and provide a unifying and stabilising function in society. This remains so despite the very negative effects of official policy and legislation, and is supported by personal observation by this writer over a number of years.

Traditional leadership and structures, in a sense, exist and function at two levels. At one

level, they operate as they always have within the confines of the tribe, applying traditional customs and practices as far as they are able to in the light of the serious distortion brought about by the second level at which they operate, as well as the pressures and circumstances of the latter part of the 20th Century.

The second level at which they operate is the 'official' level, and is by far the more dominant one because it forms part of state policy and has seriously affected the functioning and role of traditional leadership and structures.

## History

Let us look at the legal status of the *amakhosi* and the tribal structures as it evolved under the colonial British government and subsequent successive South African governments.

Simply and somewhat idealistically put, the political structure within a tribe started, at the grassroots, with the homestead or kraal of the extended family. The head of the family, the *umumzane*, administered the family but did so by collective decision making.

Several families within an *isigodi* were linked together under the administration of an *induna*, and they were linked together within the tribe under the administration of the *inkosi*. Both the *izinduna* and the *amakhosi* acted, within their areas of jurisdiction, under a collective decision making process involving their respective councils.

*Ever since the colonisation of Natal, the amakhosi and the tribal system have been subverted*

*The continued existence of traditional leaders is beyond doubt. To suggest their demise is shortsighted and foolish*

Historically, traditional leaders were the personification of, and accountable to, the people they led

Shepstone reversed the role of traditional leaders from personification of the tribe to servant of the political master

It became policy to appoint amakhosi who would 'toe the line' of government

After the formation of the Zulu nation in the early 19th Century, the apex of this structure centred on the *Ingonyama* or King. He also acted under a system of collective decision making, being advised by his council.

(Some scholars argue that the formation of a 'Zulu nation' never occurred, partly because of the intervention of colonialism and the war of 1879 and partly because it was never accepted by all its supposed subjects - but this is not the place for that debate.)

In other words the head of the family, the *induna* of an *isigodi* and the *inkosi* of a tribe operated as an organic part of the family, *isigodi* or tribe respectively, deriving their authority from within the unit. They were the personification of the unit and were accountable to it.

### Colonial conquest

That all changed when the original colonial conquests occurred in the territory that became the colony of Natal and, in particular, when the land was cut up into farms. The authorities were faced with the dilemma of what to do with the African people who also lived in the territory and who believed then, as many still do, that the land was theirs.

Theophilus Shepstone devised the reserve land system. All Africans not needed on farms, in mines and in industry were corralled into these areas, placing them, for administrative purposes, under the control of the chiefs and the traditional administrative and legal system.

In order to control the chiefs and residents of the reserves, Shepstone made the governor the Supreme Chief over all Africans, with the power to appoint, recognise and depose *amakhosi* and *izinduna*. He ruled that indigenous law would only apply if it did not offend the concepts of civilised behaviour purporting to exist under Roman Dutch law.

By doing this he reversed the role of the *amakhosi* and *izinduna* in one fell swoop from personification of the tribe to servant of the political master. That remains essentially the situation to this day, even in the case of the former KwaZulu government.

As a result of this development, many *amakhosi* were appointed by the Governor who were not the hereditary *amakhosi*. It became policy to appoint *amakhosi* who would 'toe the line' of government.

David Welsh, in *Roots of Segregation: Native Policy in Colonial Natal 1845-1910* (1971), quotes a directive from Shepstone to a

magistrate. Shepstone said:

"...inform the young chief and the old men of the tribe, that in this colony, chieftainship does not depend on hereditary succession, but upon appointment by the Supreme Chief ...that the Supreme Chief is always willing to appoint the sons of deceased chiefs, where those sons are found fit for the duties required of them, and he is willing to do so in this instance, but the young man must be made to understand clearly, that if, by his conduct he is found unfit for the position of chief, the Supreme Chief will order his immediate deposition and appoint one more trustworthy in his place.

"He must also be told that the people of whom he has been allowed to take charge, are not his people, that they belong to and are the subjects of the government and that he is allowed to take charge of them on behalf of the government."

This power of appointment by the colonial government was perpetuated in legislation adopted by the South African Parliament after 1910. The Native (later Bantu and even later Black) Administration Act 38 of 1927 provided in section 1:

"The State President shall be the Supreme Chief of all Blacks in the Republic and shall in respect of all Blacks in any part of the Republic be vested with all such rights, immunities, powers and authorities as are or may from time to time be vested in him in respect of Blacks in the Province of Natal."

Section 2(7) empowered the State President to recognise and appoint any person as a Chief of a tribe, and to make regulations prescribing the duties, powers, privileges and conditions of service applicable to chiefs. The section also gave the State President the power to depose chiefs. As may be imagined, in the 60 odd years that that law stood on the statute books, much use was made of those powers.

That the power to appoint and depose chiefs was absolute was confirmed by the Appellate Division in a case concerning Chief Mangosuthu Buthelezi. His appointment as *inkosi* of the Buthelezis' was challenged in the Supreme Court and, in upholding his appointment, the Judge of Appeal said:

"There is nothing in Act 38 of 1927 which gives the son of a hereditary



Picture courtesy of Natal Newspapers

chief any claim whatsoever to the chieftainship, and the Governor-General is entitled to appoint a successor without notice to him." (Buthelezi versus Minister of Bantu Affairs 1961 (4) SA 835 AD.)

A perusal of the regulations made from time to time by the South African government to define the roles and functions of chiefs and headmen further confirms the co-option of the traditional leadership into government service, and the subservient role they played as instruments of government.

### Few resources

Further factors that must be taken into account is the fact that chiefs were given no executive powers, nor were they given a financial base. Even where chiefs seek to execute their traditional duties and functions, they have scant resources to do so.

This failure to provide adequate resources perpetuates the state of dependency that characterises traditional authorities in KwaZulu-Natal. They were, and still are, totally dependent on the whims of government to provide them with the resources they require for their purposes.

The legislation both of the former central government and of former KwaZulu contained no realistic provision for raising taxes or funds for the purposes of independent action, save tribal levies to carry out traditional functions.

The salaries, such as they were, of the *amakhosi* came from the central or homeland

government, all services were provided directly by state departments and such executive and administrative structures as existed were meagre in the extreme. If one contrasts the provisions of the Amakhosi and Iziphakanyiswa Act with, say, the Natal Local Government Ordinance of 1974, then the point becomes obvious.

Finally, the local magistrate, acting as the arm of the central or homeland government in rural areas, exercised virtual veto powers over acts of the *amakhosi* and tribal authorities. This writer observed a magistrate refusing to permit a tribal authority in KwaZulu to consult an attorney or to hold a perfectly lawful meeting, and these directives were obeyed without argument.

### KwaZulu government

The power of chiefs and tribal structures was passed to the homeland governments on the assumption of self government. In KwaZulu this power was legislated in a series of Acts, the last being the Amakhosi and Iziphakanyiswa Act of 1990.

An analysis of the Act will clearly illustrate that the KwaZulu government, and the Inkatha Freedom Party (IFP), have perpetuated the subservient role of the *amakhosi*, the *izinduma* and the tribal authorities.

One would have thought that if the KwaZulu government supported the traditional system of Zulu government, they would have taken steps to rebuild that system. Instead, they reinforced state control over the system, further devaluing it.

*The failure to provide adequate resources perpetuates the state of dependency of traditional authorities in KwaZulu-Natal*

*The KwaZulu government, and the Inkatha Freedom Party have perpetuated the subservient role of the amakhosi*

*We need to re-evaluate the position of amakhosi regarding government, both at the national and provincial level*

*It would be necessary to clearly distinguish the role of amakhosi and tribal authorities as against service providing local authorities*

*It is surely not beyond the powers of the country to give amakhosi and local government complementary roles*

The legislation does not seek to recreate the traditional Zulu monarchy and its sub-structures. Rather it sets a state structure, the KwaZulu cabinet - created by apartheid - over the entire system.

If the IFP were serious in its argument that KwaZulu was not a creation of apartheid but a reincarnation - albeit under difficult circumstances - of the old Zulu kingdom, this arena was the ideal place for it to reinstate the role of traditional leaders.

But it did not, rather placing the entire process under non-traditional political control. The outline for a return to the traditional has always been there: all it needed was content.

Section 12 of the Act empowered the KwaZulu cabinet to appoint or depose any person as an *inkosi*. Even though section 16 of the Act requires the cabinet to appoint an hereditary claimant, that does not guarantee that the hereditary claimant will be appointed.

Had the KwaZulu legislature intended that to be the case it would have provided for the automatic recognition of hereditary claimants, determined according to the rules of the tribe concerned. The appointment of leaders is, under tradition, an internal function of the tribe.

The legislation could then have provided a procedure for resolving disputed succession. Again, a conflict resolving mechanism could have been a function of the traditional leadership and structures, and not of government.

This view is reinforced by the provisions of section 18, which described the duties, powers and functions of the *amakhosi*. These provided that the *inkosi* is primarily required to carry out the dictates of the state. As in the case of South African legislation, the *inkosi* was given no executive authority, nor any financial base.

Anyone who is familiar with tribal authorities in KwaZulu-Natal will testify to the financial disabilities under which they operate and their total lack of any administrative or management structures or capacity. In truth, the *inkosi* and his tribal council are in law nothing other than a conduit for government administration and control.

The Act also placed enormous powers on the KwaZulu government to discipline *amakhosi* for misconduct, including the power to depose them. Neither the 'royal establishment', if one might term the traditional system such, nor the tribe whose *inkosi* is under enquiry, have a role to play.

Thus the *amakhosi* were again seen as creatures of government, and not as an independent, proud product of its history.

## Conclusion

If we are to provide a proper and respected place for *amakhosi* in the South African body politic, we need to re-evaluate their position regarding government, both at the national and provincial level.

The King of the Zulus is right when he seeks to bring the *amakhosi* above party and partisan politics. They have no place in the political environment, and the Constitution and financial structures of the state should reflect that.

Members of a tribe inevitably have varying political philosophies and support a variety of political parties and institutions. It is, of course, facile to say that the impact of national, provincial and local political activity can be excluded from the arena of traditional structures, but the scope and desirability of that impact needs to be carefully considered.

The tribal system plays an immensely unifying role and provides a cultural value system providing stability and strength to members of a tribe, whatever their own philosophical background.

The binding force that keeps the tribe together is and should be those cultural values and the sense of belonging that such unity brings. Being a member of a tribe is far more than being a resident in a local authority.

If KwaZulu-Natal had a strong, stable, non-political and unifying tribal system - which is not currently the case - it could be argued that much of the violence now destroying the province could have been avoided.

In such a re-evaluation, it would be necessary to clearly distinguish the role and function of the *amakhosi* and tribal authorities as against service providing local authorities. The latter, in this time and age, must and will be democratically elected by the populace, who demand a direct say in issues of service provision and development, particularly as it involves spending public funds.

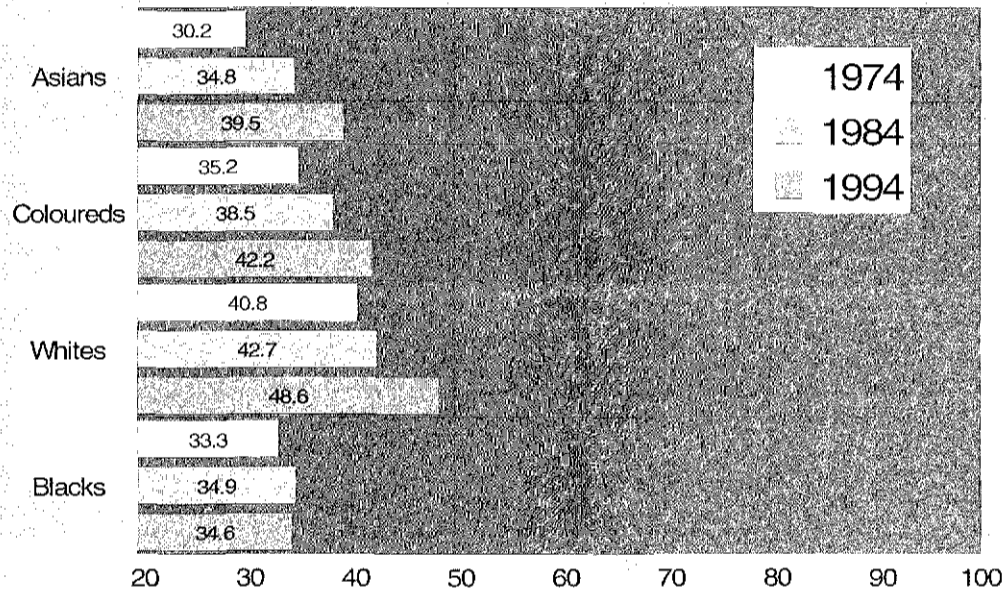
Tribal authorities have a different role to play. Both can and should co-exist. It is surely not beyond the powers of the country to seriously and dispassionately consider the relative roles of *amakhosi* and tribal authorities on the one hand, and of local government on the other, and to give them complementary roles within this fair province.

# ECONOMIC

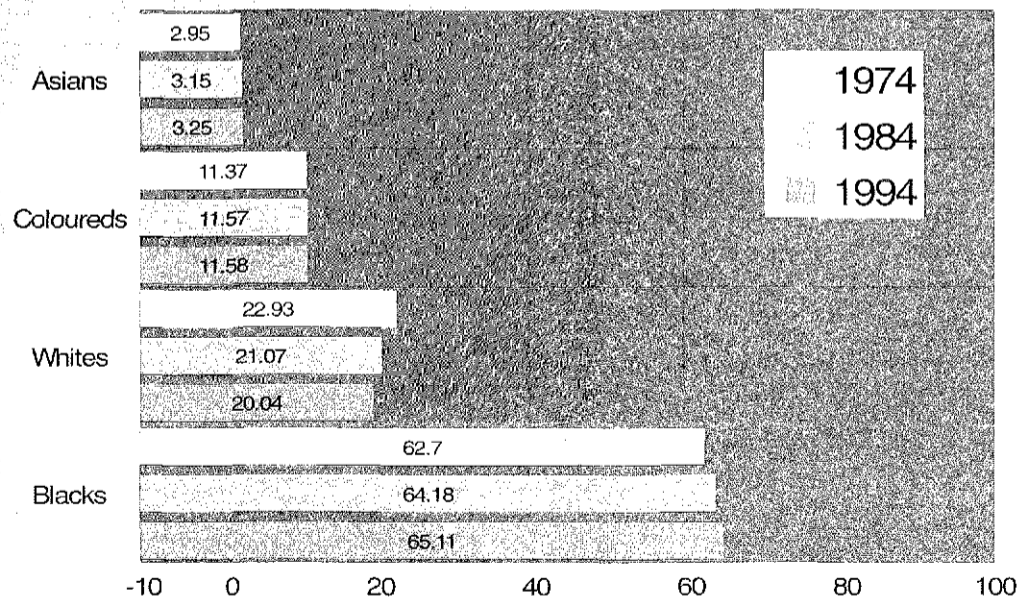
M O N I T O R

## ECONOMICALLY ACTIVE POPULATION

Economically Active Population as a Percentage of Own Population Group 1974 - 1994



Economically Active Population as a Percentage of Total Economically Active Population 1974 - 1994



Note: The economically active population includes employers, workers for own account, workers and unemployed.

Source: Central Statistical Service. Bulletin of Statistics: Quarter ending December 1994, Volume 28 No 4, 1994.



**“We are committed  
to democratic principles,  
individual freedom  
and a socially  
responsible  
free enterprise economy.”**

An extract from  
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Sustained growth through diversification



A37

# ECONOMIC OUTLOOK

By Mike McGrath and Merle Holden  
Department of Economics, University of Natal

## RETROSPECT

Although the 2,3% growth rate of real Gross Domestic Product for 1994 was lower than forecast, economic recovery has now been firmly entrenched and was reflected in accelerated growth of consumption and investment.

Although the recovery was led by an upswing in domestic demand, a positive development was that the economy grew in a way reminiscent of the 1970s, in the period before domestic absorption had to be artificially depressed and economic growth strangled in order to repay foreign debt.

Domestic expenditure grew faster than Gross Domestic Product (GDP), reflecting improved consumer and investor confidence. The growth of real private consumption expenditure accelerated from an annualised 1% to 3% over the first three quarters of 1994, and expenditures on durable and semi-durable goods rose very sharply. Consumer confidence strengthened after the successful election, and after a three year contraction the demand for consumer credit rose throughout 1994.

The long awaited resurgence in fixed investment also took place during 1994, with gross domestic fixed investment growing at annualised rates of 8,5% and 7% in the second and third quarters of 1994, notwithstanding a contraction in fixed investment of the public authorities.

Inventories also continued to build up during 1994, accelerating in the third quarter, probably reflecting increased speculative demand based on expectations of a depreciation of the value of the rand. The level of inventories in the motor trade contracted sharply as a result of severe strikes experienced in the motor industry.

The growth in domestic consumption expenditure exceeded the growth in aggregate current income in the economy, and the result was a further worsening of the ratio of gross domestic savings to GDP.

The average propensity to save of the South African economy has now fallen from over 22% in 1989 to 16% in the last quarter of 1994. Although this trend is disturbing for the longer term, the positive short term

development was an inflow of foreign capital which was sufficient to supplement domestic savings.

By the middle of 1994 the trade surplus had been eroded and the current account of the balance of payments had moved into deficit. The deficit in the context of the recovery must not be seen as a wholly unfavourable development.

Since 1985 the South African economy has been forced to follow restrictive economic policies to generate current account surpluses in order to repay foreign debt, and the resurgence of a deficit on the current account of the balance of payments is another sign of a return to economic normality.

It is, however, regrettable that the value of exports did not grow as rapidly as could have been expected during 1994 given the improved international climate - the industrial economies once again experienced a year of vigorous economic growth, but the value of South African exports contracted in the first quarter, and grew by 5,5% and 6,2% in the succeeding quarters.

The capital account of the balance of payments improved dramatically once transition was accomplished peacefully. Following 24 months of capital outflows there was an inflow of R5,6 billion in the third quarter of 1994.

The fall in the inflation rate bottomed out in 1994, and the annual inflation rate subsequently accelerated to 9,9% in December 1994. However, when increases in food prices are excluded the inflation rate remained almost stable during 1994, at an annual rate of just below 7%.

The increase in domestic expenditure during 1994 was accompanied by an acceleration of the growth of the money supply (M3) to 16%. In this climate the guidelines for the growth of M3 of 8% to 9% per annum only provided a background against which to compare the magnitude of the overshoot in money supply growth.

For the first time in a decade the Reserve Bank did not have to respond precipitously, and allowed the

economic recovery to become firmly established before increasing the Bank Rate by 1% in September 1994. A further announcement of a 1% increase in Bank Rate was made in February 1995, accompanied by increased controls on credit.

The most negative feature of the upswing until the first quarter of 1994 was the failure of employment to

expand. Employment contracted by 4,6% in the first quarter and brought the decline in employment to 510 000 formal sector jobs since the peak attained in the first quarter of 1989.

By the end of the first quarter of 1994 employment in the formal sector had fallen back to the level which existed at the end of 1980.

## THE 1995/96 BUDGET

This is the first budget to be prepared in its entirety by the Government of National Unity, and it is therefore an important indication of directions of fiscal policy and expenditure goals. It also brings the expenditures of all former homelands into a consistent total.

The supporting tables to the Budget Review provide new and valuable series of consistent revenue and expenditure data.

The aims, spelled out by the Minister of Finance, were to promote economic growth which, in time, will increase the resources available to attain the objectives of the Reconstruction and Development Programme, and to give an added impetus to economic and social transformation.

On the macro-economic level the growing deficit of government has been a major concern for several years. Table 1 shows that the 1995/96 budget has made some progress in reducing the relative size of the deficit, and this is a considerable accomplishment given the pressing demands on the Government for the provision of services and housing.

The reduced level of the deficit, as a percentage of GDP, must contribute to improving perceptions of South Africa's credit rating. However, the deficit still remains high in relation to GDP by International Monetary Fund norms.

The consensus opinion among economists is that the growth rate of GDP will exceed the cautious real 2,7% which is assumed for the budget estimate and, if government expenditures can be controlled, the deficit will thus be smaller than budgeted.

A worrying aspect of ongoing deficits in the South African economy has been that interest payments on the public debt have risen from 4,3% of GDP in

**Table 1: Budget Deficits and the Cost of Servicing Debt 1990/91 to 1995/96**

	Actual 90/91	92/93	94/95	Budgeted 95/96
Deficit (Rm)	9 590	27 503	28 454	29 507
Deficit as % of GDP	3,4	7,9	6,4	5,8
Interest as % of Budget	14,8	14,8	16,8	18,6
Interest as % of GDP	4,3	5,0	5,6	5,7

**Table 2: Shares in Expenditures by Functional Classification 1990/91 to 1995/96 (Percentages of Total Expenditure)**

	90/91	Actual 92/93	94/95	Budgeted 95/96
<b>General Government Services</b>	8,4	7,7	8,9	6,9
<b>Protection Services</b>	21,8	17,9	18,4	17,6
Defence	13,7	9,1	8,7	7,2
Police	5,6	6,2	6,9	7,5
<b>Social Service</b>	41,3	43,8	44,0	46,7
Education	20,9	20,7	21,2	21,2
Schools	17,9	17,8	18,3	18,5
Tertiary	3,0	2,9	2,9	2,8
Health	10,1	10,8	10,9	11,0
Housing	1,5	1,1	1,1	2,7
<b>Economic Services</b>	13,6	15,6	12,0	10,2
<b>Total Current Expenditure</b>	94,4	94,7	93,0	91,2

1990/91 to 5,7% in this budget, and the share of interest payments in government expenditure has now risen to the alarming level of 18,6%.

It can be seen as a serious omission that the budget did not make progress on privatisation of state assets as a source of revenue for redeeming the public debt, thus lowering the interest burden.

The Reconstruction and Development Programme (RDP) provides the focus for the redirection of government expenditure, and the budget earmarks more than R5 billion for RDP expenditures. Social expenditure and housing are given a high priority and the budget continues a trend towards social expenditures which had commenced before the 1994 democratic elections.

Table 2 shows that social services account for the largest share of expenditures - 57,4% of expenditures when interest payments on the public debt are excluded. The share of general government and economic services falls sharply from 1994/95 to 1995/96, and the share of defence expenditures has been halved since 1990/91. In contrast to these trends, the share of social services has risen markedly over the period since 1990/91.

The new budget addresses a changed set of priorities. Expenditure on technikons and schools rises more rapidly than that of universities, health services in rural areas are to be expanded, and total expenditure on housing and urban upgrading more than doubles from 1,3% in 1994/95 to 3,4% in 1995/96. However, social pensioners do not fare well, as their allowances are only increased by 6%, which is meagre considering that food price inflation is currently 17% per annum.

Even though social expenditures take priority in the budget, it is important to note the reduced real level of current government expenditure, and a welcome continuation of the trend to increase the share of capital expenditures.

Some doubts must be raised about whether the Government will be able to contain its expenditures to the budgeted 9,5% increase. The crucial assumptions which must be satisfied are that the civil service will accept an average pay award of 6%, and that the nine new provincial governments will be able to maintain control of their expenditures.

The sources of budgeted revenue are shown in Table 3.

On the revenue side Table 3 shows that the Minister is budgeting for an 11,4% increase in total revenue. The transition levy will be phased out during 1995/96, and in compliance with the Constitution uniform taxation of all citizens as individuals is introduced, causing a loss of revenue to government of R2 billion.

As a consequence tax scales have been restructured and a uniform general rebate is now given to all individuals irrespective of number of children (equal to allocating four children to all taxpayers at the 1994/95 rate).

During the course of 1995/96 the remaining import surcharges are to be abolished, and as an incentive to foreign investment the non-resident shareholders tax has been abolished. Increases in excise duties on tobacco, liquor, wine and other beverages are broadly in line with inflation, and a small increase of 2% per litre is added to the fuel levy.

The major increases in revenues are generated from the assumed nominal growth for 1995/96 of GDP of approximately 13%, by raising marginal tax rates on people from 43% to 45%, and from fiscal drag. The Minister also announced an intensified campaign to end illegal tax avoidance schemes, and an amnesty against prosecution and back taxes to tax dodgers.

## PROSPECT

Real economic growth is expected to improve to 3% in the industrialised economies in 1995, and developing economies are expected to realise an average growth rate of 5,5%. South Africa's export performance should benefit from sustained growth in world trade and the rising trend in international commodity prices.

Table 3: Total Revenues as Budgeted for 1995/96

	Rm	% change on 1994/95
<b>Total Revenue</b>	124 052	11,4
<b>Taxes on Income</b>	61 344	11,2
Persons	49 755	11,2
Corporate	17 368	11,3
Other	1 107	13,0
<b>Taxes on Property</b>	2 350	11,6
<b>Domestic Taxes on Goods and Services</b>	48 199	11,8
VAT	32 750	13,0
Excise Duties	14 966	9,5
Others	37	4,2
<b>Taxes on International Trade</b>		
Customs Duties	4 700	14,6
Import Surcharge	845	-47,3
Other	135	12,5
Stamp Duties	850	7,7
Sale of Stocks and Property Income	2 744	55,0

Note 1: Including R1 200 million from the sale of strategic oil reserves.

Strongest criticism of the budget must be directed at the tax side. The Katz Commission had proposed a maximum marginal rate of 45% at an income level of R150 000, but the second part of this recommendation was ignored.

Concerns of the early 1990s about the strongly depressing effects on economic incentives associated with high marginal tax rates have been swept aside, and the budget also fails to give clear indications on the tax front about future directions of taxation policy on capital gains, wealth and companies.

While the commitment to fiscal discipline in the budget comes as a relief, the budget has not cleared up any of the questions which remain to be answered about taxation. What was required in the budget was a clear statement of the direction of future changes in tax policy and the provision of a timetable for the phasing in, if necessary, of these changes. This was sadly missing.

Imports too are expected to continue rising strongly, and the deficit on the current account of the balance of the payments is therefore expected to continue. Provided that political stability is maintained, attracting sufficient capital inflows to accommodate the upswing in the economy should not be a problem.

There are already a number of substantial investment projects underway, and fixed investment is forecast to grow at between 6% to 11% in 1994. Domestic demand will continue to increase even though higher interest rates and tighter controls on liquidity creation may depress the rate of increase of consumer demand.

The money supply is expected to grow by 10% in 1995, and tight conditions in money markets will force interest rates to increase during the year, exerting a slowing influence on consumer demand. Adverse developments in the agricultural sector, resulting from the drought, are also likely to depress GDP growth for the year by as much 0,5%.

There will, however, be an increase in expenditures on the Reconstruction and Development Programme (RDP) as projects start to come on line and as the Government diverts a larger share of resources to the RDP. The effects should be an increase in

employment creation and an improvement in living standards for the poor.

At the moment economists are predicting real economic growth of at least 3% for the South African economy in 1995, with an inflation rate of 10% to 11%. But these predictions are conditional on continued inflows of foreign capital and sustained consumer and investor confidence.

Recent tensions between the ANC and the National Party have exposed the frailty of the Government of National Unity, and if the Inkatha Freedom Party leaves Parliament and opposes local government elections, economic confidence will rapidly disappear.

Economic growth is more urgently needed than ever before to allow reconstruction expenditures and employment to grow, but may be halted in 1995 unless political frictions are rapidly solved.

## POLICY MAKING IN THE NEW SOUTH AFRICA

Policy making in South Africa since the political changes in April 1994 has had to deal with all the problems of change and transition, and a degree of uncertainty on the part of players in the major markets and even among policy makers themselves.

There are several recent examples which have made markets 'twitchy' and complicated the work of analysts. The first of these was the late gazetting on January 27 of the offer to the General Agreement of Trade and Tariffs (GATT) and the World Trade Organisation. This offer was supposed to come into effect as at the beginning of January.

Policy makers were overly relaxed about the lateness, feeling that as South Africa had five years to implement the offer a month here or there would not make much difference. Coupled with this is uncertainty surrounding the phasing out of the General Export Incentive Scheme and export marketing assistance.

What policy makers should recognise is that levels of protection and rates of subsidy are supposed to and do have an effect on the production and resource decisions made by firms. High levels of policy uncertainty will add to uneasiness and stifle new investment in sectors which are critical for developing a pattern of sustained growth for South Africa.

Similarly, the treatment of the scrapping of the financial rand created a flurry in the foreign exchange market at the end of February. Having raised the bank rate by one percentage point and also tightened cash reserve requirements, the prime interest rate rose to 17,5%. With real interest rates in the region of 8%, South African real rates were the highest of all other OECD countries.

The discount on the financial rand narrowed to below 10% and the Governor of the Reserve Bank stated that all the rules were now in place for the abolition of the financial rand. Firstly, net foreign assets of R10 billion and access to R10 to R12 billion of foreign credits gave the Bank a comfortable cushion to defend the rand if necessary.

Secondly, interest rates were not only high but higher than those internationally, and a low discount on the financial rand pointed the way towards unification of the rate. Stals's remarks led to rumours that exchange control and the financial rand would be scrapped and introduced a degree of uncertainty into the foreign exchange market.

It is a pity that the Minister of Finance and the Governor of the Reserve Bank have not coordinated their remarks. At the end of February the Minister of Finance made 'sustainable political stability' a *sine qua non* for the abolition of the financial rand.

Although it was unlikely that the *sine qua non* had been met, the financial rand was abolished on Friday, March 10, a few days before the budget, and contrary to expectations the unified exchange rate of the rand has strengthened.

What is required of policy makers in South Africa is to provide not only a stable political environment for business large and small but, very importantly, a stable and certain business environment.

The variability of some of the most important prices in the economy - such as the exchange rate, interest rates and taxes - permeates all prices and raises the cost of doing business at a time when growth is sorely needed to achieve transformation and reconstruction of the economy. **UPA**

# Why Africa is Marginal

*By William Easterly*  
*Principal Economist, Policy Research Department*  
*World Bank*

*Poor growth in Africa can be statistically explained by low schooling, political instability, lack of financial depth, high black market premiums, high government deficits, low infrastructure, ethnic conflict and growth spillovers between neighbours. Easterly's analysis indicates that Africa's poor performance is very reversible - and that sweeping policy reforms could bring the continent's long exile to the margins of the world economy to an end.*

*This article is from the golden jubilee conference held by the Economic Research Unit of the University of Natal in December 1994, 'Avoiding Marginalisation: Can South and Southern Africa Become Globally Competitive Economies?'. A book containing papers from the conference is to be published by Macmillan this year.*

**R**ecent slow downs aside, the last three decades were good ones for the world economy. The average world economic growth rate - either total or per capita - over the last three decades was higher than at any previous time in history.

This growth rate translated into huge improvements in the quality of life everywhere, developing countries included. The world rate of infant mortality in 1990 was one third of the rate in 1960. Median life expectancy in all countries rose from 50 to 65 years.

Yet there was one region conspicuously left out of the worldwide boom of the last three decades - Africa, which is defined in this article as sub-Saharan Africa. All but a few of the countries in the world that had negative per capita growth rates, despite the worldwide boom, were in Africa.

Africa's average growth rate over the last three decades is close to zero. Although the continent's per capita income was only slightly below that of East Asia in 1960, in 1989 East Asia's income was five times larger. Of the 20 poorest nations in the world, 16 are in Africa.

In the absence of growth, Africa shifted to the margins of the world economy. From 1990 to

1992, it received a thirtieth of new inflows of foreign direct investment to developing countries, and 0,6% of portfolio equity inflows.

Malaysia alone, with a population of around 19 million, received three times as much foreign direct investment as all of Africa and five times as much in portfolio equity. In 1992 Malaysia exported about the same dollar value of goods and services as the whole continent.

Out of every dollar of Gross Domestic Product (GDP) produced by the world economy in 1992, Africa - excluding South Africa - produced about seven tenths of a cent.

At the end of this period of no growth, Africa's infrastructure was in poor shape. In 1988, Burkino Faso had 48 kilometres of paved roads in working order for its 10 million inhabitants to traverse its 274 000 square kilometres of territory.

One out of every 10 individuals in Mali had access to safe water. One out of every 100 households in Burundi had electricity. One out of every 1 000 people in Chad had a telephone: the likelihood of completing a local call on this telephone was one in 10.

The lack of growth in Africa took a very human toll. Africa's median life expectancy

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*From 1990 to 1992, Africa received a thirtieth of new inflows of foreign direct investment to developing countries*

*In 1967, the World Bank's chief economist described Africa's economic future as 'bright'*

*The very fact that Africa's poor outcome was so unexpected implies that the outcome was contingent rather than inevitable*

*New views suggest that national policies can have a strong effect on the long run rate of growth of an economy*

in the 1980s was 48 years. The typical African mother had a 30% chance of having all of her children survive to age five. The probability of the mother herself dying in childbirth was 90 times higher in Mali than in Malaysia.

### **Not preordained**

Africa's marginalisation was not preordained and was not predicted. A leading development textbook published in 1963 ranked Africa's prospects ahead of East Asia's.

The World Bank's chief economist, in a book published in 1967, described Africa's economic future as 'bright' and identified seven countries as particularly likely to 'reach or surpass' a 7% growth rate. All of those countries have had negative growth rates.

I was a considerably less knowledgeable observer around the same time, as an American boy living in Ghana from 1969 to 1970 while my father taught at the University of Cape Coast.

The sense of optimism in the middle of Ghana's democratic renaissance was palpable enough to penetrate even the exceedingly dim consciousness of a 12 year old. But these things fell apart only a couple of years later.

The picture presented of Africa thus far has been a grim one. But the very fact that the poor outcome was so unexpected should give us a clue that the outcome was contingent rather than inevitable.

Countries like Cote d'Ivoire and Kenya were African success stories until poor policy choices led to deteriorating performance. Botswana has maintained the highest per capita growth rate in the world for three decades.

Throughout Africa, the outcome was contingent on policy choices. Different policy choices today could make for a different future.

The remainder of this article summarises cross-national statistical evidence on how much of Africa's poor economic performance can be explained by indicators of national economic policies. We will see that national policy choices explain much, but not all, of the continent's disappointing growth.

The last part will probe further the unexplained part of the African growth lag by examining how ethnic conflict has affected policies and growth, and looking at the

influence of neighbouring countries on each other's growth.

### **Economic policies**

There is a long tradition in development economics of explaining growth differences between nations by indicators of national economic policies.

This literature has grown exponentially in recent years with fresh inspiration from the new views of economic growth suggested by the work of Paul Romer, Robert Lucas, Robert Barro and others.

These new views suggest that national policies can have a strong effect on the long run rate of growth of an economy, in contrast to the traditional view that national policies affected a country's level of per capita income but not its long run rate of growth.

I will draw here on joint work with Ross Levine, in which we examined whether Africa's lagging performance could be explained by a set of policy indicators that have been prominent in previous work on international growth differences.

Much of our work synthesises results from the huge body of previous work on economic growth in general or African growth in particular. Regrettably, because of space constraints I cannot give adequate acknowledgement of this work. The World Bank's (1994) report gives a recent stock taking.

The variables Levine and I examined include the following:

#### **□ Initial income of the country**

Poorer countries grow faster because of the potential for higher rates of return to capital where it is initially scarce. Squared initial income was included to capture possible non-linearities.

#### **□ Initial human capital**

Capital will also have higher returns where there are better educated workers to operate the machinery.

#### **□ Political instability**

Highly unstable political systems discourage investment in technology, physical capital and human capital because of the very unpredictable rules of the game. We used as a crude measure of instability the number of political assassinations, following Barrow (1991).

### Financial development

A deep financial sector will facilitate matching of high return opportunities with available loanable funds, which will promote high growth.

### Black market premium

A high premium of the black market exchange rate over the official exchange rate indicates probable diversion of resources to rent seeking, and inefficient allocation of resources because of distortions of domestic prices away from world prices.

### Fiscal surplus

A high budget deficit indicates likely macro-economic instability that creates uncertainty for investors, as well as the likelihood of future tax increases to restore fiscal balance.

### Initial infrastructure

A well developed infrastructure of roads, railways, electricity and telephones makes private capital more productive, and hence growth higher. We tested physical measures of infrastructure such as kilometres of roads, kilowatts of electricity generating capacity and numbers of telephones. Only telephones turned out to be significant enough to be included in the final regressions.

In addition to these variables, we examined an intercept shift variable that takes on the value of 'one' for African countries and 'naught' otherwise. The coefficient of this variable measures the extent to which Africa's growth is different from the rest of the world, even after controlling for the factors outlined above.

We computed decade averages for growth rates and for each of the variables listed above for 1960 to 1969, 1970 to 1979 and 1980 to 1989. Where the variables are denoted initial, we used the first year of each decade. Table 1 shows the results for pooled cross-section, time series regressions with several alternative specifications. All of the variables are of the expected sign, and are statistically significant.

## Results

Countries with lower initial income tend to grow faster, but the effect is non-linear: the catch-up effect is weaker in very poor countries. The catch-up effect is strongest at a per capita income level of about \$1 600, which is above the income of most African countries.

Table 1: Can National Policies Explain Africa's Lagging Growth?

Dependent variable is growth of per capita real GDP (decade average for all countries)

Variable	Regressions			
	I	II	III	IV
Africa intercept shift variable	-0.0165 (0.0041)	-0.0145 (0.0053)	-0.0194 (0.0046)	-0.0167 (0.0053)
Latin America intercept shift variable	-0.0150 (0.0032)	-0.0158 (0.0033)	-0.0162 (0.0033)	-0.0174 (0.0032)
Log of initial GDP per capita	0.0667 (0.0220)	0.0957 (0.0260)	0.0660 (0.0215)	0.1072 (0.0244)
Square of log of initial GDP per capita	-0.0049 (0.0015)	-0.0067 (0.0017)	-0.0056 (0.0014)	-0.0082 (0.0016)
Log (Average years of schooling)	0.0115 (0.0041)	0.0112 (0.0051)	0.0057 (0.0045)	0.0087 (0.0050)
Assassinations	-17.62 6.40	-15.96 6.62	-16.74 6.66	-20.15 6.35
Financial Depth (Liabilities of financial system/GDP)	0.0180 (0.0063)	0.0205 (0.0066)	0.0120 (0.0067)	0.0137 (0.0064)
Black Market Premium	-0.0237 (0.0039)	-0.0187 (0.0051)	-0.0245 (0.0045)	-0.0176 (0.0059)
Fiscal Surplus		0.1215 (0.0428)		0.1985 (0.0431)
Log (Telephones per worker)			0.0076 (0.0022)	0.0074 (0.0024)
No. of observations	244	193	222	178
R-squared	0.50	0.54	0.52	0.59

Note: Heteroskedasticity-consistent standard errors are reported in parenthesis. Separate decade shift variables were included but not shown.

This is consistent with an old idea of Gerschenkron: that backwardness is generally an advantage because one can borrow from the technological leaders, but borrowing may become difficult if the technological distance from the leaders is too great. The low saving rates of very poor countries like those in Africa may also inhibit the speed of catching up.

The coefficients on the policy variables indicate that countries will grow more slowly than average if they repress financial systems, provide little schooling, create high black market premiums through exchange restrictions and overvalued official exchange rates, run large budget deficits and provide little infrastructure. Political instability also depresses growth.

How much do these variables explain Africa's poor performance? Africa did have worse policies measured by these indicators than the rest of the world.

Africa's financial depth was half that in East Asia. Africa's black market premiums were 50% larger on average than other developing countries. Other developing countries' level of schooling was 50% higher than Africa's. Africa's budget deficits were higher than elsewhere.

*Africa's financial depth was half that in East Asia*

*Other developing countries' level of schooling was 50% higher than Africa's*



**Table 2: Correlations of Ethnolinguistic Fractionalisation with Policy Indicators**

Indicator	Correlation with ethnolinguistic fractionalisation, 1960	Statistically significant at 1 percent level?
Log of average years of schooling of labour force, 1960, 70, 80	-0.43	Yes
Assassinations per capita (averages 60s, 70s, 80s)	-0.02	No
Financial depth (liquid assets/GDP) 60, 70, 80	-0.32	Yes
Black market premium (averages 60s, 70s, 80s)	0.21	Yes
Government surplus/GDP (averages 60s, 70s, 80s)	-0.09	No
Log of telephones per worker, 60, 70, 80	-0.50	Yes
Log of kilometers roads & railways per worker, 60, 70, 80	-0.31	Yes
Log of electricity generating capacity per worker, 60, 70, 80	-0.45	Yes

Note: correlations are performed over pooled dataset for decade values of variables shown (either averages or initial values as indicated)

*Africa's infrastructure lag accounted for 1% of its lower growth relative to the rest of the world*

*Loss of income due to misguided policies was about four times the total external debt of Africa*

Africa's infrastructure problems deserve special mention because they were so severe. The continent's infrastructure gap existed from the beginning, but has grown worse.

In 1960, Hong Kong had more telephones than Nigeria, although Nigeria's population was 17 times larger. By 1980, Hong Kong had more telephones than all of Africa. Africa's infrastructure lag accounted for 1% of its lower growth relative to the rest of the world.

### Unexplained

Even after taking these factors into account, there is still a part of Africa's lower growth that remains unexplained. Table 1 shows that the Africa intercept shift variable is statistically significant: about 1.5% of the continent's lower growth is not explained by indicators of national economic policies.

Research graphs showed the explained and unexplained part of the income gap that opened up between Africa and East Asia from 1960 to 1989, and compounded the growth difference associated with each East Asia-Africa policy difference to show the effect on the level of income that had been achieved by 1989.

About \$1 050 of the \$4 100 per capita income gap between East Asia and Africa remains unexplained. Of the gap in 1989, \$850 was due to the original percentage gap in gross domestic product per capita. Initial income and schooling explain \$450 of the

gap: the disadvantage of lower African schooling more than offsets the advantage of lower African initial income.

Finally, three policy indicators - financial depth, the black market premium and the government surplus - explained \$1 750 of the 1989 per capita income gap between East Asia and Africa.

These three types of policies alone - financial repression, over valued official exchange rates and excessive budget deficits - explained a loss of aggregate income equal to about \$800 billion for Africa's population (multiplying \$1 750 by the population of 543 million). The loss of income due to misguided policies was about four times the total external debt of Africa.

But what about the part that we could not explain? This section examines two other factors that have been discussed in the general growth literature: the effect of ethnic conflict on policies and growth, and the possibility that good or bad growth outcomes are contagious between neighbouring countries.

### Ethnic conflict

Countries disrupted by conflict between ethnic groups may have difficulty agreeing on how much to supply - and who pays for - public goods like infrastructure and education.

Ethnically fragmented societies may also be prone to competitive rent seeking by the different ethnic groups. Policy elites may favour policies destructive to growth, like financial repression and overvalued official exchange rates, if such policies create rents for 'their' group at the expense of other groups.

In addition, ethnic diversity may be adverse for growth in less quantifiable ways by creating the possibility of explicit expropriation of one group by another, or even overt violent conflict.

Table 2 shows the statistical correlations that inspired these suppositions. The measure of ethnic diversity underlying Table 2 is a calculation of the likelihood that two randomly selected individuals in a nation will belong to different ethnic groups.

We see in the table that this measure of ethnic fractionalisation is negatively correlated with the amount of schooling achieved by the society, and is negatively correlated with three measures of physical infrastructure. A high degree of ethnic diversity is also

associated with higher black market premiums and lower financial depth.

Table 3 shows that adding ethnic diversity to our growth regression improves the explanatory power of the regression. The coefficient on ethnic diversity is statistically significant.

This suggests that there is a direct channel by which ethnic diversity lowers growth in addition to its adverse effect on policy variables such as black market premiums, infrastructure, education and financial depth.

This effect of ethnic diversity on both policies and growth is highly relevant for Africa, as African nations are very ethnically diverse. Of the 15 most diverse countries in the world, 14 are in Africa.

However, we see that the Africa shift variable is still statistically significant after including the ethnic diversity variable. Although ethnic diversity helps explain the continent's growth lag, there is still an unexplained component.

## Neighbours

The use of an intercept shift variable for Africa's growth implies that the unexplained part of the continent's growth differential is permanent: Africa for any given set of policies will always do worse than the global average, for some unexplained reason.

However, there is an alternative view. If economic success and failure spreads within regions, then such contagion could lead to strong but temporary unexplained growth differences between regions.

There is certainly at least casual evidence for regional contagion. East Asia's synchronised take-off in the 1960s - the region was actually performing poorly before 1960 - and Latin America's synchronised crisis in the 1980s.

In addition to the strong casual evidence, formal statistical evidence of regional contagion has been found by the literature.

In Table 3, I report the regression from Easterly and Levine (1994) that shows a strong and statistically significant effect of one's neighbours average growth rate on one's own growth.

The neighbours' average growth is computed weighting each neighbour by its total gross domestic product. We used instrumental variables to correct for the simultaneity by which neighbours affect each other, using the neighbours' policy variables as instruments.

**Table 3: Trying to Explain the Unexplained Part of Africa's Lagging Growth?**

Dependent variable is growth of per capita real GDP (decade average for all countries)

Variable	Adding ethnic diversity		Adding neighbour spillovers (two-stage least squares)	
	I	II	III	IV
Africa intercept shift variable	-0.0143 (0.0050)	-0.0112 (0.0060)	-0.0054 (0.0060)	-0.0094 (0.0065)
Latin America intercept shift variable	-0.0188 (0.0032)	-0.0191 (0.0033)	-0.00095 (0.0040)	-0.0142 (0.0039)
Log of initial GDP per capita	0.0667 (0.0220)	0.0957 (0.0260)	0.0660 (0.0215)	0.1072 (0.0244)
Square of log of initial GDP per capita	-0.0044 (0.0014)	-0.0063 (0.0016)	-0.0043 (0.0014)	-0.0078 (0.0016)
Log (Average years of schooling)	0.0119 (0.0039)	0.0117 (0.0047)	0.0125 (0.0041)	0.0163 (0.0045)
Assassinations	-14.45 (6.94)	-12.80 (8.06)	-17.02 (9.52)	-15.09 (8.59)
Financial Depth (Liabilities of financial system/GDP)	0.0153 (0.0062)	0.0162 (0.0066)	0.0092 (0.0062)	0.0136 (0.0059)
Black Market Premium	-0.0230 (0.0038)	-0.0188 (0.0050)	-0.0205 (0.0042)	-0.0120 (0.0046)
Ethnolinguistic fractionalization	-0.0164 (0.0055)	-0.0170 (0.0061)		
Neighbors' Average Growth			0.5543 (0.1914)	0.3364 (0.1793)
No. of observations	236	188	234	169
R-squared	0.52	0.57		

Note: Heteroskedasticity-consistent standard errors are reported in parenthesis. Regression includes separate decade dummies not reported above. "Neighbors' Average Growth" is the growth rate of per capita real GDP averaged, using 1980 GDP weights, for the neighbors of the country for which data was not available, instrumented with the neighbors' right-hand side variables. See Easterly and Levine 1994 for details.

The effect of one's neighbours is remarkably strong: slower growth by 1% in neighbours would reduce the home country's growth by 0,34% to 0,55%.

What could explain such contagion effects? We have no direct evidence but we can speculate. The key may lie in demonstration effects. High growth in one country could represent the adaptation of foreign technologies to local conditions: its neighbours can observe what works in local conditions and do likewise.

Direct foreign investors may find it easy to move next door once they achieve success in one country. Governments that manage to attain high growth with a given set of policies provide a valuable laboratory experiment for their neighbours, helping to show the policy elites and citizens in neighbouring countries what works.

What about the transmission of growth failures across borders? Unfortunately, governments do not always strive to maximise growth or general welfare. Under

*Ethnic diversity lowers growth and adversely affects policy variables*

*Slower growth by 1% in neighbours would reduce the home country's growth by 0,34% to 0,55%*

*Policy change in unison by neighbours will effect growth 2,2 times more than if a single country acted in isolation*

*Leader economies could provide a demonstration effect in Africa of the potential for rapid growth through market oriented policies*

*The strong effects of policies on growth indicate that Africa's poor performance is very reversible*

some institutional conditions, they may be trying to maximise rent seeking opportunities. Governments which try out techniques for capturing large rents also provide demonstration effects for similarly rent seeking neighbours.

We see in Table 3 that the Africa shift intercept was finally insignificant once we added the neighbour growth variable. What is going on?

The existence of spillovers between neighbours provides a mechanism that amplifies the effect of policy differences between regions. A set of neighbours that all have below average policies will each have poor growth, not only because of their own bad policies but also because of their neighbours' bad policies.

This creates a growth differential vis a vis the rest of the world that is greater than can be explained by the direct effect of a country's policies on its own growth rate. Neighbours with bad policies drag each other down.

This is a plausible explanation of what led to the negative Africa shift variable, and indeed this variable loses statistical significance once we introduce the neighbour growth spillover variable. In Africa, the whole was worse than the sum of the parts.

The simultaneous interaction between neighbours either pulling each other up or down creates a multiplier effect on any policy change in unison. Easterly and Levine (1994) show algebraically that the multiplier is  $1/(1-b)$ , where  $b$  is the coefficient on one's neighbours average growth.

Table 3 shows  $b$  was estimated at 0.55 in the larger sample, which implies a multiplier of 2.2. That is, a policy change in unison by a set of neighbours will have an effect on growth that is 2.2 times larger than if a single country had acted in isolation.

The large multiplier occurs because each country is increasing its own growth through its own policy change, while at the same time providing a favourable spillover effect to all of its neighbours. When all neighbouring

countries do this in unison, they create a favourable chain reaction: on top of the own policy effect, my growth increases because yours does, which increases your growth further, and so on.

## Conclusion


Poor growth in Africa is statistically explained by low schooling, political instability, not much financial depth, high black market premiums, high government deficits, low infrastructure, ethnic conflict and growth spillovers between neighbours that magnify all of them.

The strong negative effect of ethnic diversity on policy and growth is troubling, but the outcome is far from inevitable. The economic success of multi-ethnic societies like Indonesia, Mauritius and Malaysia shows that it is possible to transform ethnic diversity from a weakness to a strength.

More research is needed to understand the mechanism of the spillovers of success and failure across national borders. Spillovers already have very interesting implications for the potential for region wide improvement.

One or more leader economies could provide a strong demonstration effect in Africa of the potential for achieving rapid growth through market oriented policies. Not to say that a country need wait for others to act, since one's own policies always have the strongest effect on one's own growth.

But if almost all countries improve their policies sooner or later, Africa will get more growth bang for its policy buck. The strong effects of policies on growth in this statistical analysis indicate that Africa's poor performance is very reversible.

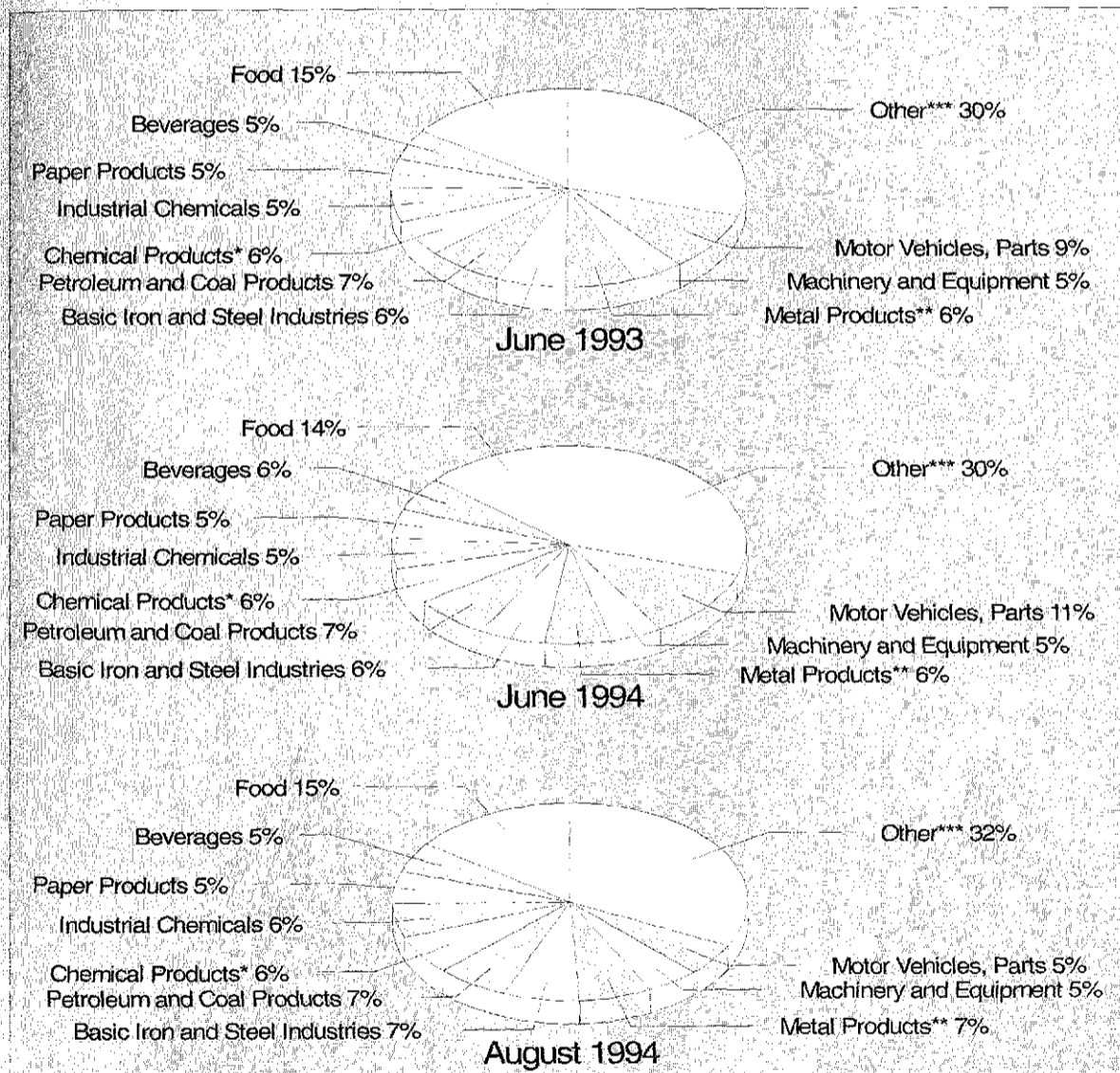
The World Bank's (1994) report on adjustment in Africa found encouraging signs of a growth response when countries have reversed poor policies. These cases are unfortunately still too few. If a policy reform movement sweeps the continent, Africa's long exile to the margins of the world economy could finally come to an end. 

# INDUSTRIAL

M O N I T O R

## VALUE OF SALES IN THE MANUFACTURING SECTOR

### Share of Manufacturing for Selected Sectors Seasonally Adjusted

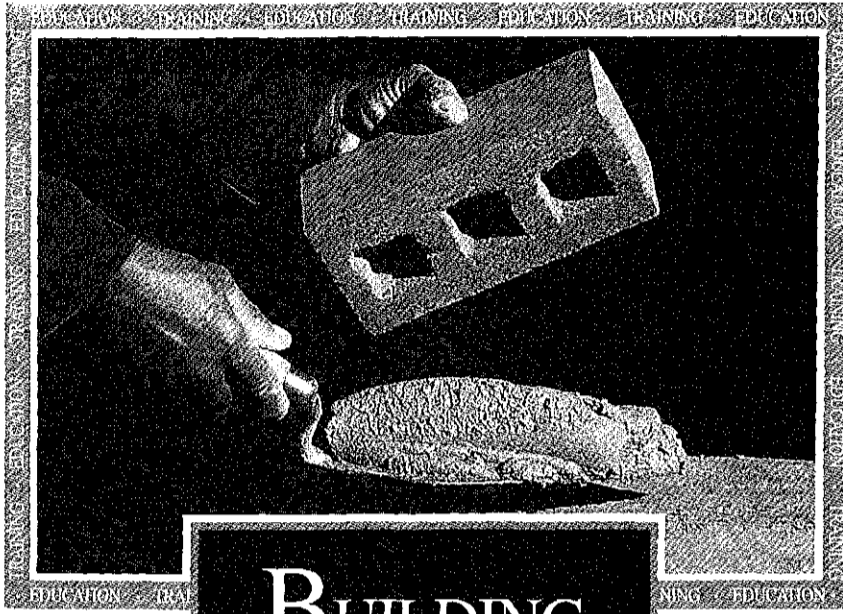


**Note:** The graphs represent shares of the top ten performing sectors.

\* 'Chemical Products' excludes the products of petroleum.      \*\* 'Metal Products' excludes machinery.

\*\*\* 'Other' consists of Tobacco, textiles, clothing, leather, footwear, wood products, furniture, printing and publishing, rubber products, plastic products, pottery and china, glass products, and non-metallic mineral products.

Source: Central Statistical Service. Bulletin of Statistics: Quarter ending December 1994, Volume 28 No 4, 1994.



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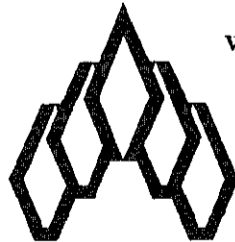


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# Fitting the Bill?

## The Draft Labour Relations Bill

*By Craig Tanner  
Chennells, Albertyn, Brunton and Tanner*

*As a document designed to facilitate collective bargaining and dispute resolution in a market economy, the Government's Draft Labour Relations Bill can offer no more than a procedural framework to regulate the way in which capital and labour engage each other in pursuing their conflicting interests. If the Bill attracts criticism, it will be because it does not offer substantive advantage to either side.*

**I**n August 1994 the Minister of Labour appointed a Ministerial Legal Task Team to draft a new Labour Relations Act. The efforts of the team were published in Bill form in the Government Gazette on February 10, 1995.

The General Notice introducing the Draft Bill describes it as a 'negotiating document' and invites written comment, to be submitted to the Acting Director General by not later than April 30, 1995. The notice suggests that the Ministry's intention is that the Draft Bill 'will be reworked in the light of the comment received... with a view to reaching consensus'.

The task team has cast the Labour Relations Act aside and produced a draft which proposes an entirely new statute in both form and content. The Draft Bill contains over 200 sections: it is not proposed in this paper to provide any comprehensive analysis.

The following comments are based upon an initial reading of the Draft Bill and address certain key features of it.

### Applying the Bill

One of the primary objectives of the task team was to redress the fragmented character of present labour legislation.

The Labour Relations Act is restricted in scope. Disputes in the public sector and the agriculture and teaching sectors are excluded from the ambit of the Act and are regulated by separate statutes with disparate procedures.

Academic staff at universities and technicians have no rights under either the Labour Relations Act or the Education Labour Relations Act. The rights of employees in domestic service are limited to certain protective measures regulating basic conditions of employment.

The Draft Bill applies to 'all employers and employees', with the limited exception of members of the National Defence Force, South African Police Services and the intelligence services.

*The Draft Bill proposes an entirely new statute in both form and content*

*It applies to 'all employers and employees', with the limited exception of members of the police and security forces*

*A union's qualification to exercise collective rights is dependent upon the level of its representivity at a workplace*

*The Draft Bill will vitally change the manner in which unions and employers deal with disclosure of information*

*Unions and employers will be able to enter into agency shop agreements and form bargaining councils for negotiating collective agreements*

## **Freedom of Association**

The Draft Bill affirms the rights of employees to join trade unions and to take part in their activities, free of victimisation.

## **Collective Bargaining**

### **□ Organisational Rights**

The Bill has provided for statutory regulation of certain basic organisational facilities which are sought by trade unions as preliminary features of a collective relationship between union and employer. These are:

- \* Trade union access to the workplace
- \* Trade union meetings in the workplace
- \* Deduction of trade union subscriptions
- \* Recognition of trade union representatives
- \* Trade union workplace ballots
- \* Time off for trade union activities.

These facilities are standard features of procedural agreements negotiated between unions and employers when formalising their relationship. The introduction of statutory rights on which unions may rely will enable unions to secure these facilities from recalcitrant employers who are antagonistic to the organisation of their employees.

A union's qualification to exercise these rights is dependent upon the level of its representivity at a workplace.

The drafters have not defined the requisite threshold of membership: that has been left to the National Economic Development and Labour Council (Nedlac) to determine.

Unions have questioned the extent to which the provisions of the Draft Bill assist them. Certain unions reason that through organisational power they enjoy most of the facilities which the Bill proposes to accord the status of statutory rights.

If there is one feature in the Draft Bill which will vitally change the manner in which unions and employers deal with each other it is in its requirement of disclosure of information. The Draft Bill provides that the employer shall disclose 'all relevant information so as to allow the representative trade union to engage effectively in consultation or collective bargaining'.

There are qualifications on the extent of disclosure, which may be a source of controversy. But the thrust of the provision is that consultation and collective bargaining will be transformed from the arbitrary positional tradition which characterises the way in which capital and labour invariably

engage one another in South Africa, to an interest based approach in which a party is in possession of sufficient information to motivate its own interests and to understand those of the other party.

Collective bargaining in South Africa typically involves a trade union making a demand for a wage increase, for example of 18%, with the employer responding with an offer of say 6%. Without any informed regard to what is financially feasible or appropriate, the parties then make varying marginal concessions until one party effectively capitulates, often after industrial action.

The conclusion is rarely objective. Without financial disclosure, this sequence of adversarial posturing is essentially a mindless process which is driven merely by the risk of harm the parties may be able to cause other in the event of agreement not being reached.

The rational alternative of informed and reasoned negotiation facilitated by the Draft Bill is an encouraging development.

### **□ Collective Agreements**

The Draft Bill defines the effect of a collective agreement between a union and an employer or employer association, specifying the extent to which parties are bound by it.

With closed shop rights - in which membership of a union is a compulsory prerequisite to employment in a particular industry - now being at odds with the freedom of association clause in the Interim Constitution, the Draft Bill provides for unions and employers to enter into agency shop agreements.

One of the arguments for the closed shop is that non-members are unfairly able to secure all of the benefits of a union's collective bargaining activities, without paying subscriptions.

This 'freerider' problem can now be addressed through an agency shop which requires a non-member to make payment of an amount which is equivalent in value to the subscription of a union member, into a fund to be used to defray certain expenses.

### **□ Bargaining Councils**

The Draft Bill provides for the formation by unions and employer organisations of bargaining councils for the negotiation of centralised collective agreements. This is largely in keeping with the present Industrial Council system regulated by the Labour Relations Act.

## Industrial action

The right of employees to strike, and recourse by employers to lock out, both of which are guaranteed in the Interim Constitution, are recorded in the Draft Bill. The Industrial Court and Labour Appeal Court, in the exercise of their functions under the Labour Relations Act, have generated a body of inconsistent and contradictory jurisprudence which has left parties to industrial action at a loss as to their rights.

There are judgements which correctly recognise that the right to strike is an integral element of collective bargaining, and that dismissal of workers who have engaged in procedural strike action is destructive of that process and accordingly untenable.

There are other judgements, however, which are rooted in the common law approach that industrial action amounts to a breach of contract entitling the employer to treat the contract as having been repudiated.

The Draft Bill stipulates that once an employee has observed the procedural prerequisites, an employer shall not dismiss that employee 'by virtue of his or her participation in a strike'. Striking per se is therefore immune from disciplinary action by an employer.

The Draft Bill does however contemplate that strike action may have economic consequences which will entitle an employer to terminate the employment of the employees for operational reasons. Termination of the contract on this basis would require proper consultation and the employer would effectively bear the onus of establishing its operational needs.

A new jurisprudence will develop, for ultimately it will be the courts which will decide on the economic circumstances which will justify the retrenchment of a striking workforce.

Accordingly, the dictates of the market are paramount and striking workers remain vulnerable to the loss of employment despite the constitutional fanfare.

The right to strike is therefore structurally circumscribed with the courts retaining their role as the final arbiters of the limits of industrial action. But the role will be a more intelligent and exacting one than merely ruling on whether an ultimatum to return to work was satisfactorily communicated before the wholesale jettisoning of a workforce.

The Labour Relations Act prohibits strikes by employees falling within areas described as

'essential services'. The authors of the Draft Bill have retained reference to essential services in their draft, and the consequent prohibition of strike action. They have provided for a proper determination of whether the employment in question is in substance an essential service or not.

While the present Act refers to broad categories such as, among other things, the provision of electricity, light, water and passenger transportation as essential services, the Draft Bill identifies an essential service as one in which 'the interruption of that service endangers the life, personal safety or health of the whole or part of the population'.

An Essential Services Committee will decide whether a service qualifies as essential. The committee will have the power to investigate and determine whether 'a part' of a service is essential, thereby distinguishing within a service between those occupations which are truly essential and others which are not.

With the prohibition of industrial action in essential services, arbitration is provided as a means for determining the legitimacy of the interests of the parties in dispute.

## Workplace forums

A novel feature of the Draft Bill is the chapter introducing the institution of the workplace forum, a body representing all employees in the workplace for the purpose of, respectively, consultation or joint decision making in relation to specified matters. The motivation for the institution is in the models of co-determination found in Germany and Sweden.

The object of the drafters is to enable capital and labour to adopt a cooperative approach in identifying and pursuing their mutual interests. Through consultation and the sharing of information, consensus in the running of the operation is the desired end.

Trade unions are suspicious of the workplace forum. Their concern is that it will undermine their role and that of the shop steward committee as the primary representative body and agency for pursuing labour's collective interests in the workplace.

The drafters, anticipating these doubts, have provided that a workplace forum may only be established at the initiative of the representative union.

Accordingly, an employer will not be able to establish a workplace forum contrary to the wishes of the representative union.

*The Draft Bill prohibits employees being dismissed because of participation in a strike - unless strike action may have serious economic consequences*

*Striking workers remain vulnerable to the loss of employment despite the constitutional fanfare*

*Workplace forums will enable joint decision making by employees in specified matters*



*Disputes concerning dismissal over the conduct or capacity of the employee will be resolved under the Commission for Conciliation, Mediation and Arbitration*

*Reinstatement is indicated in the Draft Bill as the primary remedy for unfair dismissal*

*The 30 days employees will have to refer dismissal disputes to the Commission is too short*

## Unfair dismissal

International labour jurisprudence draws a distinction between three forms of termination of employment, namely:

- On grounds of the employee's misconduct
- On grounds of the employee's incapacity
- On grounds of the employer's operational requirements.

The drafters of the new Bill seek to accord this distinction statutory recognition. The distinction is important in prescribing the substantive features which will render the termination of the services on each of the grounds fair, and the procedure to be adopted by the employer in establishing whether termination is due.

The distinction is also relevant in identifying which of the dispute resolution procedures provided for in the Draft Bill applies to conciliation and determination of a particular dismissal.

Disputes concerning dismissal for reasons connected with the conduct or capacity of the employee are to be resolved under the auspices of the Commission for Conciliation, Mediation and Arbitration initially by way of conciliation (in effect mediation) and, failing conciliation, by arbitration.

Disputes concerning dismissal for reasons connected with economic, technological, structural or similar requirements (described usually as retrenchment) are to be referred to the Labour Court for determination, should conciliation efforts by the Commission not succeed.

The Draft Bill specifies various grounds of dismissal which are deemed to be for 'invalid reasons' and are prohibited. They fall outside the three forms of dismissal. These, as in all disputes under the Draft Bill concerning dismissal, are to be referred to the Commission for conciliation, but are referred thereafter to the Labour Court.

Reinstatement is indicated in the Draft Bill as the primary remedy for unfair dismissal. A dismissed employee is required to refer the dispute to the Commission within 30 days. In those cases to be referred to the Labour Court following unsuccessful attempts at conciliation, a further 30 days is prescribed.

These periods are remarkably short. The present period is 180 days for referral of a dispute to either an Industrial Council or the Department of Labour, and a further 90 days is provided for referral of the dispute thereafter, failing conciliation, to the Industrial Court.

The authors of the Draft are clearly intent upon imposing a duty of urgency on aggrieved employees seeking a remedy.

But the resources and commitments of trade unions on which employees depend suggest that the short time afforded in the Bill for referral will cause much distress and conceivably also the frustration of remedies.

Under the Labour Relations Act, when reinstatement has been held to be inappropriate the Industrial Court and Labour Appeal Court have made substantial awards designed to properly compensate employees for loss of income occasioned by the unfair loss of employment.

The Draft Bill restricts compensation in the case of invalid dismissals to a maximum of 24 months salary and in respect of all other dismissals to 12 months salary.

The effect is that a victim of a grossly unfair dismissal - forfeiting, for example, future earnings and substantial pension rights - will be unable to secure appropriate redress.

At present there is no statutory requirement that an employee be paid severance pay should his or her services be terminated for operational reasons.

Many employers base payment of a severance package upon the length of service of the employee, but in the absence of agreement, or alternatively an established practice at a particular workplace, an employee will not be able to secure such payment.

The Draft Bill explicitly remedies this by making provision for the payment of severance pay calculated with reference to each completed year of continuous service with an employer. The drafters do not specify the basis of calculation of the package, leaving that to Nedlac to determine.

The wording in the Draft Bill records that an employee will be entitled to severance pay equivalent to x weeks' remuneration for each completed year of continuous service with the employer. The location of the apostrophe suggests that the basis of calculation will be more than one week's remuneration per year of service.

## Unions and employers

The Draft Bill makes provision for the registration and administration of trade unions and employers organisations, largely in keeping with current legislation.

## Dispute resolution

With the repeal of the Labour Relations Act the Industrial Court will disappear. The Draft Bill introduces sweeping changes to the process of resolving labour disputes. It establishes the Commission for Conciliation, Mediation and Arbitration, which will perform the dispute resolution tasks for which the Industrial Court and Department of Labour are presently responsible.

Under the new Act, disputes will need to be submitted to the Commission for conciliation. Where conciliation fails disputes will, depending on their nature, be determined either by arbitration under the auspices of the Commission or by the Labour Court.

The Labour Court will be presided over by a judge with the status of judge of the Supreme Court. A new Labour Appeal Court, constituted by three judges, will consider appeals from the Labour Court.

A source of distinct concern among legal practitioners is the Draft Bill's stipulation that parties may not be represented by attorneys or advocates in arbitrations under the auspices of the Commission regarding dismissals of employees on grounds of misconduct or incapacity. Special leave may be granted to a party to be legally represented where the issues in dispute are determined to be peculiarly complex.

The reasoning behind the exclusion, as motivated in the explanatory memorandum accompanying the Draft Bill, is the legalistic, adversarial and inappropriately technical approach adopted by lawyers, to the detriment of an expeditious resolution of disputes.

Legal practitioners will retain their rights of appearance in the Labour Court, which has jurisdiction over disputes concerning, among other things, dismissal on account of illegal strike action and on grounds of the employer's economic, technological and structural requirements. Unionised employees will be entitled to representation by union officials in arbitration proceedings, but those who are not organised are effectively on their own.

The drafters assume that replacement of the Industrial Court with arbitration will result in comparatively prompt and efficient resolution of disputes. At present there is a substantial backlog of unresolved disputes which the Industrial Court has yet to hear. Disputes are taking a year to get to Court.

The alternative of private arbitration under the auspices of the Independent Mediation

Services of South Africa (IMSSA), by comparison, sees matters being disposed of in a matter of weeks.

The conciliation of disputes in terms of the Labour Relations Act, either at conciliation boards convened by the Department of Labour or Industrial Council dispute meetings, is rarely successful. The impressive track record of IMSSA in resolving disputes by mediation stands in marked contrast.

If the new system proposed by the Draft Bill is to be effective, it will require both the engagement of a significant number of skilled arbitrators and mediators, and payment for their services in keeping with the rates paid by IMSSA.

The present rates of remuneration of ad hoc members of the Industrial Court are around 30% of those paid in private arbitration. Capable and experienced arbitrators and mediators will not accept appointments which involve a drastic drop in income.

A concern is therefore that the shortcomings of the present system may simply manifest themselves again in the new system administered by the Commission which may have neither the resources nor the personnel to effectively discharge the responsibility of industrial dispute resolution.

## Conclusion

In presenting the work of the drafters as a negotiating document, the Minister of Labour does not hold himself accountable for its contents and merely invites constructive proposals.

It remains to be seen whether the Draft will be altered following representations on behalf of the interested parties. Trade unions have yet to formulate a collective response to the Draft Bill, either through union federations or the various affiliates. Capital also has yet to offer a formal response.

As a document designed to facilitate collective bargaining and dispute resolution in a market economy, the Draft Bill can offer no more than a procedural framework to regulate the manner in which capital and labour engage each other in pursuing their conflicting interests. It does not offer substantive content to the advantage of either, and the balance of power has not been affected.

The criticism it attracts will be the product of perceptions by one or other collective grouping that the Draft Bill does not afford it material advantage or facilitate that end. ~~IPWA~~

*The Draft Bill introduces sweeping changes to the process of resolving labour disputes*

*Where conciliation fails disputes will be determined either by arbitration under the Commission or by the Labour Court*

*It is of great concern to lawyers that they may not represent parties in arbitrations under the Commission regarding dismissals for misconduct or incapacity*

# Ten Unions Worth Watching

By *Jeremy Baskin, Bridget Kenny, Josh Maputle,  
Ravi Naidoo, Alistair Smith and Hilton Toolo*  
*National Labour and Economic Development Institute*

*Cosatu's National Labour and Economic Development Institute (Naledi), in its recently published book 'Unions in Transition: Cosatu at the Dawn of Democracy', identified 10 unions outside the congress whose development will provide pointers to the future direction of the labour movement. This article is an extract, slightly edited to conform to Indicator SA style, from a chapter on unions outside Cosatu.*

*The South African Society of Bank Officials has decided in principle to join Cosatu*

*If it does, it would be the first time large numbers of white workers will come into Cosatu*

*Sasbo claims a density of about 75% in most bank branches in the industry*

**T**here are 10 unions outside Cosatu that Naledi considers to be worth watching. These unions have been chosen for a number of reasons and not simply because of their size. The future of these unions over the next few years will provide important indicators of the direction of the labour movement.

Whether they grow or decline, and how they realign, should be pointers to the future shape of the union movement.

The figures in Table 1 reflect membership claims by the unions concerned or Department of Manpower figures. In the case of the Building Construction and Allied Workers Union (Bcawu), at least, Naledi believes the figure to be an overestimate.

## Sasbo

The Federation of South African Labour Unions's (Fedsal's) largest affiliate, the South African Society of Bank Officials (Sasbo), has decided in principle to join the Congress of South African Trade Unions. If it does, either affiliating directly or merging with the South African Commercial Catering and Allied Workers Union (Saccawu), it would be the first time that large numbers of white workers will come into Cosatu.

It will also represent Cosatu's first significant inroad into the financial sector. For Sasbo, affiliation would show an ability to move with the times and recognition that the workforce in the financial sector is becoming, increasingly, black.

Presently Sasbo has 55 215 members, an increase of 20% on its 1993 membership of

46 110. This increase is largely explained by a drive to organise in the new ABSA banking group, where Sasbo is reputedly recruiting about 700 members a month. At First National Bank and Standard Bank, Sasbo claims to be recruiting about 300 members a month.

The union is also in the final stages of merging with the Financial Institution Workers' Union (Fiwu) which has about 20 000 members.

Sasbo claims that there are more than 100 000 unorganised workers in the insurance industry, and that it has the ability to organise them over time. However, the insurance industry is more decentralised than the banking sector and may require different organising strategies.

The majority of Sasbo members, about 65%, are women. This is partly reflected in the composition of union leadership, where 25% are women.

Sasbo started as three separate unions: one for whites, one for coloureds and Indians, and one for Africans. By 1984, five years after the Wiehahn Report, Sasbo had become one union, catering for all racial groupings.

Sasbo claims a density of about 75% in most bank branches in the industry. Saccawu, by contrast, has struggled to make significant inroads into the financial sector.

A major Sasbo concern is that Cosatu is politically aligned. Although Sasbo claims not to have a problem with getting involved in politics, it is unhappy with Cosatu's alliance with the African National Congress and the South African Communist Party.

**Table 1: Ten Unions Worth Watching**

Name of union	Federation	Sector	Members
SA Society of Bank Officials (Sasbo)	Fedsal	Finance	75 000
SA Chemical Workers Union (Sacwu)	Nactu	Chemical	38 000
Building Construction and Allied Workers Union (Bcawu)	Nactu	Construction	35 000
Mynwerkersunie (MWU)	Unaffiliated	Various	51 000
Public Servants Association (PSA)	Unaffiliated	Public sector	103 000
SA Association of Municipal Employees (Saame)	Fedsal	Local govt	50 000
United Workers Union of SA (Uwusa)	Unaffiliated	Various	30 000
Metal and Electrical Workers Union of SA (Mewusa)	Nactu	Metal	20 000
South African Typographical Union (Satu)	Fitu	Printing	31 000
National Union of Furniture and Allied Workers (Nufaw)	Nactu	Furniture	24 000

*The South African Chemical Workers Union has maintained an active presence in the chemical industry*

*The National Union of Furniture and Allied Workers is uneasy as a Nactu affiliate*

### The Nactu unions

The four National Council of Trade Unions (Nactu) unions included in our list are the most noteworthy in that federation. The South African Chemical Workers Union (Sacwu) has maintained an active presence in the chemical industry, especially in AECL. Its total membership is not far short of its Cosatu counterpart. The two unions are intense rivals.

Bcawu, like its Cosatu counterpart, has maintained a small but significant presence in the construction industry. In an industry where most workers are unorganised, having two separate unions seems counterproductive. It allows the established craft unions to block the advancement of non-artisans and the modernisation of the sector.

The Metal and Electrical Workers Union of South Africa (Mewusa) was launched in May 1989 out of a merger between some Nactu affiliates. Although much smaller than Numsa, Mewusa holds onto a significant slice of the metal industry.

The National Union of Furniture and Allied Workers (Nufaw) is a different case. This conservative union formerly belonged to the Trade Union Council of South Africa (Tuca). It remains uneasy as a Nactu affiliate, having joined largely to protect itself from the

onslaught of a Cosatu affiliate, the Paper, Printing, Wood and Allied Workers Union (Ppwawu).

Nufaw has a strong base among skilled (mainly coloured) furniture workers and remains the union with the largest membership in the furniture sector. It will be important to observe whether the relationship between Ppwawu and Nufaw moves towards merger or continues to be one of conflict.

The Federation of Independent Trade Unions's (Fitu's) largest affiliate, the South African Typographical Union (Satu), is in many ways similar. As one of South Africa's oldest craft unions, its conservative leadership retained a strong grip over the printing industry.

This continued until the collapse of the printing Industrial Council and, with it, Satu's closed shop agreement. Satu, however, retained control of the industry's benefit fund. Satu and Ppwawu continue to have a highly conflictual relationship, but Satu remains the dominant union in the printing industry. Its drawcard is the benefit fund it administers.

Disunity between the unions in the industry has often left employers with a free hand. In a rapidly changing industry, disunity between skilled and unskilled workers has prevented labour from tackling the restructuring process.

*The conservative South African Typographical Union remains the dominant union in the printing industry*

*The United Workers Union of South Africa's focus on the ethnic mobilisation of Zulu workers remains a continuing challenge to Cosatu*

*The fate of the 'white' municipal and public servants associations will indicate what the future holds for associations generally*

*Naledi anticipates that the whites only Mynwerkersunie will show some growth and then decline*

## Uwusa

The United Workers Union of South Africa (Uwusa) is included despite its singular lack of success in collective bargaining. Formed as a counter to Cosatu it was sponsored by Inkatha and remains, effectively, its labour arm. Uwusa's launch in 1986 was partly sponsored by secret state funding.

Uwusa's focus on the ethnic mobilisation of 'Zulu' workers remains a continuing challenge to Cosatu's non-racial, class based approach. Its impact has been to divide unionised plants, especially on the East Rand and in parts of KwaZulu-Natal and the south eastern Transvaal. The subsequent violence has, on more than one occasion, dissuaded Cosatu affiliates from taking strike action.

## The 'white' unions

The South African Association of Municipal Employees (Saame) and the Public Servants Association (PSA) represent two of the largest old style staff associations. Overwhelmingly white and recognised by the old apartheid state, their future does not look bright.

Their fate - whether they adapt or slowly disappear - will be an important indicator of what the future holds for staff associations generally.

The whites only Mynwerkersunie (MWU) explicitly modelled itself on Cosatu. It wanted to be a militant, politically vocal defender of workers - but of white workers only. It has done this with some success.

MWU claims a current membership of 51 000: an increase of almost 16% over its 1993 membership of 44 000. According to MWU, Afrikaners are becoming more union conscious.

Most of its growth, however, has come at the expense of other whites only unions whose membership has become disillusioned with political developments or dissatisfied with the service provided by their union. MWU has recruited members in sectors outside mining, such as iron and steel, electricity, chemical,

paper, and local government. MWU expects its growth to continue.

MWU has been closely associated with the ultra rightwing, and has been accused of supplying arms to rightwing terrorists. This the union denies, although it does admit that many of its members belong to the Afrikaner Weerstandsbeweging.

MWU's existence raises the question - what happens to a 'whites only' union in the new South Africa? Flip Buys, assistant general secretary, has stated that 'the MWU is not opposed to the new order, and wants to make the best of the new situation'.

Buys states that they are prepared to join other unions on shopfloor issues. It no longer sees itself as a white union, and claims merely to protect the interests of the 'disadvantaged minority'. To be 'disadvantaged', however, one would have to be on the wrong end of affirmative action, and invariably white.

MWU's biggest challenge is the issue of affirmative action. The union feels that affirmative action is just another name for 'black advancement' or 'reverse discrimination'. Affirmative action has to be reciprocal - 'if white jobs are opened to blacks, then black jobs must be opened to whites'.

Affirmative action, according to MWU, is creating white unemployment and placing greater pressure on 'skilled white workers' who have to work alongside unqualified black recipients of affirmative action programmes.

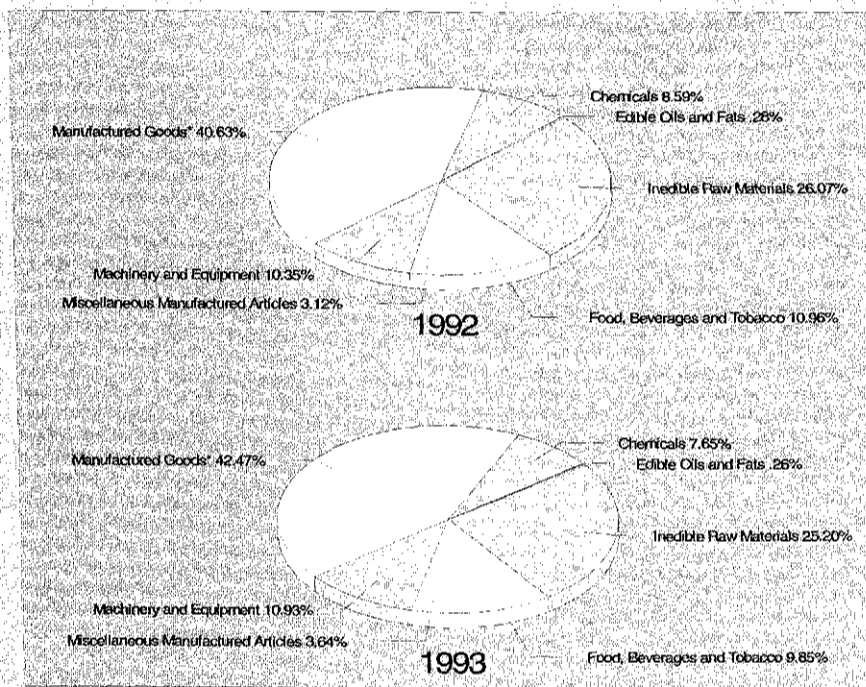
Naledi anticipates that MWU will show some growth in the next two years, and then decline as its inability to change the course of events becomes obvious to its members. Affirmative action will also erode MWU's natural constituency. **IPA**

\* *Unions in Transition: Cosatu at the Dawn of Democracy*, can be obtained from Naledi at POBox 5665, Johannesburg 2000. Telephone (011) 403-2122.

# COMPARATIVE

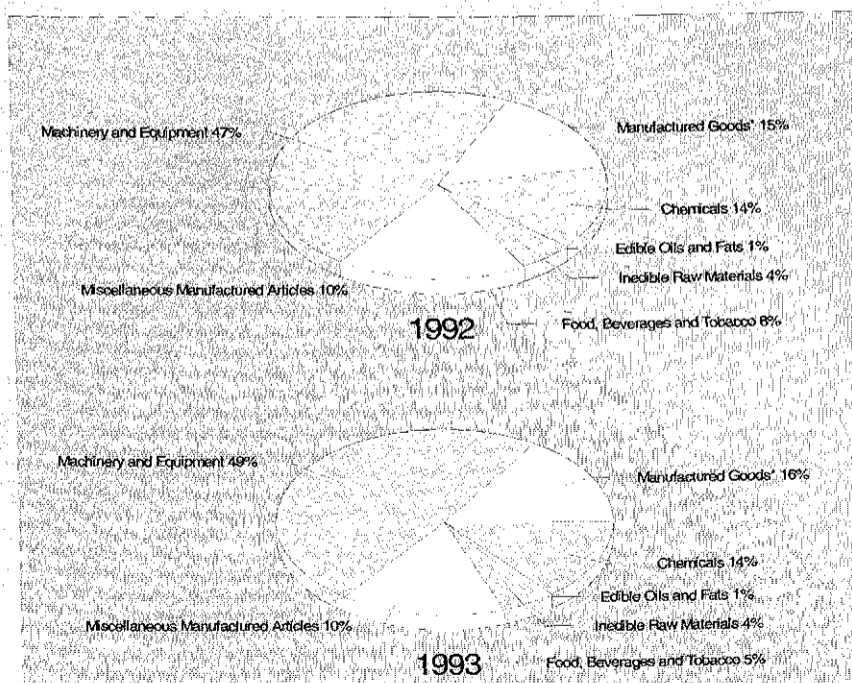
M O N I T O R

**Exports by Sector 1992 - 1993**  
R million



**FOREIGN  
TRADE IN  
SOUTH AFRICA  
1992 - 1993**

**Imports by Sector 1992 - 1993**  
R million



**Note:** \* Manufactured goods consist of: Leather and Rubber, Wood and Cork, Paper and Board, Textiles, Non-metallic Mineral Products, Metals and Metal Products.

**Source:** Central Statistical Service. Bulletin of Statistics: Quarter ending December 1994, Volume 28 No 4, 1994.

## THE 1995 IPM HUMAN RESOURCES DIRECTORY AND HANDBOOK

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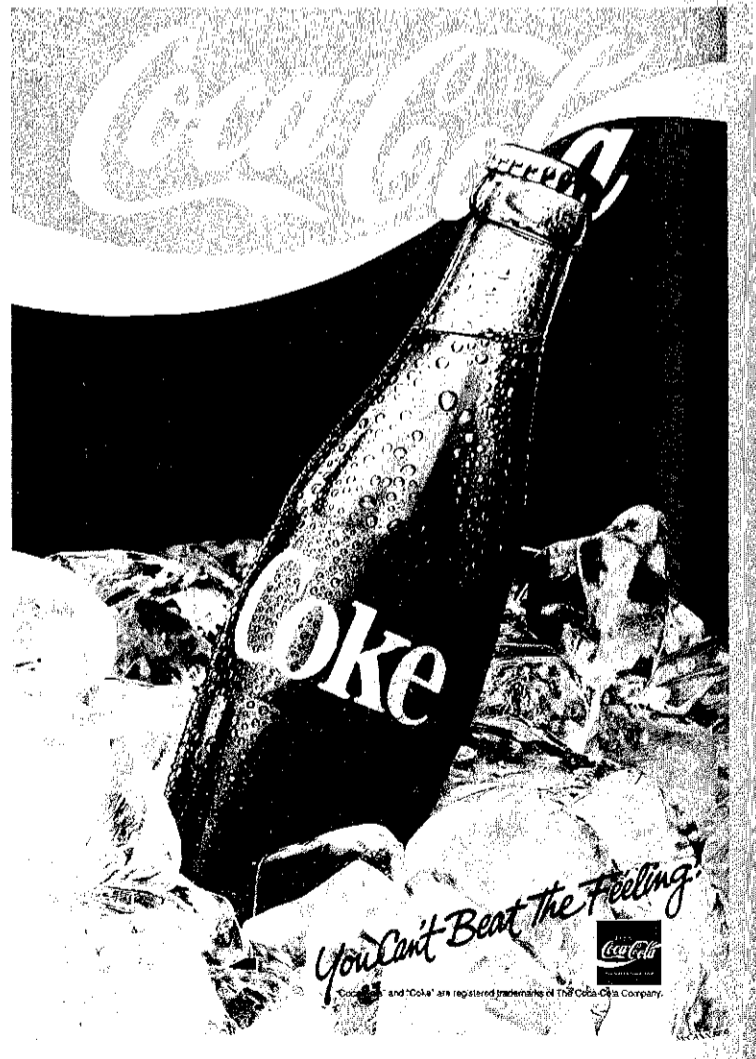


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# Mozambique

# Out of the Ashes

By Jeremy Grest  
Department of Politics, University of Natal

*Mozambique's October 1994 elections marked the end of a long and devastating civil war and the beginning of a new form of politics. The elections were well run, voter turnout was high and the two major parties - Frelimo and Renamo - are evenly balanced. However, the country faces many problems and will have to grow its economy and institutionalise its recent political changes if its new democracy is to last.*

The first multi-party general elections in Mozambique, held between October 27 and 29 last year, were highly successful despite pre-election jitters over undeclared arms caches, troops on both sides being held back from an uncompleted military integration process, and no clear pre-election understanding on the role of the losing party in the new political order.

Voter education and registration were successfully concluded without major mishaps, the election period was generally peaceful, the organisation and running of the process was efficient, and the turnout was high at 87% of the 6,3 million registered voters.

The counting process proceeded slowly, but when the results were released they were accepted by all parties, with the international community having judged the whole process to have been free and fair.

As the last phase in a long and complex peace process following a protracted and devastating civil war, the elections marked a definitive step in the birth of a new form of politics for Mozambique in which parliamentary democracy, rather than war, should become the primary mechanism for representing differing political interests.

The General Peace Agreement was signed in Rome in October 1992 between Frelimo, the ruling party, and Renamo, the former rebel movement, and laid the foundations for the process.

The agreement - the result of 12 rounds of talks hosted by the Catholic lay Community of Sant' Egidio - laid out a timetable and set up a number of commissions to supervise and monitor the peace process, which included a cease fire, demobilisation of troops on both sides, the formation of a new depoliticised Mozambican Defence Force, and multi-party elections.

The United Nations (UN) Security Council wished to avoid in Mozambique a repetition of the breakdown of the Angolan peace process, which was brought about in part by attempting to monitor the cease fire and elections on the cheap.

The UN mounted a massive operation, the largest anywhere in the world at the time, with Aldo Ajello as special representative of the Secretary General. He chaired the Supervisory and Monitoring Commission which took overall responsibility for the peace process and which included representatives of the Mozambique government, Renamo, the Organisation of African Unity, and Italy, France, Portugal, Britain and the United States - the official observers at the Rome talks.

## Background

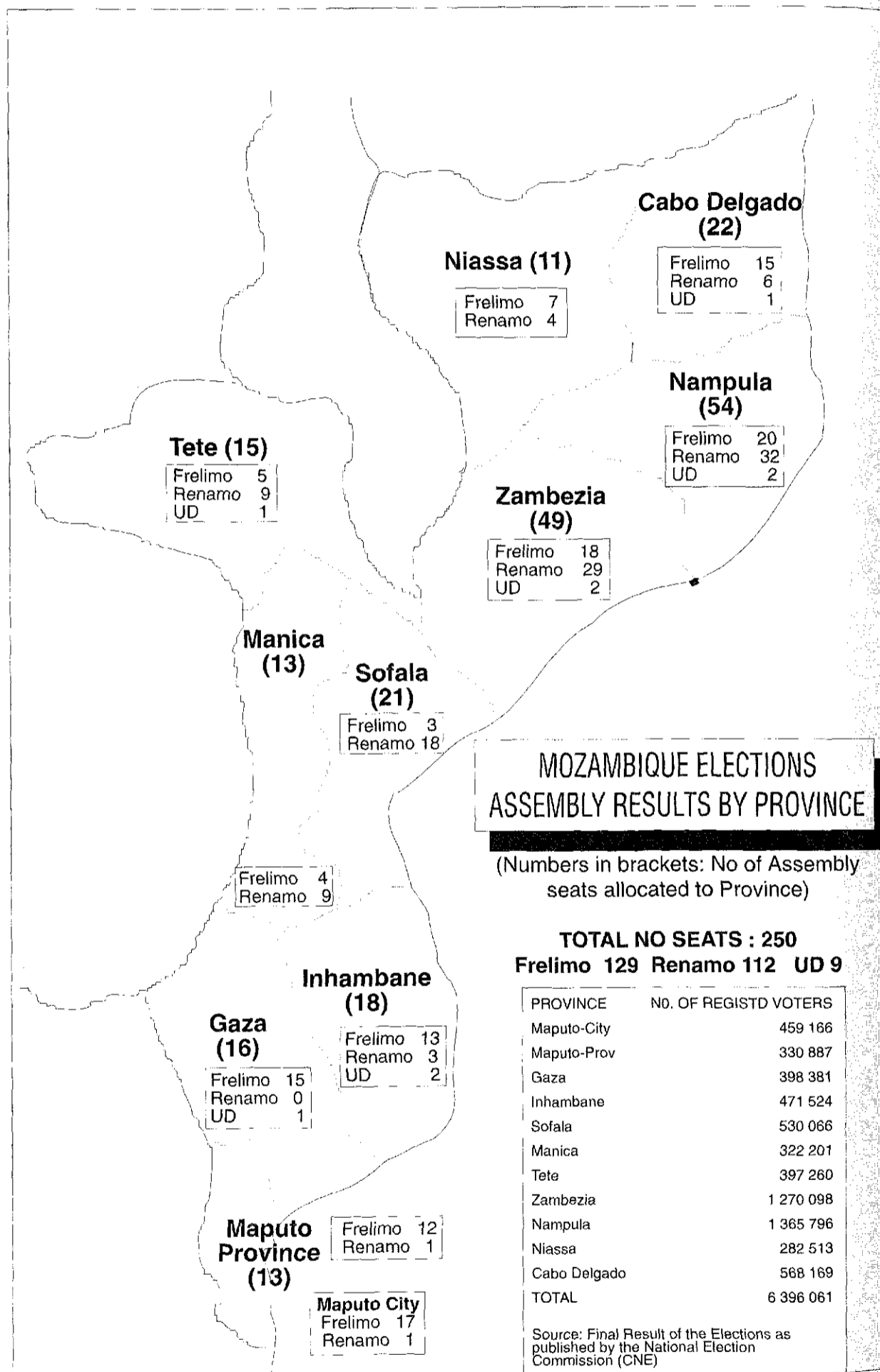
Once the ceasefire was signed in September 1992 the level of violence throughout the country dropped dramatically, and the run up to the election period was remarkably calm and free of armed incidents, despite the threats of some demobilised soldiers to

*Turnout was high at 87% of the 6,3 million registered voters*

*The General Peace Agreement was signed in Rome in October 1992 between Frelimo and Renamo*

*The UN mounted a massive operation, the largest anywhere in the world at the time*





disrupt the poll in protest at what they considered to be an inadequate payoff.

However, a boycott of key commissions by Renamo, foot dragging, a high level of mutual suspicion and bargaining for position seriously delayed the agreed timetable and set the peace process back by a whole year. Many of the disputes, such as one over the allocation of suitable housing in Maputo for Renamo officials, were clearly about leveraging access to resources which the Frelimo party-state had unilaterally controlled since independence.

A United Nations trust fund of \$19 million set up to help Renamo convert itself from a guerilla organisation into a political party contesting elections became a source of controversy when Renamo leader Afonso Dhlakama complained that the money had dried up after \$13,6 million had been spent.

It was revealed that he had been receiving \$300 000 a month from the fund from Ajello, who had to press donors to provide more money. Periodic threats of withdrawal from the poll were used to pressure the international community into providing more funds for Renamo.

A further issue of concern in the run up to the election was freedom of movement. In clear violation of the Peace Agreement government representatives were prevented from moving back into Renamo controlled areas - about 25% of the country- and election officials were unable to register voters and carry out voter education programmes until quite late in the day.

Pressure was placed on Frelimo, in particular by the United States government, to agree in advance of the elections on a Government of National Unity, in order to safeguard peace and provide guarantees of a role in government for Renamo. This was resisted very hard by the Frelimo old guard, and the most that Chissano would offer, while struggling to keep his party unified, was the suggestion that any post-election government should include individuals from opposition parties.

### Election management

A National Electoral Commission (CNE) charged with running the process was created by the Electoral Act, the main principles of which had been set out in Protocol iii of the General Peace Agreement. The 21 CNE commissioners representing the government, Renamo and other parties were chosen on the basis of personal and professional qualities designed to guarantee independence and impartiality.

**TABLE 1. MOZAMBIQUE ELECTIONS: PRESIDENTIAL RESULTS.**

CANDIDATE and AFFILIATION	TOTAL VOTES	%VOTES CAST
Maximo Dias: Monamo	115 442	2,34
Carlos Jeque: Independent	34 588	0,70
Casimiro Nhamitambo: Sol	32 036	0,65
Mario Machele: Independent	24 236	0,49
Carlos Reis: Unamo	120 708	2,44
Afonso Dhlakama: Renamo	1 666 965	33,73
Jacob Sibindy: Pimo	51 070	1,03
Padimbe Kamati Andrea: PPPM	24 208	0,49
Domingos Arouca: Fumo/PCD	37 767	0,76
Vasco Alfazema: Pacode	58 840	1,19
Wehia Ripua: Pademo	141 905	2,87
Joaquim Chissano: Frelimo	2 633 740	53,3
<b>TOTAL REGISTERED VOTERS</b>	<b>6 148 142</b>	
<b>TOTAL VOTES CAST</b>	<b>5 402 940</b>	<b>87,87</b>
<b>BLANK VOTES</b>	<b>312 143</b>	<b>5,78</b>
<b>INVALID VOTES</b>	<b>149 282</b>	<b>2,76</b>

Source: Final Result of the Elections as published by the National Electoral Commission (CNE)

The structures of the CNE were replicated at the provincial and district levels, ensuring that political parties were involved in the process and 'owned' it at all levels. The responsibility of the district level organisation was especially great, as it had to ensure the correct allocation of voting stations and distribution of materials.

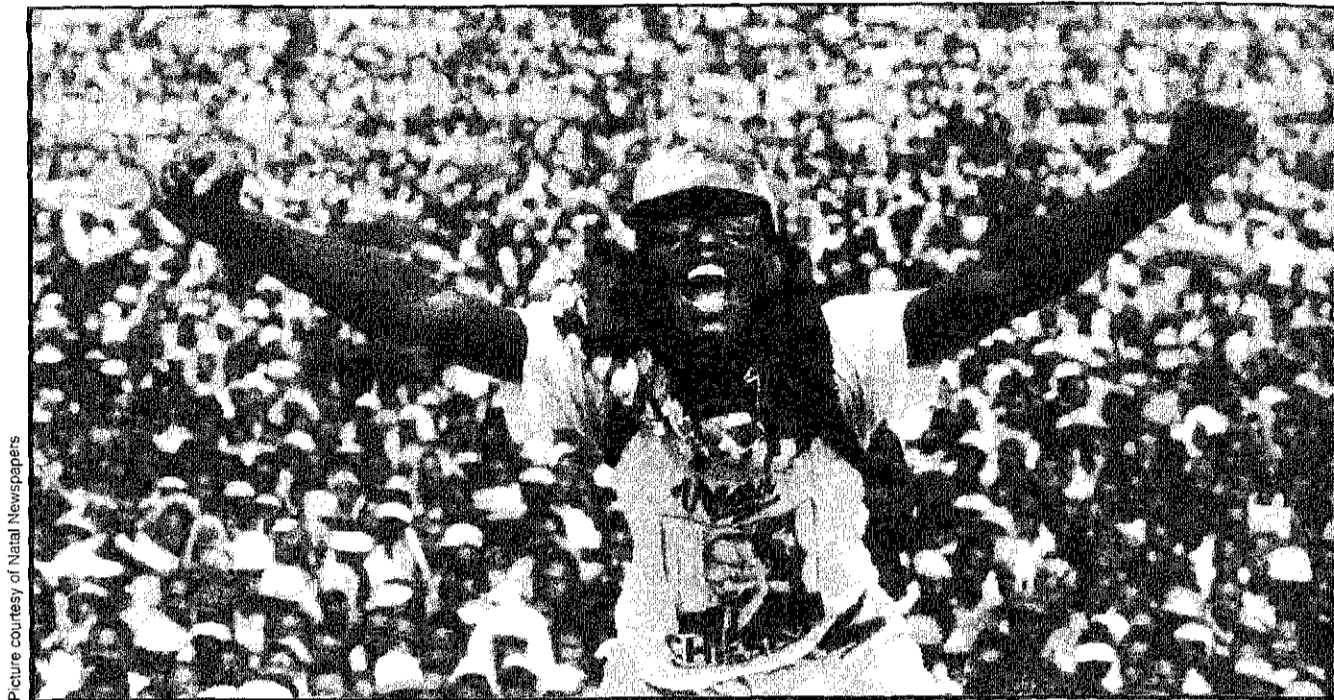
A Technical Secretariat of Electoral Administration (STAE) was created to assist the CNE manage the logistics of running the election. The United Nations worked directly with STAE through the UNOMOZ Electoral Division and the United Nations Development Programme (UNDP), and provided resources and technical know how based on a rich experience of running elections in other parts of the world undergoing 'democratisation'.

The technical side of the election process was impressively managed. Given the limited capacity of the Mozambican state it was inevitable that much of the logistical planning and execution fell to the United Nations, the UNDP and other international organisations.

An electoral register was drawn up in advance of the poll. The Electoral Act specified that voters had to vote where they were registered. No voter registration was carried out in neighbouring countries, and so refugees who did not manage to return home during the registration process did not qualify

*A National Electoral Commission charged with running the process was created by the Electoral Act*

*The technical side of the election process was impressively managed*



Picture courtesy of Natal Newspapers

*Each polling booth registered a maximum of 1 000 voters: voting stations could have multiple voting booths*

*Fourteen parties registered for the assembly elections and 12 candidates presented themselves for the presidency*

to vote. Each polling booth registered a maximum of 1 000 voters: voting stations could have multiple voting booths.

Of major interest was the system of electoral kits provided by the European Union: a lockable tin trunk, clearly labelled with the Province name and voting station number, containing all the electoral materials necessary to handle 1 000 votes. The ballot boxes were of a simple and rugged design, and were sealed with individually numbered, tamper proof plastic ties.

Perhaps the only items missing from the kits were emergency rations for the electoral officers, many of whom went hungry during the voting period.

The votes were counted at the polling site before being transported back to the district level for confirmation of the count. Given the limited number of voters per station the potential for fraud through ballot stuffing was clearly reduced, and the counting process much simplified.

### **The campaign**

The electoral campaign was generally peaceful, with only a few incidents of violence. Fourteen parties registered for the assembly elections and 12 candidates presented themselves for the presidency. Many of the smaller parties lacked coherent programmes and demonstrated profound disorganisation and incompetence, leading to the conclusion that the cash resources that went

with successful registration had been a major incentive to join in.

No really substantive policy programmes were put forward by any of the parties. The manifestos of Renamo and Frelimo were strikingly similar on macro-economic and social issues, a product of successful Western pressure on Frelimo to liberalise policy in key areas. There was a tendency for the politics of blame to resurface, with the two major parties assigning responsibility to each other for the trauma and the damage of the war.

Frelimo tended to rely on a show-biz campaign with musicians, free tee-shirts and parachute displays at its major rallies.

Renamo claimed to be the party that brought peace to Mozambique, but Afonso Dhlakama continued to issue threats and bellicose statements periodically throughout the campaign, and to play the ethnic card, the most noteworthy incident being his threat that if Renamo won Joaquim Chissano would be deported to South Africa because of his Shangaan origins.

### **The elections**

The decision by Afonso Dhlakama to withdraw Renamo from the election on the eve of voting, citing fraud as the major reason, caused considerable confusion. Voting was disrupted in the major urban centres, but the rural areas were not particularly affected. It appeared that even where the Renamo party delegates knew of

the decision taken by Dhlakama, they remained at their posts in the polling stations.

The chief Renamo representative on the CNE seemed to have been taken by surprise by the decision, and did not endorse his leader's stand. Dhlakama succeeded in obtaining assurances from the international community that his allegations of fraud would be investigated independently, thus achieving one goal: that of undermining the legitimacy of the National Electoral Commission whose task it was by law.

Dhlakama wanted the election to be re-run, or the voting period extended by four or five days. In the event the additional day provided for in law was used. Dhlakama returned to the electoral process after consultations with the United Nations Special Representative, representatives of the international members of the Control and Supervisory Commission and the South African government, claiming he had saved democracy in Mozambique.

His behaviour has to be seen as part of a negotiating strategy aimed at gaining further concessions in advance of the elections, as well as preparing against loss of the election through claims of fraud.

## The results

The final results for the assembly elections, released by the CNE on November 18, were much closer than many political analysts predicted. Frelimo held on to political power. But Renamo turned out a vote large enough to make unsustainable the view of the anti-apartheid movement and Mozambique solidarity groupings that it was purely an externally driven counter revolutionary force lacking any social base of its own.

The vote for the assembly was essentially a contest between the two major forces which had been to war against each other, Frelimo and Renamo.

Frelimo won 44,33% of the votes and 129 seats. Renamo polled 37,78% and came away with 112 seats. The nine remaining seats in the 250 member assembly went to the Democratic Union, a right leaning alliance of four smaller parties: Palmo (Mozambique Liberal Democratic Party), Pademo (Mozambique Democratic Party), Panade (National Democratic Party) and Panamo (Mozambique National Party).

The results shown on the map indicate very clearly the regional pattern of politics in Mozambique. The southern provinces of Maputo, Maputo City (which has provincial status), Gaza and Inhambane voted

## The also rans

Ripua is from Niassa, fought for liberation with Frelimo, left the party in 1991 and articulates the views of former guerillas frustrated with their social marginalisation, the dominance of the south under Frelimo and the privileged position of whites.

Reis is a businessman from Zambezia and former exile who fought with Frelimo but later joined the separatist movement Rombesia, and Africa Livre, which first opposed but later merged with Renamo. He left in 1986 to form his own movement.

Dias is also from Zambezia, a lawyer of Asian origin who led Gumo, a political organisation authorised by the colonial authorities in 1973. He fled at independence and founded Monamo in then Rhodesia in 1979 to give Renamo a political profile. Aware of his limited support base among the urban elite he opted to run a 'didactic campaign' aimed at raising for public discussion issues considered of national importance.

overwhelmingly for Frelimo: between them Renamo and the Democratic Union only managed to win eight out of 65 seats allocated.

In the central provinces of Sofala, Manica, Tete and Zambezia, Renamo won 65 of the 98 allocated seats, and Frelimo 30. Of the 87 seats allocated for the northern provinces of Nampula, Niassa and Cabo Delgado, Frelimo and Renamo both came away with 42 seats.

The most densely populated provinces are Nampula and Zambezia, with over a million registered voters in each, and in these Renamo's majority was very substantial. Looking at the country as a whole, Frelimo gained the majority of seats in seven of the 12 provinces, and Renamo in five.

During the era of single party rule by Frelimo, discussion of regional differences was actively discouraged. The transition to multi-party democracy saw the burgeoning of many smaller parties which were regionally based.

Their appeals to the electorate were based on claims that the two major forces had between them reduced the country to a state of ruin, and that what was needed was federalism or some such solution which would devolve power to the provinces, end the marginalisation of key areas of the country, and challenge the political and economic dominance of the south.

Regional sentiment is strong in Mozambique, and has been exacerbated by the effects of the war, which destroyed infrastructure and communications networks and left large parts of the country cut off from the capital. In addition, the centralising drive from Maputo saw the exclusion from power of important constituencies, particularly in the centre and

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*The institutions of civil society are still embryonic and fragile, and the threat of a proliferation of banditry remains very real*

north, and the bypassing of skilled individuals of local origin for key administrative posts.

The presidential election saw the incumbent Frelimo candidate Joaquim Chissano, with 53,3% of the 5,4 million votes cast, establish a clear lead over his Renamo rival, Afonso Dhlakama, who polled 33,73%, a result which indicates that Chissano enjoys greater personal popularity than his party. Full results of the presidential vote appear in Table 2.

The only other of the 12 presidential candidates who succeeded in pulling in an appreciable number of votes were Wehla Ripua of Pademo, with 2,87% of votes cast, Carlos Reis of the Mozambique National Union (Unamo) with 2,44% and Maximo Dias of the Mozambique Nationalist Movement (Monamo) with 2,34%.

### **Prospects for peace**

It is unclear what sort of parliamentary system will emerge. The parties are evenly balanced in the assembly, but there is no tradition of multiparty politics to build on.

The threat of a return to war has receded, but the boycott of the assembly by Renamo following the vote for the election of speaker and Chissano's refusal to entertain the appointment of Renamo governors in the provinces where they won a majority, are signs of inflexibility inherited from the past.

The role of leader of the opposition remains unclear, and Dhlakama recently announced his intention to leave Maputo, saying he can not lead the opposition from the south. The new incumbents to the cabinet seem to be an attempt to balance Mozambique's various constituencies, and the international community has expressed satisfaction with the mix achieved.

For foreign donors a major priority will be a transparent budget. Given Mozambique's

considerable dependence on foreign funding, and the substantial investment by the international community in setting up the electoral process, the progress of the new government will be monitored with interest. But given the shifting nature of international priorities it is unlikely that much leeway exists for mistakes.

Prospects for the entrenchment of the democratisation process depend on the institutionalisation of the political changes which Mozambique has undergone since introducing its new constitution, which abolished the single party state and delineated the principal liberal rights associated with Western democratic practice.

Democratisation is taking place within the context of economic structural adjustment which has resulted in substantial hardships for significant sectors of the population, as well as considerable weakening of the state. Control over economic policy has shifted out of Mozambican hands to a very large degree and has come to rest very much with the International Monetary Fund and the World Bank, with bilateral donors lining up behind them.

These institutions are not accountable to the people upon which their policies impact. The differentiation, class formation and poverty related to structural adjustment create considerable potential for opposition, which will be directed at the state responsible for implementing those policies.

The institutions of civil society are still embryonic and fragile. A major test of their resilience will be the manner in which they are able to channel the conflicts emerging in Mozambican society into peaceful avenues of resolution.

The threat of a proliferation of banditry remains very real, and depends on the success of attempts being made to demobilise former combatants and reintegrate them into rural society. *(PWA)*

# Selling South Africa

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# New Foreign Policy

By Chris Landsberg  
Centre for Policy Studies

*We are told South Africa's foreign policy is one of non-alignment but it shows typical signs of internationalism, comprising a mixture of moderation, activism and at times isolationism. This is a good thing since internationalism is better suited to an increasingly complex and rapidly changing global environment which is dominated by economics and requires flexible foreign policies and multiple alliances to best promote our national interests.*

**A**mid great pomp and ceremony South Africa joined the Organisation of African Unity, the Commonwealth and the Non-Aligned Movement, as if nothing was wrong with these organisations and joining them unquestionably boiled down to a worthwhile exercise of brotherhood.

The new foreign policy establishment did not seriously reflect on problems within these bodies, and what should be done to strengthen their institutional capacity.

Furthermore South Africa's foreign policy, we are constantly being told, is one of non-alignment. This is a misnomer. Far from being non-aligned, our foreign policy shows typical signs of internationalism, comprising a mixture of moderation, activism and at times isolationism.

It is internationalist precisely because non-alignment is a defunct foreign policy: it is a strategy belonging to a particular era and a particular order, the Cold War. This era has ended and non-alignment is not suited to the demands of post-apartheid South Africa facing post-Cold War dynamics.

Indeed, shifts in the international balance of power have caused non-alignment to lose a great deal of its appeal and effectiveness: the policy now seems deficient while the Non-Aligned Movement (NAM) is fragmenting economically.

It is, however, possible to borrow some of the more positive and relevant features of non-alignment, such as non-racism, anti-colonialism and Third World exploitation. South Africa's new foreign policy is already doing that.

## Non-alignment

Non-alignment is experiencing a crisis of vision. Its logic has been destroyed. That to which the movement sought not to align itself has ceased to exist. If government officials insist that our foreign policy is non-alignment, the question arises: what is our foreign policy non-aligned against?

The reality is that Cold War alliance politics has been replaced by a far more complex world order in which competition between two antagonistic powers appears to be giving way to the growth of bloc politics.

Despite its recurrent theme of protest against Western power dominance, non-alignment cannot respond to this development. It could be argued that a bloc of Third World states would be an appropriate response, a point to which this paper will return, but such a bloc would not be non-aligned.

Whatever the outcome of the current fluidity in world politics, non-alignment cannot be redefined or re-orientated as a foreign policy strategy. The dilemmas faced by

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