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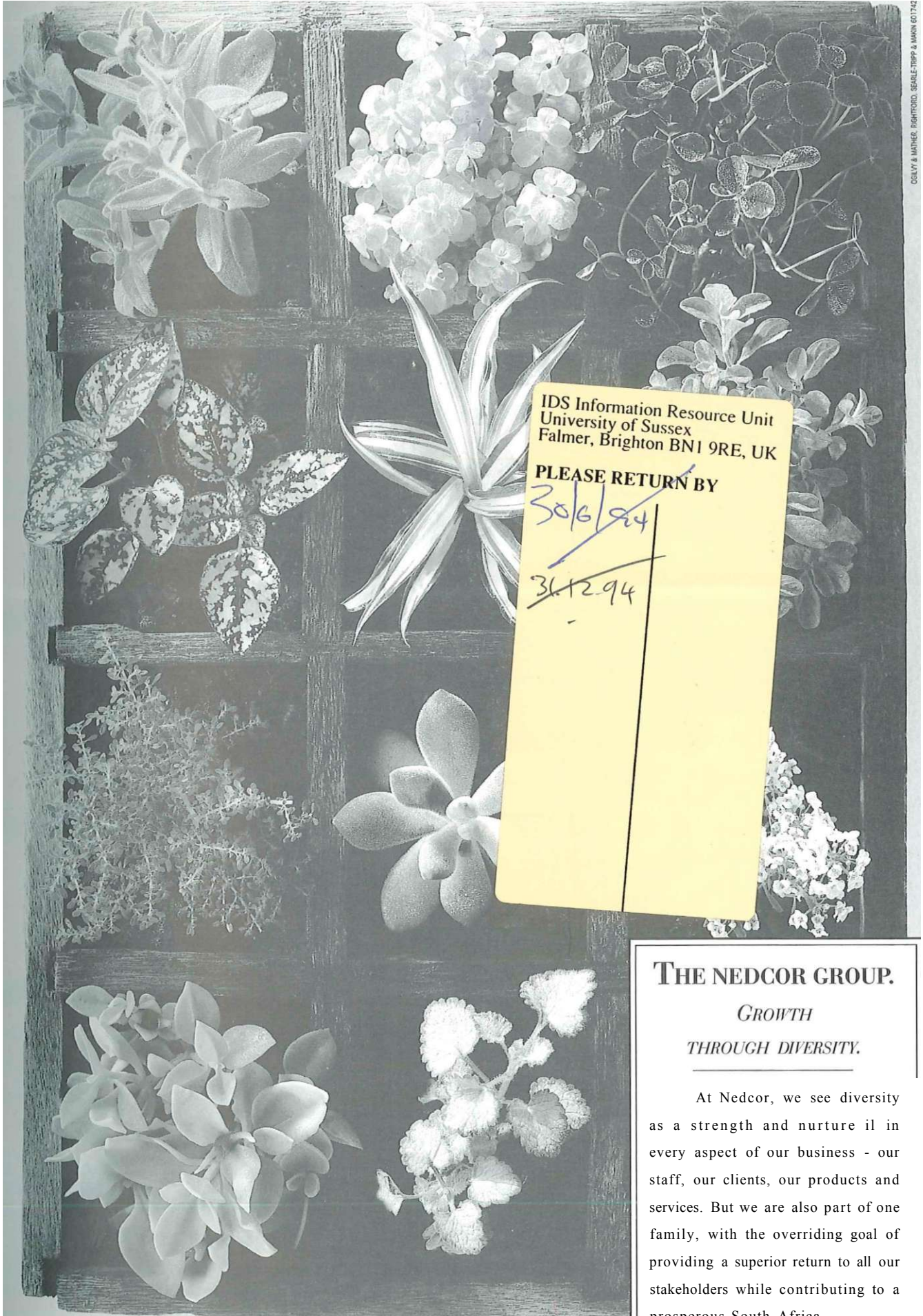
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'Indicator SA is an informative, non-propagandistic and jargon-free quarterly monitor of South African trends. A good source for up-to-date statistics and pithy analyses.'

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THE LATE FINAL

This will be my last editorial for *Indicator SA*. On this special occasion I will have to beg the reader's indulgence. After ten years spent behind my well-worn editor's desk - its in-trays bulging with dog-eared manuscripts, its out-trays stacked with neat edited copy - my final edition is ready to go to print.

After weeks of commissioning, selecting and preparing copy, the editorial is always the final flourish. It is a time of reflection, a window on the rapid undercurrents of South African society in the preceding months. It allows "the editor" a quiet space to stand back from the maelstrom, to guide the reader through the edition and to offer a few opinions on great events. I will miss this rewarding moment of completion.

The task of producing a quarterly magazine stretches the editorial and production deadlines over a much longer period than most periodicals. Over the ensuing weeks, new copy enters and old copy exits as the tides of topicality shift. With the pace of South African politics, today's current affairs are tomorrow's history. Often, the edition only takes final shape in the last fortnight as the major trends crystallise.

These have been challenging and dramatic times to be involved in the South African media. I joined *Indicator SA* as a researcher on opposition and labour politics in the heady months of 1984. The year of the inauguration of the new tricameral constitution which would spark off a populist revolution that eventually opened the gates of Pollsmoor and Parliament. I inherited the editor's hotseat in the mid-1980s. The years of protest and suppression which followed would severely test *Indicator SA's* commitment to independent and impartial coverage of South African politics and society.

Through the monitors of our quarterly report, *Indicator SA* debated the Wiehahn labour reforms, the dismantling of influx controls, the township rent and council boycotts, disinvestment and sanctions, the birth of the UDF and Cosatu, the state of emergency, the defiance campaigns, the unbanning of the ANC,

SACP and PAC, the new policy debates on redistribution, land reform and regionalism, and so on and on ... the events of an epoch which closes with the first democratic elections in early 1994.

With my final edition, the decade nostalgically closes a personal chapter for me. This will be my thirty-third edition as editor of *Indicator SA*. Although I have steered many publications to print over the last ten years, I can still recall the particular themes (and occasional production disasters!) which lend a special character to each edition. I hope that our readers remember many editions as excellent, some as indifferent, or worse, mediocre, but few as poor.

I was recently given a memorable farewell luncheon, appropriately held in that most literary of venues, the University's Killie Campbell Library. My editorial and management boards generously presented me with a handsomely bound set of the first ten volumes of *Indicator SA*. Each edition, the year embossed on the spine's dark claret cloth, like different vintages, evokes precise moments and memories of the passing decade. It will be deeply satisfying to put these substantial volumes on my study bookshelf.

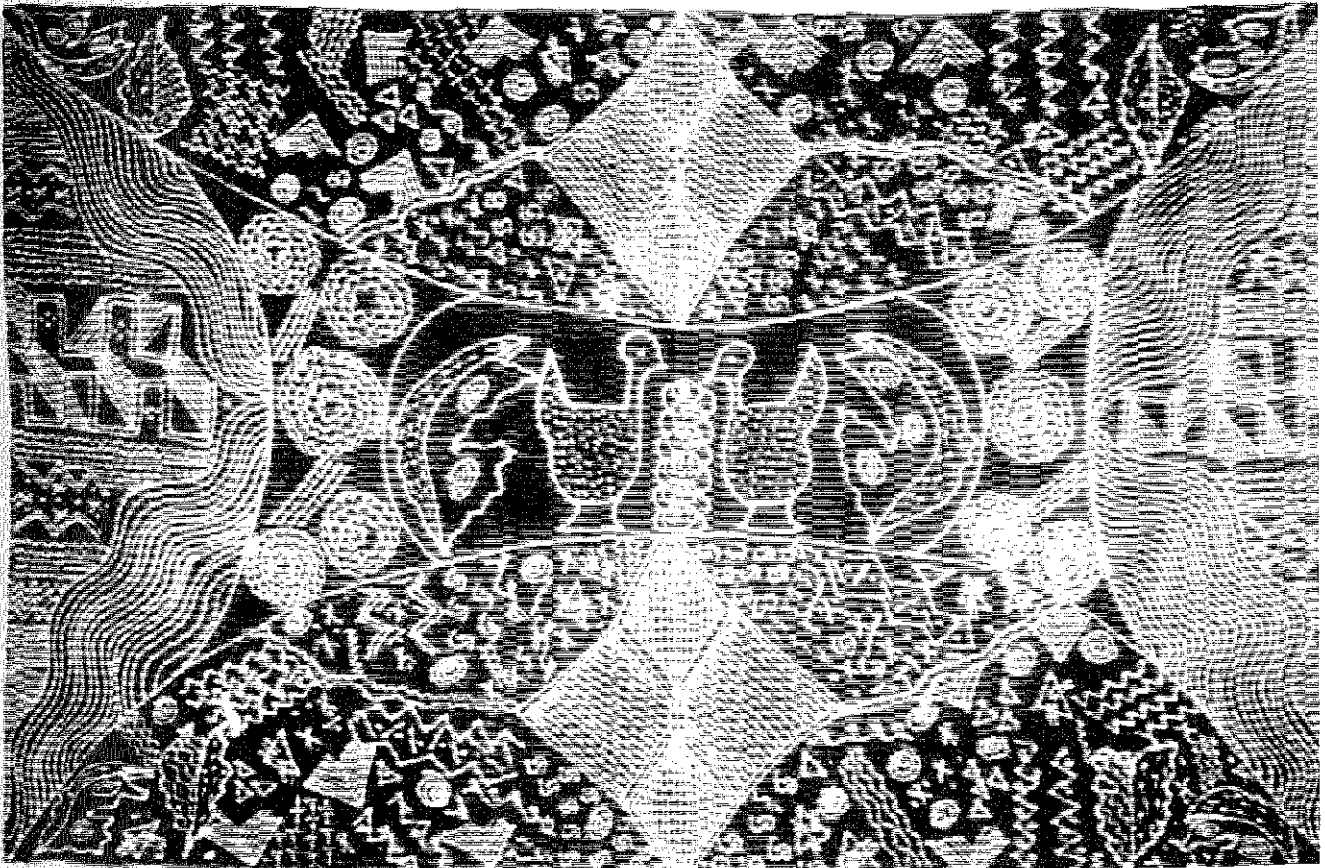
Turning to the future, I would like to briefly introduce readers to my successor as editor, Karen MacGregor. *Indicator SA* has been fortunate indeed to secure the services of an experienced South African journalist, the former foreign editor of the *Times Higher Education Supplement*. I wish Karen and the *Indicator SA* team, especially Rob Evans (production) and Pat Fismer (administration) all the best in the many editions to come.

What follows on the contents of the pages of this last edition of 1993? Well, I am afraid that this time our readers are on their own. After all, this is my last editorial, my final edition, and it is time to go to print.

In closing this chapter of *Indicator SA*, I would like to thank our readers, sponsors and contributors for their support over the years. I too look forward to reading the next edition *after* the hard work is done in getting it to the printers.

POLITICAL

M O N I T O R



'Nigerian Graphic'



PAKHAMANI DESIGNER **MAMILE MABASA**

Mamile is 26 years old . She did a computer course at a commercial college but could not find work.

She was introduced to Pakhamani while doing a sewing course, and has flourished since.

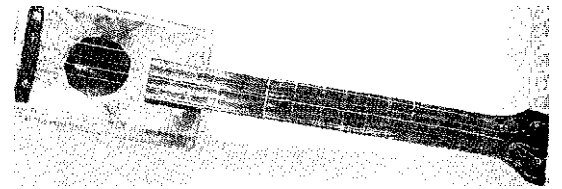
'This is the most wonderful job. I can do this wherever I go and am prepared to teach people.'



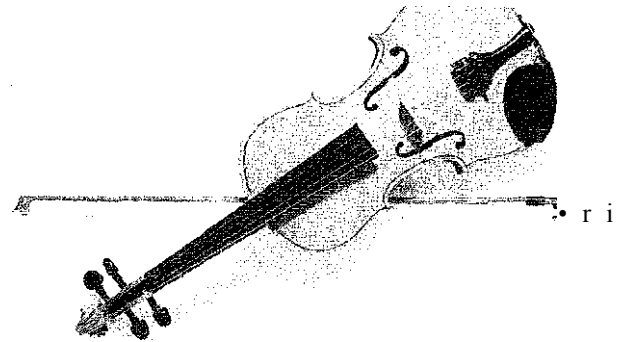
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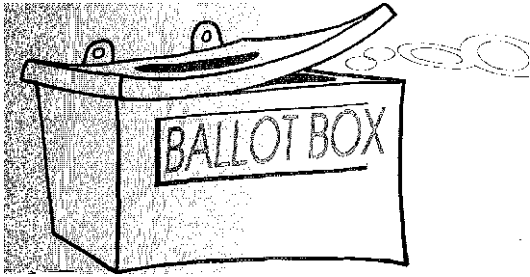
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where together, we'll do more.**



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to manage your future better**

Lawrence Schlemmer, Vice-President,
Human Sciences Research Council



Pre-Election Polls

The Gorbachev fate has always been
Xholly denied by top National Party
leaders. In recent months, however, there
has been increasing speculation in the
media about a fall-off in support for the
National Party (NP). Popular accounts and
small regional surveys have also suggested
other shifts in the electorate, such as a
swing to the African National Congress
(ANC) among coloured people in the
Western Cape and Indians in Natal.

If this is the case, and these trends continue
through 10 more elections, it could have quite
significant implications for the interim
government of national unity and for peace
and stability in the country. At this stage
politics are perhaps too fluid to make
predictions. An examination of the
evidence on political support is as important
in understanding the future as the
constitutional negotiations now being
finalised.

Three questions about support for political
parties are perhaps most significant. One is
whether or not the NP will retain its status
as a significant counter-balance to the
ANC, thus becoming the second largest
party in the interim government of national
unity for which elections are planned in
April 1994. A second question is whether
or not the NP Alliance will achieve an
absolute majority in the elections. A linked
question, obviously, is whether or not the
ANC Alliance will perhaps even achieve a
two-thirds majority or more, which would
enable it, in effect, to write, approve and
change a future final constitution for the
country.

National Party spokesmen understandably
put on a brave face when confronted by
these questions. Mr Olaus van Zyl,
Executive Director of the party, has set
'a very difficult but not impossible task' for
his party of winning 40% of the overall
vote (Rapport, 24/10/93). Last year,
Minister Dawie de Villiers was much more
confident, 'We are going to win - I am
convinced we will win' (Citizen, 8/10/92).

What does the most recent evidence
suggest? In Table 1 the results are given of
six nationwide surveys, conducted on a
personal interview basis, by the HSRC's
MarkData survey research unit. The
surveys are broadly comparable over time
(perhaps with the partial exception of the
first survey of September 1991, in which
less coverage was given to rural blacks).
The latest available results are for July 1993.

The results in the table suggest the
following trends:

- The ANC Alliance was strong among
black people in 1991, tended to lose
support in 1992 and early 1993 but
appears to have recovered to its previous
high of slightly over two-thirds of black
support.
- The Democratic Party has remained at a
very low level of support over the period.
- Among whites, the right-wing flagged
for a while in late 1992 but appears to
have recovered. It has not expanded
compared with late 1991, however.
- Aside from the 1991 survey, in which
rural coverage was limited, the results
suggest that the support for the Inkatha
Freedom Party (IFP) has fallen slightly
among blacks.
- Among whites, however, the IFP has
increased its support in recent months,
and the same might apply to Indians.
- The National Party remained on a
plateau with roughly 50% of white
support until February 1993, after which
it fell to less than one-third of white
support. Similarly, since early 1992,
coloured and Indian support for the NP
has dropped, although it is still more
popular among these groups than it is
among whites. Among blacks, support
for the NP has dropped from 8% in
mid-1992 to nothing.
- Support for the ANC Alliance among
whites is negligible. Among coloured
people and Indians, however, it has
roughly doubled since late 1991,
although there may be a very recent
fall-off in ANC support.

*Will the NP
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approve and
change a final
constitution*

**TABLE 1: PATTERNS OF SUPPORT FOR
POLITICAL PARTIES 1991 • 1993**
HSRC-MARKDATA NATION-WIDE OMNIBUS SURVEYS, N=2 100
(TBVC STATES EXCLUDED)

		ANC	PAC	AZAPO	NP	DP	IFP	CP/ AWB	Others/ No choice
SEPT 91	White	3%	.		49%	3%	1%	24%	22%
	Coloureds	7			53	2		.	38
	Indians	8			52	1			39
	Blacks	67	3		6		3		21
FEB 92	W	.			53	3	1	29	15
	C	6			66	1	1		26
	I	8			57	2		1	33
	B	69	1		3		13		24
JULY 92	W	.			56	3	2	28	11
	C	10			64	2	1		25
	I	6			58	1	1		34
	B	60	2		8		11		18
OCT 92	W				50	4	3	21	21
	C	12			61	4			23
	I	8			48	2			32
	B	63	1	1	7		15		13
FEB 93	W	1			48	6	5	25	17
	C	12			58	6			24
	I	11	1		46	4			40
	B	56	1	1	6		11		26
APR 93	W	2	1		38	3	3	29	24
	C	19			47	2			30
	I	24			36	4	2		35
	B	65	1	1	1		12		21
JULY 93	W	1			28	4	8	26	33
	C	12			44	2	1	3	38
	I	17			39	2	3	1	38
	B	68	2	1			8	1	20

The results in Table 1 are very similar to those that have been obtained by other survey organisations with the exception that the support for the IFP is some 3% to 4% higher in the MarkData results. This is most probably due to the fact that the MarkData samples after September 1991 (when the IFP result was also low) have been strictly based on census distributions and probably

TABLE 2: TENTATIVE ESTIMATES OF AN ELECTION OUTCOME

	Estimate A (MarkData Omnibus)	Estimate B (de Kock et al.)
ANC Alliance	64%	64%
PAC/AZAPO	3%	2%
National Party	15%	18%
Democratic Party	1%	2%
Freedom Alliance	18%	14%
(- IFP)	(10%)	(10%)
(- CP)	(8%)	(3%)
(-Other right-wing)	-	(1%)

NOTE: In these estimates it is assumed that respondents who are undecided or do not answer will divide their votes in the same way as the respondents who gave choices.

reflect more conservative rural choices in proportion to rural-urban population ratios. The MarkData urban data are usually identical to those obtained by other survey firms.

On the basis of these results, and other results, including a very large sample of 8 400 blacks in March/April/May 1993, b> colleagues at the HSRC (de Kock *et al*, 1993), two tentative estimates of an election outcome, including the TBVC states (in which the HSRC has conducted separate surveys or made separate estimates), are presented in Table 2. Estimate A is based largely on the regular MarkData Omnibus results and Estimate H takes account of the large black sample of 8 400 plus other special survey data.

How do these estimates relate to the three critical questions posed earlier? Firstly, can the ANC conceivably obtain over two-thirds of the vote?

The estimates of 64% are based on the assumption that all parties achieve an equal turn-out among their supporters. The research by de Kock *et al* (*ibid*) suggests, however that supporters of different parties have differing levels of motivation to vote. Hence de Kock *et al*. found that 90% of ANC supporters intended to vote compared with 77% among black voters at large. When one applies these differential motivations to the estimates of party choices the hypothetical ANC share increases to 68% - just over two-thirds of the vote.

On the other hand, Hein Marais reports a fear among ANC personnel that the inexperienced black voters will not turn out at a sufficient level to give the ANC the support it deserves (*Work in Progress*, Apr/May 1993). It is impossible to speculate on this meaningfully at this early stage. Evidence from elsewhere in Africa shows that even less sophisticated voters turn out en masse. One must conclude that the ANC could conceivably obtain more than a two-thirds majority.

Will the National Party emerge as the second biggest party? If the two sets of hypothetical estimates given above are anything to go by it will be a close call. In the first estimate the NP is smaller than the combined parties of the Freedom Alliance; in the second it is marginally ahead.

It can be argued on the basis of the results in Table 1 that the NP could recover support from the very large proportion of

... voters who have not yet ... their minds ... who would not ... A great deal of the defection from ... to another party (yet).

Further results in the July 1993 MarkData Omnibus survey shed some light on this ... Respondents were asked how ... they felt towards all ... parties. This enabled a comparison ... he made between the sympathies of those respondents who support various parties ... and those who could not make a choice of party. Among the different racial groups the comparisons ... in Table 3.

These comparisons suggest that the NP is not likely to win back a great deal of support from undecided voters. One can approach this differently and ask the question of what level of support the NP is likely to obtain if all the voters who feel 'close' or 'very close' to it are persuaded to vote for it. One must note that these 'sympathisers' also feel close to various other political parties, but nevertheless a calculation could be informative. After calculations the result for the NP emerged as ...

This calculation, therefore, suggests that even if the NP manages to persuade all voters who feel mildly or strongly sympathetic to it to vote for it, it is unlikely to obtain more than one-fifth of the vote.

Furthermore, it should be borne in mind that these surveys were undertaken before the Freedom Alliance was established and before the Afrikaner Volksfront became well-known. A recent poll reported in *Rapport* (1993) showed the following comparison of the popularity as leader among Afrikaners of President de Klerk and all right-wing leaders, including General Constand Viljoen of the Volksfront:

Afrikaner Voters: Leader Popularity

President de Klerk:	32%
All right-wing leaders:	36%
No choice:	24%

There is one reason, however, to believe that the NP could recover lost support. If it can win itself as the most credible or logical counterweight to the ANC, a good deal of right-wing support may flow towards it ... for strategic reasons. This will be particularly true if the parties in the ... do not stand in the elections.

On balance, then, one has to conclude that

TABLE 3: PROPORTIONS FEELING 'CLOSE' TO THE NP

	All voters	No choice
Whites	38%	20%
Coloureds	47%	8%
Indians	45%	18%
Blacks	9%	1%

although the National Party may recover some support, there is evidence to suggest that in a future election:

- the ANC is very likely to obtain an absolute majority;
- the ANC could even gain a two-thirds majority; and,
- the National Party could have slightly less support than the Freedom Alliance.

Very recent support for these estimates has emerged from a poll among 2 200 respondents by Integrated Marketing (*Sunday Times*, 7/11/93). This poll, by a very reputable firm, suggests ANC support at nearly 60% and NP support at 13%. Some telephone polls give the NP higher support, but such polls underestimate the right-wing and poorer parties in general.

If the NP can present itself as the most credible or logical counterweight to the ANC, a good deal of right-wing support may flow to it

Why has the National Party lost so much ground? Part of the answer lies in the perceived differences between the 'mandate' which Mr de Klerk received in the 1992 referendum and what white voters fear that the outcome of current negotiations will be.

In November 1991, just before the commencement of multi-party negotiations at the Congress for a Democratic South Africa (Codesa), Mr de Klerk said that the NP had:

... never asked for a mandate to transfer all the power to the ANC or anybody else ... (the NP was) looking for a system that practically enforces government by coalition.

Further reassurances to insecure whites were offered in generous terms by Mr de Klerk; a government, including a 'presidency' composed of leaders of the three largest parties would remain in power for at least one and probably several five-year parliamentary terms (*Race Relations Survey* 1992).

Closer to the referendum, Mr de Klerk spelt out his government's bottom lines (*Sunday Times*, 6/8/92); principles which the government would insist upon including in

The most recent poll suggests ANC support at nearly 60% and NP support at 13%

The new ANC-dominated government will need a credible and substantial coalition partner to function as a 'bridge' to control the state

- any constitutional settlement:
- the maintenance of standards;
 - prevention of domination and the abuse of power;
 - effective protection of private property;
 - job and pension security for civil servants;
 - impartial security forces;
 - maximum devolution of power;
 - limitation of the powers of the state president;
 - the maintenance of language and cultural rights; as well as
- e community oriented education for those who wanted it.

These safeguards were stated emphatically. The historic image of the National Party as a party which was resolute, if not brutal, in imposing its principles on the country did the rest. Most white voters believed implicitly that the government, in subsequent negotiations, would be unyielding. Hence the mandate, in both its wording and its halo effects, established Mr de Klerk and the NP as conservative champions in the negotiation process. In the event, nearly 69% of whites voted in the 17 March 1992 referendum to give de Klerk his mandate, not only to negotiate, but to 'hang tough' in the process.

As Table 1 demonstrates, soon after the referendum, polls showed that the NP maintained its earlier white support levels, but only for a while. Erosion of the support that the referendum had established and helped to maintain began to occur as the negotiation process started to deliver results (Schlemmer, 1992).

A study in February 1992 showed that only roughly 14% of whites and 17% of NP supporters wanted to see an interim government established as soon as possible. Most whites were hoping that de Klerk would somehow head off the 'evil day' of a loss of white power.

Among coloured people, Indians and blacks, one of the probable reasons for the fall in popularity of the National Party is perhaps its loss of its former image of determination and strength. The media refer to the government as a 'lame duck', mainly because every major decision it takes is now contested by the ANC, often successfully. Members of various kinds of social and ethnic minorities (other than white) who were looking to the NP for protection against domination might now be feeling that it is wiser to win the sympathies of the ANC.

It has long been generally recognised that the ANC might win an election but could find that it is unable to exercise authority over the existing state sufficient to govern. Apart from the civil service there are numbers of local authorities, including 21 in the Western Transvaal alone, which have already stated that they will not subject themselves to ANC rule. Furthermore, the homelands of KwaZulu, Ciskei and Bophuthatswana could quite conceivably refuse to become re-incorporated into South Africa before or after elections.

Furthermore, General Viljoen of the Afrikaner Volksfront has already several times urged supporters to prepare for resistance:

Radical elements in the AVF have apparently already started mobilising for armed resistance and urged supporters to prepare for a siege ...
(FinancialMail, 5/11/93)

The new ANC-dominated government will need a credible and substantial coalition partner to function as a 'bridge' to control the state. Supporters of the NP who look to it to protect minority interests may defect to the right-wing if the NP appears weak and uninfluential in the new government.

A National Party with no more than 15% of the vote, with three or four ministers in a cabinet of 30 will not be able to function as a bridge, nor will it be able to exert a legitimate authority over fractious right-wing and regional interests.

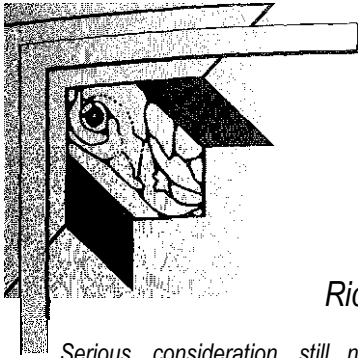
A counter-argument, however, is that without the constraint of a strong NP, the ANC will feel less antagonistic to the interests of the existing establishment and be more balanced, and generous in its own policy formulation. It will in effect become the new 'centre' and adapt to that role.

Whatever the case, the image of the future that prevailed in 1991 and 1992; that of a strong and well-established National Party constraining the larger, mass-based ANC Alliance, has dimmed very considerably. The final and last minute results of the settlements reached at the multi-party negotiations on 17 November appear to reflect firmer inputs by the NP. This will help the National Party to rebuild itself in the time left before the election. 05051

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Without the constraint of a strong NP, the ANC will in effect become the new 'centre' and adapt to that role



Regional Restructuring

New Initiatives

Richard Humphries and Thabo Rapoo, Centre for Policy Studies, Johannesburg

J Serious consideration still needs to be given over how the present homelands and provinces will be transformed into new regional authorities. This is partly because there is a lack of clarity about substantive aspects of the political context within which new regional authorities will function. The transformation process raises critical political and administrative issues. This article explores some of the structures and processes involved in restructuring the regional public sector.

Existing major regional institutions in Transkei, Bophuthatswana, Venda and Ciskei (TBVC), the self-governing territories (SGTs) and the provinces - represent a complex web of racially driven political fragmentation, differing political status, service delivery functions and bureaucratic culture and composition.

One indicator of this bureaucratic division is illustrated by the estimated total of 203 government departments in the 22 administrations or authorities in the country as a whole.

Excluding the central government's approximately 20 departments, the regional authorities account for the rest. They are broken down in the following way: the three 'own affairs' administrations have some 15 departments; the four TBVC states have an estimated 83 departments; the six SGTs some 57 departments while the four provinces have some 20 departments.

In more general ways the present regional system possesses the following characteristics, if not more:

Government authority in the regions is fragmented. This is particularly acute in regions such as the Northern Transvaal and Natal.

- Ideological and ethnic fragmentation has led to a duplication of administrations, personnel and the costs of delivering services.

This fragmentation has led to disparate policies on a range of issues which, in turn, has undercut moves towards regional developmental cohesion.

Yet moves to create new regional structures in the post-election period will be shaped by this legacy. Two related issues can be briefly examined. These are the widespread variations in political standing and functional powers performed by the various

authorities and, secondly, the present composition and structures of the regional public sector.

The four provinces have historically catered for white interests, although their status and function changed fundamentally in 1986 in accordance with the principles underlying the 1983 tricameral constitution. They lost their elected legislatures to effectively become central government departments, albeit operating on a spatial rather than a functional basis. At the same time they were stripped of many of the functions they had historically performed - such as education, health and local government - which were shifted to the own affairs administrations. Their senior staff complement is overwhelmingly white.

In contrast the four nominally independent TBVC states and the six self-governing territories have authority over a much wider range of functions than the provinces. Besides the trappings of independent statehood which the TBVC states possess - reflected in such departments as foreign affairs and defence - they and the SGTs have legislative authority and service delivery capacity over a much wider range of functions than the provinces (Mentz 1993).

They perform many functions which are not, or never have been, performed by the provinces. These include functions such as agriculture, forestry, water affairs, justice and policing. The homelands administer an integrated health service, combining primary and curative aspects, while in non-homeland South Africa these elements are divided between local authorities and the provinces.

The regional authorities account for about 175 out of 203 government departments in South Africa's 22 administrations

Regional reintegration is either state-sponsored, the result of the national negotiations, or the result of regional forum activity

Thus the creation of new regional authorities cannot be reduced to a simple integration of the various existing regional departments with responsibility over similar fields. There is no clear uniformity of functions and policies between the authorities to allow this to happen. In some cases, as in water affairs, staff presently attached to the national Department of Water Affairs will, if this function is vested in the regions, presumably have to be transferred to regional authorities.

The composition of the existing regional public sector will also affect the structure of the new authorities. The data base illustrates the present composition. It should be noted though that the lack of an overarching body responsible for these various civil service units does imply that these figures are provisional and subject to further clarification.

On this basis, some 66 per cent of public sector employees are presently employed by authorities which can be considered regional authorities - i.e. the TBVC states, the SGTs, the provinces and own affairs administrations. This is a sizeable chunk of the total public sector, also illustrating the large number of persons who will be involved in regional restructuring.

State initiatives follow from a series of meetings held between the central government, the provinces and the six self-governing territories

Not all these persons will necessarily remain in the employ of the new regional authorities; TBVC defence force personnel will clearly be transferred to the restructured SADF while some senior bureaucrats in civilian service departments might well be placed in senior posts of a central government bureaucracy.

On the other hand, though, some persons presently employed in central government departments, for example, agriculture and water affairs, might well be transferred to regional authorities. A mixture of upward and downward movement will be involved.

Three distinct regional reintegration processes can be identified. They can be broadly categorised as being either state-sponsored, the result of the national negotiation process, or the result of regional forum activity. Different policy assumptions and political dynamics tend to be involved in each process. Each also has distinct limitations in the pre-election period.

State-sponsored initiatives follow largely

from a series of meetings held between central government, the provinces and six self-governing territories during 1989 and early 1993. Agreement was reached in February 1993 that legislation should be introduced to allow the joint administration of services, hitherto rendered separately by the central government, the provinces and the self-governing territories. This agreement was embodied in the Joint Administration of Certain Matters Act (Department of Regional and Land Affairs 1993).

This Act has two major provisions. The first is that no powers or functions are to be transferred to the SGTs in terms of the Self-Governing Territories Constitution Act of 1971 can be withdrawn by the State President and vested in joint administration structures without the concurrence of the respective SGT governments.

The second is that while the Act does not stipulate the form or nature of these joint administrations, it is clear that the provincial administrations are intended to be the vehicle through which joint administrations will be pursued in the pre-election phase. The Department of Regional and Land Affairs, in conjunction with the provinces is responsible for implementing joint administrations. The Commission for Administration is also involved (Fourie 1993).

The government attaches a great deal of urgency to the joint administration process. It argues that the reintegration of the regional public sector will be a complicated and lengthy process posing difficult challenges to newly elected regional authorities. Should they be unable to deal effectively with this process the new national government will have to intervene. This, they argue, would undermine the legitimacy of the new regional authorities and the impetus of a federal type constitution (Lategan 1993).

However limited progress has been achieved so far, largely because of the nature of the Act itself:

Firstly, the Act has no jurisdiction over the TBVC states. Despite differing political opinions between the TBVC states, they are effectively united in their belief that their sovereignty is to be retained until at least the April 1993 election.

Secondly, powers may only be transferred from the SGTs with the approval of the existing political executives. Already state officials report, SGT executives in the

Estimated employment in South Africa's public sector 1992/1993

Central government:	own affairs	186 451
	provinces	213 983
	other	350 833
	Total	751 267
RSA 'General Affairs'¹		68 567
Self Governing Territories:	KwaZulu	88 355
	Lebowa	61 061
	Gazankulu	27 234
	KaNgwane	132 14
	KwaNdebele	12 859
	QwaQwa	9 403
	Total	212 126
TBVC states²:	Transkei	91 950
	Bophuthatswana	73 934
	Venda	27 124
	Ciskei	32 237
	Total	225 245
	TOTAL:	1 252 900

Note: 1. Includes national government departments such as SADF, SAP, Justice, Agriculture, etc.
 2. With the exception of Bophuthatswana, these figures include permanent and temporary staff but exclude parastatal employment. Figures are as at end September 1993.
Source: Development Bank of Southern Africa, Commission for Administration.

... objected to any removal of powers thereby forcing the process to take on different TtVC and SGT executives - as promotions in Lebowa Tnnskei would seem to indicate - I prefer to utilise their control over the service in their own advantage in the of their administrations.

... that the Joint Executive Authority in Nhtal probably fulfills a large measure of ; (L, /his legislation is expected to achieve, tieAct in the Orange Free State and "in the northern and eastern Transvaal.

Thirdly- the assumption that the provinces will be the fulcrum of the process has also been questioned by the SGTs. They argue, for example, that the present constitutional status of die P"o"inces is more limited than that of the homelands, having lost their regional government status in 1986.

Fourthly- the act, by being so closely linked to structures controlled by existing regional political executives, effectively excludes an participation by extra-parliamentary groups. This has led to charges that it- Vet is part of unilateral restructuring. This critique has been particularly acute in the Northern Transvaal. The multi-party Regional Political Discussion Forum, which links establishment and non-establishment groups in the region, has achieved a considerable degree of consensus that they should be closely involved in the reintegration process. This issue is returned (o below.

Outside of joint administrations, a further set of government initiatives take place within individual departments, such as education and health. These processes are linked more towards macro or national sectoral planning in non-TBVC South Africa than with physical reintegration of service delivery agencies. However they will prove to be an important adjunct to regional reintegration once it starts in earnest.

These state-sponsored initiatives might be mediated in the pre-election period by the imminent establishment of the Transitional Executive Council (TEC). Its sub-council on Regional and Local Government has the power to 'be advised of and to make proposals' on, *inter alia*, the 'powers, duties

and functions and the restructuring and rationalisation of regional and local government administrations' (TEC 1993).

This wide-ranging clause clearly gives the TEC the potential to intervene in regional restructuring processes. But its powers are probably more limited than they would appear. The prospect that important portions of South Africa will be beyond the ambit of the TEC is very real since membership of the TEC is voluntary. Thus should governing administrations within the Freedom Alliance, namely KwaZulu, Bophuthatswana and Ciskei, remain outside the negotiations process, the TEC, as presently constituted, will have no ability to intervene in those areas.

The limited lifespan of the TEC - it is intended to function only until the elections - and its national character will probably also limit its intervention and role to broad national issues. The TEC will equally not affect all governmental administration (as many of its early proponents had hoped); the relationship between the present government and the TEC has still to be tested. Thus the TEC might not have the capacity to direct or intervene in distinctly regional processes beyond the issuing of broad guidelines. It will also have to contend with the complications of operating during the countdown to the election.

Within the regions, and outside of the various administrations, little interest has so far been shown in the restructuring of the regional public sector. The great majority of

The TEC might not have the capacity to direct or intervene in distinctly regional processes beyond the issuing of broad guidelines

Outside of the various administrations, little interest has so far been shown in the restructuring of the regional public sector

regional forums that have so far been established are regional economic and development forums as opposed to inclusive regional political forums (Bekker and Humphries 1993).

A singular exception to this trend is the Northern Transvaal Regional Political Discussion Forum (RPDF), facilitated by the Northern Transvaal office of Idasa. Established in 1992, the Forum includes all major political parties in the northern Transvaal, with the exception of the Conservative Party and the Azanian People's Organisation (Azapo). Representation of homeland-based interests are mixed with that of the National Party, the African National Congress and the Pan Africanist Congress.

In July 1993, after the Transvaal Provincial Administration (TPA) had already begun examining joint administration possibilities, the RPDF turned its attention to the restructuring of the regional public sector in the region. At a seminar held on the 26 August all RPDF members presented their perspectives on the way the reintegration process should proceed.

In effect, the delegates rejected an invitation by the TPA that they should join its joint administration process; instead the RPDF argued that they, as an inclusive political forum linking establishment (or statutory) and non-establishment (or non-statutory) interests, were the appropriate body to drive the reintegration process. Interestingly both NP and ANC representatives on the RPDF were firm on this point.

Since adopting that position the RPDF has been embroiled in debate with both the TPA and the Department of Regional and Land Affairs over the political and administrative control of the process. By late October 1993 a compromise position' was being explored which would allow the RPDF a substantial say in the process. The Department and the TPA had apparently been unwilling to grant this earlier. This compromise would depend on a decision by the Minister of Regional and Land Affairs.

Involving the RPDF in the process would seem to have many advantages. Its mixture of establishment and non-establishment interests have settled into an easy consensus decision-making mould, with an obvious commitment to the future of the region. It is the only body which brings the regional structures of the ANC and PAC into (the regional reintegration debate in the

Northern Transvaal. RPDF members bridged their political differences to find a common approach to regional demarcation while the regional economic and development forum, a sister forum on which many of the same individuals save is also making substantial progress.

Little interest in regional public sector restructuring seems to have manifested itself in other regions. This will change rapidly once agreement on a draft constitution is reached and the imminence of elections and new regional authorities is grasped. Paradoxically, while these may act as a spur, the imminence of the elections will restrict the possibility for detailed or comprehensive work on regional restructuring.

This article has limited itself to the various initiatives presently underway aimed at driving the reintegration process. Once this question is settled, then a series of further controversial issues arise. These include:

- the need for affirmative action in the regional public sector; is it, given the large number of senior black civil servants within the homelands, less acute than the need for affirmative action in the national civil service?
- decisions on which civil servants within the various contending civil services have the best claims to expertise or seniority within the new departments;
- the speed with which this process can be undertaken - expectations seem to vary between those who think the process can be undertaken fairly rapidly to those who argue that it will take anything between two to five years;
- the possibilities for a reduction in the number of civil servants; these look fairly slim given the job guarantees which have been given to existing civil servants; and,
- how differing service benefits can be harmonised - this seems to be an issue between the benefits enjoyed by TBVC civil services (who since their independence have had a much freer political and financial hand in constructing and rewarding their bureaucrats), and the RSA and SGT civil services on the other hand.

It would seem wise not to underestimate the complex issues involved in this process. Public sector restructuring tends to be a difficult and emotional task. (M

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SUB-REGIONAL REFORMS IN HARMONIOUS MARRIAGE

Johan Ackron, Gazankulu Government

from the reincorporation of the homeland areas and self-governing territories into a new Laj governmental dispensation in South Africa. The author outlines proposals for the recognition of traditional identities in the interests of achieving a harmonious marriage between the 'traditional' and 'modern' sectors of our society

One essential motivation for regional or sub-regional approaches to the architecture of democracy and government in general is to be found in the recognition of the diversity of circumstances of regions and communities within the nation state. The optimal structure of government, seen in rather simplistic terms, is that which most effectively accommodates the structure of diversity - physical, cultural, economic, etc - within a country or region.

Clearly one can identify many categories of diversity in a national context. It is upon the matter of diversity of circumstance which my article will concentrate, with particular reference to the first world dualism which is a pervasive feature of 'the old South Africa'. What particular implications does this dualism have for government in a new dispensation?

Although aspects of this dualism are manifest throughout our society, central to the debate on the architecture, particularly of rural, regional and local government in South Africa, is the modern versus the indigenous or the traditional. This is most markedly manifest in those areas within the traditional border of South Africa referred to as the THVC (Transkei, Ukhahlamba-Drakensberg and Ciskei) and the 'self-governing territories' (SGTs).

What are the circumstances of these areas and the communities which reside there, and how do apartheid ideology and constitutional circumstance apart, lend to them an unique character within the South African mosaic which needs consideration in a new dispensation?

To begin with, the THVC and SGT areas are generally characterised by:
 - far higher population densities than other areas;
 - a regime of intensive living rather than rural production;
 - high levels of unemployment;
 - mostly, traditional land tenure systems based upon communal land ownership;

- ① systems of 'traditional' or 'indigenous' government;
- similar ancillary legal systems;
- homogeneous units in terms of culture and ethnic affiliation;
- high rates of male absenteeism;
- low levels of economic activity; and,
- strong vested interests arising *inter alia* from systems of patronage.

Whatever the present constitutional status of the governments of these areas may be, their essential features set them apart from the rest of South Africa. Their reincorporation into mainstream South Africa involves much more than the simple expedient of obliterating these administrations and reassigning them to new jurisdictions. The architecture of regional and local government is a vital instrument for achieving development objectives. The need for upliftment is one of the key factors in designing appropriate systems of regional and local government for the emergent new South Africa.

How traditional is the traditional? What in fact are we dealing with when we speak of the juxtaposition of the modern and the traditional or indigenous?

One important consideration in rural African society concerns the role of the Chief and other instruments of tribal government in any rural governmental dispensation. The effect of Eurocentric colonial thinking and legislation over the years is perceived by many hitherto to have been:

- to reduce the status of the Chief from its elevated traditional level to its present level/status of paid government functionary; and
- to elevate to the status of Chief in certain areas a plethora of headmen who would arguably not otherwise, and in truly traditional societies, have enjoyed the status of chief.

The effect of what could be called the 'white man's' legislation, based on the ideological need to provide instruments

The architecture of regional and local government is a vital instrument for achieving development objectives

The need for upliftment is one of the key factors in designing appropriate systems of regional and local government

whereby the 'black man' could govern himself in his own areas, has been to vest in present tribal governments certain modern sector functions, the like of which never did form part of their traditional jurisdiction. Statutory tribal authorities as constituted in terms of modern legislation, are not democratically elected and function generally in respect of their jurisdictions through a system of patronage and the disbursement of privilege and largess in return for tribute of various kinds.

In summary, what presently passes for the traditional is in reality a complex mixture of both indigenous and exotic elements. Solutions will have to be found for an harmonious marriage between the modern and the traditional in an arrangement which will be progressive and consistent with modern democracy. The dissolution of the TBVC and SGT administrations, which have hitherto been the trustees of what passes for traditional systems, is imminent.

Much attention is focused on the TBVC states and the self-governing territories as quintessential symbols of grand Apartheid. Conjecture regarding their prospects in a new dispensation has long been a feature of the debate on regional governmental forms and imperatives.

From a developmental viewpoint, these areas represent unique enclaves of rural poverty which warrant special attention. The key to their empowerment and upliftment lies in the modern sector. But their development cannot take place by means of fiscal transfers alone, a catastrophic feature of the present system which has sought to achieve developmental objectives via an ideology of detachment. How can the comprehensive functional integration of these communities into the national mainstream be best achieved whilst recognising their unique circumstances and the need for focused developmental approaches?

It is clear that most political parties do not regard the TBVC and SGT areas as possible candidates for individual region status *per se*. In any event, in economic and developmental terms, and as presently constructed, they generally do not constitute viable functional entities. In most cases, these areas comprise a disjoint patchwork of separate and largely dislocated districts and communities bound together essentially by the bond of ethnic

origin. Their political antecedents, as symbols of ethnic engineering in the apartheid era, clearly effectively disqualify such an option.

There have been proposals that these, as presently constituted, should be accorded the status of sub-regions within larger regions. However, their fragmented nature alone militates against the functional viability of such an option, let alone the sensitivity which exists that this would in effect serve to perpetuate so-called apartheid structures in a new guise.

It is clear that the need for administration on the ground of these areas will remain. An appreciable spectrum of services, the second-tier and third-tier of government, currently provided by the TBVC and SGT administrations and agencies, will continue to have to be provided within the new dispensation. There are, then, a number of options which need to be considered in terms of the administration of these areas.

Two options are immediately apparent as follows:

The first option would accord the present TBVC and SGT areas the status of sub-regions with some form of representative government at this level with the relevant administrative capacity. This option can be dismissed, however, on functional and political grounds.

In the second option, the present TBVC and SGT areas are disaggregated into their major functional constituents, and the incorporation of these constituents, which would most probably be those areas presently designated as 'districts' or, possibly, 'tribes' in these territories, into larger spatially functional sub-regions.

The second option takes us forward but it still confronts us with the problem of how to accommodate the sub-regional level in the hierarchical structure of government. There are cogent arguments to suggest that a four-tier hierarchy of government would, be both expensive and over-elaborate for an emerging and immature democracy.

If sub-regions are too extensive they cannot merely be assigned conventional third-tier status. Larger sub-regions could serve as administrative units for the second-tier and also as 'counties' or some similar form of *supra-local authority* but smaller sub-divisions would arguably also be necessary to accommodate the horizontal

It is clear that most political parties do not regard the TBVC and SGT areas as possible candidates for individual region status *per se*

• not functions of local government
Second tier

« motion is whether the integrity of the
 S M A - e . u T B V C a n d S G T

For indeed (the tribal units, is generally
 h> maintained, and, if so, how these units
 to be accommodated, if at all, in an
 "I^tided third-tier which comprises
 S v - iits such as the 'county' (supra-local
 Authority)- municipalities, etc. Functional
 considerations done would determine the
 answer to this question.

MBBfe^

The first question that arises in respect of
 the design of appropriate models for
 third-tier government in a rural setting is
**the role, if at all, of tribalism and of tribal
 government in a new dispensation.** It is
**essential that the distinction be drawn
 between tribalism as an indigenous and
 institution, and tribal
 government** it presently exists in terms of
modern legislation.

As regards the role of tribal
 government, there are clearly two major
 options:

- ' those that provide for 'the tribe' as a site
 of government within the third-tier
 level: and
- ' those that do not.

The first option admits of an appropriate
 third-tier modern sector role for the tribal
 unit, together with district structures,
 municipalities and such supra-local
 authorities as may be created at the
 sub-regional level. The practicality of such
 an arrangement would need to be tested on
 functional grounds and the relevant
 decision-making mechanisms should ensure
**compatibility of the elements constituting
 the third-tier.**

In this model, the tribal unit could assume
 limited modern sector functions allocated to
 it jointly with the horizontal division
**of functions envisaged in an extended
 third-tier. In view of the manner in which
 the government at tribal level could be
 structured to deal with such functions in
 addition to its traditional role, the following
 major models exist:**

-J Model:)ne

This model comprises in essence the
 retention of the present institution of the
**tribal authority upgraded to the status of a
 "fully-fledged component of third-tier**

^overmucut in niter alia:

- © providing for the democratic election of,
 say, 50% of tribal councillors; and
- ® upgrading tribal administration to
 incorporate the newly assigned
 functions.

This model envisages that appropriate
 modern-sector government functions would
 be entrusted to the upgraded authority,
 whilst the traditional/cultural facets would
 be dealt with by the chief-in-council and
 attended by his/her traditional councillors
 only, in accordance with indigenous
 practice. In essence there would be a
 differentiation between the *modern* and the
traditional. A variant of this model
 provides, for example, for an elected
 Chairman of the Authority presiding at
 meetings dealing with modern-sector
 matters.

The advantage of the model is that it goes
 some way toward striking a compromise on
 the matter of the marriage of present
 systems and vested interests with the
 dictates of democracy and of the separation
 of decision-making relating to the modern
 and traditional elements. The major
 disadvantage of the model is that it clearly
 can lead to undemocratic outcomes in
 respect of modern-sector decisions.

• Model Two

This model involves the retention of the
 chief (reinstated to his traditional status of
 leadership as hereditary ruler of his people)
 as the titular or constitutional head of the
 tribal unit of third-tier government.

This model would have the following
 features:

- ® there is an absolute division between the
 traditional and the modern sector
 components of the third-tier tribal unit
 of rural government;
- the Chief with his traditional councillors
 remains directly responsible for the
 traditional functions in accordance with
 indigenous practice;
- » an autonomous, constitutional and
 democratic third-tier government is
 responsible for all relevant modern
 sector functions assigned to it; and
- both modern and traditional components
 are provided with the necessary
 instruments of administration to
 administer their jurisdictions.

The advantages of this model are that it
 tends toward modern, democratic rural
 government at the third-tier whilst at the
 same time recognising the institution of
 chieftancy and the reality of traditional
 cultural practice in many tribal rural

*There have
 been proposals
 that the
 homelands, as
 presently
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 regions*

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 expensive and
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 for an emerging
 and immature
 democracy*

The inevitable dissolution of the homeland governments must accommodate institutions such as tribalism and the many aspects of indigenous law and custom

societies. It can remove the element of patronage from modern-sector decision-making and it can address the establishment of modern third-tier government compatible with that in place in the rest of the country, in particular within an extended third-tier.

The disadvantage of this model is that it does represent a considerable change in the status quo which may render it unacceptable to some rural communities.

An important consideration regarding the institution of chieftaincy is its linkage to territory. Chiefs characteristically have subjects together with land areas of jurisdiction. There are instances where the present areas of jurisdiction of chiefs only imperfectly accord with their traditional areas of jurisdiction. The second model, by limiting the modern sector functions of traditional leaders, does present the intriguing possibility of extending the (constitutionally limited) territorial authority of chiefs in accordance with their historical jurisdiction, without necessarily thereby precipitating a conflict between the traditional and the modern.

- **Model Three**

In those options which do not envisage a role at the third-tier for tribal government, a distinction is clearly implied between the modern and traditional functions performed by rural government in the rural areas. In fact, by implication, the locus of control over the 'modern' and 'indigenous' elements would need to be located at different sites.

There can be no question but that the indigenous functions should remain with the indigenous institutions. It is the matter of modern-sector functions and, more especially, the jurisdiction over land which is a thorny issue. Clearly such functions' would need to be located either at the second-tier and/or elsewhere within the extended third-tier.

There seem to be two possible roles for chiefs in terms of this third model: either that of developing a system which limits the jurisdiction of chiefs to jurisdiction over their *subjects* and not over *territory* (an alternative which in some cases could be contrary to the traditional role of chiefs); or that of finding ways and means of determining a limited constitutional role for the chief over his land area of jurisdiction.

This debate has yet to develop direct momentum.

Development Priorities

It has become the conventional wisdom in development thinking, after decades of paternalistic approaches, to recognise the essential need for hands-on involvement of communities in development matters.

Developmental decisions in modern communities have a more marginal and less immediate impact on the lives of individuals than do they in severely under-developed communities. This reality requires that, apart from the machinery of representative government, various organs of civil society, development associations and forums play a central role in articulating the aspirations of traditional communities in the rural areas.

It is vital that provision should be made in the architecture of a new dispensation for such structures, particularly at the second- and third-tier governmental levels, where lies the locus of control of critical aspects of development. The establishment of such structures is a natural consequence of the democratic process. In the interests of development, particularly in the deep rural areas where there may be a lack of capacity and skill to undertake such initiatives, the formation of such structures needs to be encouraged and nurtured.

The circumstances of communities presently inhabiting the TBVC states and the self-governing territories render these communities socio-culturally and developmentally unique in a number of respects. The inevitable dissolution of the governments presently having jurisdiction over these communities must accommodate institutions such as tribalism and the many aspects of indigenous law and custom.

It is vital that a new dispensation does not leave these communities in a void. It must be structured so as to facilitate the implementation of appropriate and focused strategies for the upliftment of the third-world component and its accommodation, by degrees, into the mainstream of South Africa's national life. This process has important implications for the structuring of second- and third-tier government in South Africa.

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In 1992, the World Bank took 'the lead in the early stages of preparing' a Rural Restructuring Program (RRP) for South Africa (WB 1993a:5). A number of South Africans were recruited through the Land and Agriculture Policy Committee (LAPC) to prepare a series of background papers. These were presented in summary form at the Conference organised by the LAPC from 12-15 October 1993, and selectively incorporated into *Options for Land Reform and Rural Restructuring in South Africa*, which Rob Christiansen and Hans Binswanger presented on behalf of the World Bank. They state their guiding principle at the outset, viz.: 'political and economic liberalisation. At the heart of such a process would be a new agricultural pricing and marketing policy and a program for land reform' (WB 1993d: 1).

Kinitially, the argument for land reform rested on the claim that 'the Bank's analytical work concludes that many parts of the large-farm sector are inefficient, and that small-scale farm models would tend to be more efficient than large-scale models when operating in an undistorted policy environment' (WB 1993a: 2).

The above claim is an important one; if it is valid, there need be no concerns about the outcome for agricultural production of a 'restructuring' land reform. However, it is difficult to test in South Africa where more than a century of state policies have been designed to prevent African smallholders from competing with white farm owners, and to subject control of land, labour, markets and state support for white farmers. The argument thus rests on 'international evidence' (WB 1993c: ix, 11, 97), which is selectively cited; research on Kenya does not offer relevant comparative evidence to support the greater efficiency of small-scale family farmers (Heyer et al 1976, Livingstone 1986).

Among large-scale grain farms, there are efficiencies of scale arising from the ability to use machines and deploy the farmer's managerial work across larger areas. Moll (1985) suggests that if land were divided into farms at the lower end of the size range (about 50ha), using the same technologies as larger farms, they

would be less efficient than larger farms and, consequently, require financial support. Farmers have bought up farms to acquire rights to water. In several areas, the issue may be less the distribution of land than the allocation, and pricing, of water.

The evidence on the 'efficiency' and 'factor productivity' of large-scale farms does not give much support to the economic case for 'restructuring - through downsizing - the present farming sector' (WB 1992: viii; also ix, 134). However, the issue is not about scale, but about different ways of farming. The white-owned farming areas sustain a far smaller number of people per unit of land than the Bantustans. Arguably they could provide productive livelihoods for far more people than they do now. This would generate demand for local provision of a wider range of services and counter the decline of platteland towns. It would involve a very different pattern of settlement, crop choice, production relations, and marketing activities than presently obtain.

The issue is not about scale, but about different ways of farming

The World Bank's *Options* backs away from previous arguments about 'efficiency' in favour of a claim for 'the viability of part time and small-scale rural enterprises' and argues that land redistribution is likely to produce 'a substantial increase in rural employment and income' (WB 1993d: 3). The question is how to bring it about.

The World Bank is concerned to restructure agricultural markets so that they are open to world trade and responsive to international prices

The argument for liberalisation remains. The case is a strong one. Capitalist farming in South Africa has been propped up and hedged about by a complex of subsidies, loans, controls and protection. South Africa's statutory food marketing arrangements have created a network of politically-favoured public and private monopolies in domestic and export markets. Government cannot afford to continue to transfer large sums of money to white farmers, cooperatives, the Land Bank and Bantustan bureaucracies.

Subsidies to producers have been cut and consumer subsidies have been removed. There is 'still considerable scope for further liberalization' (WB 1993d: 1), which will require farmers to compete in domestic and, eventually, international markets. Those who cannot make an adequate living and meet their debts will have to leave the land, potentially making it available for redistribution. Those who remain will have to compete on a 'level playing field' with the black farmers who benefit from land reform.

During the 1980s, South African farmers found themselves squeezed by the same combination of rising input costs and interest rates with a decline in the prices paid to producers which have confronted US, and other, grain farmers, accentuated by the severe droughts of 1982-83 and 1991-92. Falling producer prices did not lead to a reduction in the prices paid by consumers, which have increased more rapidly than other prices, and farmers' share of the final price has fallen.

In South Africa, as elsewhere, the World Bank is concerned to restructure agricultural markets so that they are open to world trade and responsive to international prices. The World Bank's *Options* states that 'It is likely that under current production systems, South Africa does not have a comparative advantage in producing staple foodgrains. Prices for such staples imported from the world market are, in general, lower than those maintained domestically.' It recognises that 'World market prices for wheat, meat, milk and sugar (and to some extent coarse grains) are held down in part by distorted policies maintained by the industrial countries'. Nevertheless, it argues that 'there is considerable scope for South Africa to use imports to manage consumer prices for basic foods within acceptable limits.' (WB 1993d: 17)

The diverse estimates for the relative costs of South African and imported wheat, yellow maize and soya beans, cited in World Bank reports, are inconsistent and insufficient (WB 1993d: 75,92; Van Zyl 1993: 28; Jones 1993: 19). Import prices, from whatever source, are determined by EC and US export subsidies, and by the rand/dollar exchange rate.

Even if the current GATT proposals are implemented and extended, US farmers will continue to receive deficiency payments. Without direct export subsidies, US grain will sell internationally below its cost of production. The import of cheap wheat will reduce the price of bread and encourage a shift in consumption away from white maize, South Africa's main staple. None of the calculations cited apply to white maize, for which international markets are thin. Yellow maize can be imported in place of white maize, but its main consumers in Africa are chickens. People prefer to eat white maize. It does not make sense to look to overseas trade to secure the supply of South Africa's main staple food.

Liberalising food marketing, and a reduction in food prices for consumers will require more than the abolition of statutory monopolies and even opening South African food markets to imports. State-sponsored firms and cooperatives are already consolidating their dominant position in food markets alongside the retail giants. At stake is the issue of the extraordinary concentration of ownership and market share in the South African economy.

Nor will liberalisation 'level the playing field' between established large-scale farmers, the 'strong and viable commercial core sector [which] is necessary to ensure stable food prices and food security' (Roth et al. 1992: 4,199 and Christiansen 1992: 20; cf WB 1993d: 3) and smallholders in the Bantustans or those benefitting from land redistribution, at least if the 'commercial core' remains in the better watered areas with good access to transport and markets.

This is not to argue against redistribution of land. The case for land reforms rests on other grounds: firstly, the claims of people to return to specific lands from which they have been dispossessed; secondly, the continued insecurity and poverty of many people living and working in - or forced to leave - the white-owned farms without any title to protect their claims to a place to live.

At stake is the issue of the extraordinary concentration of ownership and market share in the South African economy

w(▷rL to farm, and to keep and graze stock: thirdly, the continued poverty of most people resident in the Bantustans and their lack of access to land, sometimes even just to live on.

The World Bank's Rural Restructuring program (RRP) is intended to rely on market mechanisms to transfer land to black farmers to avoid vesting 'too much control in public sector bureaucracies.' Groups of people, or individuals, are to gain access to privately held and to state land using "their own resources, loans and matching grants financed under the program", and to advice and subsidies for equipment (WB 1993d: 4).

The first priority is legal and constitutional. The World Bank has taken on board the campaign by the National Land Commission for legal measures to adjudicate claims for restitution by victims of forced removals, as well as the claims of evicted labour tenants and squatters (WB 1993d: 30-2).

The World Bank also argues that the constitutional provisions to protect property rights be limited to allow for 'expropriation of property' not only for a 'public purpose' (... constructing a road or a hospital) but 'in the public interest (e.g. acquiring land for redistribution)' and that sums paid in compensation take account of several factors in addition to present 'market value', such as 'the use to which the property is being put; the history of its acquisition; ... the value of the owner's investment in it; the interests of those affected; and the degree of past state investment in the form of subsidies and aid'. (WB 1993d: 5; Klug 1993) Were these provisions to be accepted, they might make it easier for the state to afford to acquire land compulsorily for redistribution. They would also be necessary if land for resettlement is to be allocated in contiguous blocks, to facilitate the administration of the process and the provision of support services.

the RRP envisages, and costs, a transfer of, perhaps, thirty per cent of medium and high quality land. It proposes to acquire this in several ways. Firstly, from state land. Secondly, by encouraging land owners to sell their land, possibly for pensions which could be paid over time, and by encouraging financial institutions to foreclose on heavily indebted farms, in return for which government would meet a

portion of their losses.

If these measures did not stimulate an adequate supply of land in a given district, 'a district land committee could be empowered to recommend expropriation of specific farms to a national land committee under the constitutional provision for expropriation in the public interest.' (WB 1993d: 38-9). State and private land which may be acquired for redistribution is not usually empty of people. Farm workers and labour tenants resident on white farms may make a prior claim to land conceded to the Land Bank, or directly to them, by their employer and not welcome its allocation to incoming settlers.

• *Who benefits?*

The Rural Restructuring Program identifies a tension 'between the desire to address welfare objectives through the redistribution of land and the need to promote the productive use of agricultural land'. The first category of beneficiaries might be assisted by a 'basic grant', which 'could be set at a level that would be sufficient to pay for a major share of a rural housing site', which sounds like funding for a rural site-and-service scheme.

'Individuals or groups who will use land in a productive manner' may receive a 'matching grant' of half the cost of the land and capital stock, as well as a loan, for say 30 per cent, and commit 20 per cent of the costs themselves (WB 1993d: 2, 35).

A variety of criteria are suggested for allocating points to potential beneficiaries, such as 'relevant experience, social circumstances, and/or gender' (WB 1993d: 2, 37; elaborated in Njobe 1993: 7-13). The World Bank emphasises that they 'must be accepted by society' if the restructuring program is to be credible.

Nevertheless, the distinction between those 'who will use land in a productive manner' and those who do not suggest that World Bank staff are primarily concerned to transfer land to those who will give primacy to production for the market and have the capacity to do this, rather than those who might wish to use the land for a variety of other purposes. This is certainly suggested by their own account of 'the lessons of international experience' (WB 1993a: 2, 37; cf. Christiansen 1992: 5, Kinsey and Binswanger 1992: 20; Deininger and Binswanger 1992: 27-28). They seem to retain the colonial preference for 'yeomen', 'progressive' or 'master' farmers: 'emergent' farmers in current South African terminology.

The World Bank intends to rely on market mechanisms to transfer land to black farmers to avoid vesting too much control in public sector bureaucracies

It identifies a tension between the desire to address welfare objectives through the redistribution of land and the need to promote the productive use of agricultural land

The World Bank estimates the costs of settling over 600 000 smallholdings to generate 1m rural livelihoods on 30% of the land in 4 selected zones, covering 24m ha of agricultural land, at R3,5 bn per annum over five years

• **What will it cost?**

The answer is that we don't know. The World Bank confidently asserts that 'the cost of farm capital necessary to establish these small holdings is surprisingly small, even at current market prices.' (WB 1993d: 3, also 63). This assertion is based, not on evidence, but on models. Models can be used to identify the relations among the values attributed to several interactive variables. The key question is what are the assumptions on which the models are based, and what happens if you vary the assumptions?

The World Bank's *Options* estimates the public costs of settling over 600 000 smallholdings to generate the equivalent of over a million additional rural livelihoods on thirty per cent of the land in four selected zones, covering 24 million hectares of agricultural land, at R3,5 billion per annum over five years. The remaining 62 million hectare, much of it less fertile, might provide for another 200 000 smallholdings at a somewhat higher unit cost.

Key aspects of the models are land prices, yields, crop prices, and target incomes. The figures for different regions used are based on taking means across diverse areas. Since they don't apply to a specific place, it is difficult to judge their plausibility. Changes in any of these key values will have significant implications for the number of families which could be settled over a specific area of land and the costs of doing so.

It is hard to fathom the 'imputed rentals' on total capital stock, and on land, cited in the appendices to the World Bank's *Options*. The former appears to be calculated at between 1,1 and 2,1 per cent of total asset values, of which 30 per cent is borrowed. Annual interest rates therefore appear to be between about 3,7 and 7 per cent - and even less on money borrowed to pay for land. Farmers pay interest at nominal, not at real rates. In principle, in an inflationary world, they could convert the inflated equity value of their assets into new loans each year, thus paying part of the interest, but not the principal, on their nominal debts from new loans. This assumes that they have access to bankers willing to lend rising sums to farmers on whose assets it would be economically costly and politically impossible to foreclose.

Without public subsidies and guarantees, which may well amount to much the same thing, small farmers would have to pay

high interest rates to cover the costs and risks of lending to them (Scott 1993). If more realistic assumptions are made about the actual interest payments farmers are expected to meet from their annual earnings (15 per cent per annum), farmers net incomes would fall by between 13 and 32 per cent for three of the four models used. There would be a need for further support to bail out project beneficiaries, and less land for others. Or is it assumed that farmers simply won't repay their loans, adding further to the public costs of the restructuring program?

The point is not to substitute one set of arbitrary assumptions for another, but to suggest that the costs of the programme might well be much higher than projected. One cannot plan for the transfer of 600 000 families on such uncertain foundations.

• **Who pays?**

The answer is the taxpayer. The projected cost of R3,5 billion (WB 1993c: 74-76, annex 4) is not likely to be much reduced by proposals to offer farmers deferred pension payments valued at less than the market price of their farms. It is not clear which donor would pay R550 million a year to buy out white farmers, especially if this will serve to maintain land prices and fund the debts of South African parastatals.

Money transferred from subsidies to white farmers would also be available for other public purposes. Past taxes will already have paid for some of the cost of land which falls to state agencies through foreclosures. Foreign borrowing might postpone payment of R5 billion over five years. It would have to be repaid, in dollars, from public funds, whether or not the project had justified its costs. Even assuming these grants and loans, R10 billion would have to be found from public funds over the first five years. But long before the projected program were completed, limited funds, rising costs and indebted beneficiaries would lead to its being scaled down.

rang th® Future

The World Bank's *Options* rightly warns that 'highly centralized approaches - whether at the national or the regional level' will be ineffective, and insists that financial support for the programme should be conditional on 'a system for local and district implementation... which supports fiscal autonomy, accountability and participation of the poor in the

One cannot plan for the transfer of 600 000 families on such uncertain foundations

I. -cniralized local and district institutions
cliarJe of i mplementation.'

Several of the background papers for the
j^Luld' !uld Agriculture Policy Committee
(j^APO warned against repeating the
ilisas'rous experience of 'socially-
tn'iivced settlement schemes in Africa'
jAda ns et al 1993; also Lund 1993).

Option s eschews the repeated references in
their previous Terms of Reference for the
backsii'ound papers to 'resettlement' (WB
1993h).

It is, however, difficult to imagine how
600 000 or more families could be relocated
within five years. Resettlement is a
disruptive and uncertain process which
needs to proceed slowly, allowing people to
adapt to their new environment and make
their own decisions (de Wet 1993). An
internationally-funded project, seeking to
realise ambitious targets for resettling black
Tanners is likely to turn into 'a series of
highly \isible, set-piece resettlement
projects in which people are settled in
accordance with bureacratically defined
plans and schedules, by a special
development authority', against which
Adams, Ashworth and Raikes (1993: SI)
warn.

The first question, then, is whether a Rural
Restructuring Program will take the form of
in expensive exercise in social engineering,
designed to resettle large numbers of
"emergent' farmers on some areas reserved
lor \lilies. Or is it possible to abandon
grandiose plans to reshape rural society in
Fa our of trying to facilitate more local and
piecemeal changes? These might allow very
different groups of people - relocated
communities, farm workers and labour
tenants, migrant workers, widows and
single mothers, aspirant farmers, successful
cane growers, even white farmers - to stake
their ulien conflicting claims for access to
various sorts of rights in land as somewhere
to li\ i- io plant crops, to graze cattle, or to
retui n and the complex conflicts,
ngotiat ions and compromises to which this
may give rise.

The second question is who is to be
responsible for designing and implementing
land and agricultural policies in South
Africa? Has the World Bank, by
orchestrating discussions on land and
agricultural policy, limited the
consideration of different ways of defining
the issues and directed it to answers which
suit its institutional forms and policy
preferences? Has it opened up possibilities
or closed off options?

The World Bank is concerned to 'achieve
widespread ownership of the Rural
Restructuring Program in South Africa
(WB 1993c: 5). Now you can own land,
you can own property, but how can you
own a program, especially when it is
somebody else's? ORSSA

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FOOTNOTE

This paper draws on the author's critique of the World Bank's *Rural Restructuring Program*, presented to the Land and Agricultural Policy Centre Conference on 15 October 1993, and on the paper prepared for it (Williams 1993), which will be revised for publication by the LAPC.

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1. Background Paper for the Rural Restructuring Program for South Africa, coordinated by the Land and Agricultural Policy Centre, Johannesburg and funded by the World Bank. Summary versions were presented to the LAPC Conference, Johannesburg, 12-25 October 1993.
2. Paper presented to the UNDP/ World Bank workshop held at the Royal Swazi Sun on 2-4 November, 1992. Summarised in 'World Bank Experience with Agricultural Policy: Lessons for South Africa 1993'.
3. Summary version of Background Paper, presented to the LAPC Conference (see note 1 above).

RETROSPECT

The recession which commenced in South Africa in 1989 has ended, on a statistical basis, with Gross Domestic Product (GDP) growing by real seasonally adjusted annual rates of 1,4 and 5,2% respectively in the first and second quarters of 1993. A major factor at work in restoring economic growth has been the dramatic increase of 250% in farm output in the second quarter of 1993, with a further recovery still awaited in the output of the summer rainfall regions.

Further evidence of the upturn of activity is shown by the Standard Bank index of manufacturing production (Figure 1) which has been following a rising trend since the early months of 1992. The growth of real private consumption expenditure will also recover from its negative rate in 1992 to a positive level of approximately 0,5% per annum for 1993.

Several factors favourable to a sustained recovery in the economy have become evident in the course of this year:

- *An exceptional performance on the export front.*

The value of merchandise exports rose by almost 19% in the second quarter of 1993. This substantial increase was to a large extent attributable to an increase in the volume of merchandise exports of some 15,5%. Increases were attained in the value of exports of diamonds, agricultural products, chemical products and machinery and electrical equipment. The ratio of exports to GDP rose in the second quarter of 1993 to 22,5% from 16% in 1985, and 20,7% in 1992. At the present time the current account of the balance of payments is showing a healthy surplus, and will contribute to facilitating the upswing.

- *The downward trend in the consumer price index (CPI) continued during 1993.*

The inflation rate has dropped from an annualised high of recent years of nearly 17% in September 1991 to 9,3% in August 1993 (even when the increased rate of value added tax (VAT) is included). The food price index of the CPI, which braked against a reduction in the inflation rate in 1992, is now rising at an annual rate of less than 4% per annum, and food prices have now become a major contributor to lowering the inflation rate.

- *A favourable showing by the South African delegations abroad.*

At the recent International Monetary Fund/World Bank meetings and the World Economics Congress, the African National Congress and the government demonstrated a capacity to work together on matters of economic substance.

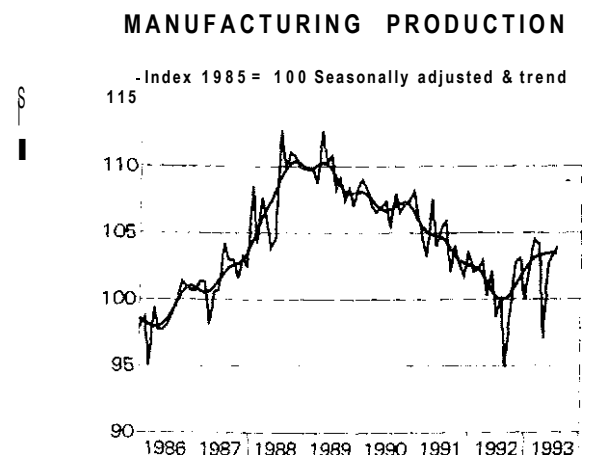
- *The business climate has improved progressively during 1992 and 1993.*

The South African Chamber of Business (SACOB) confidence index (see Figure 2) shows an overall recovery over the last two years. The index faltered after the assassination of SACP chief Chris Hani in April 1993, but in the second quarter has continued to increase at an accelerated pace, and now stands at a three-year high.

- *A one per cent reduction in bank rate was announced in the last week of October 1993.*

The announcement signalled that the Governor of the South African Reserve Bank is willing to accommodate the incipient upswing in the economy.

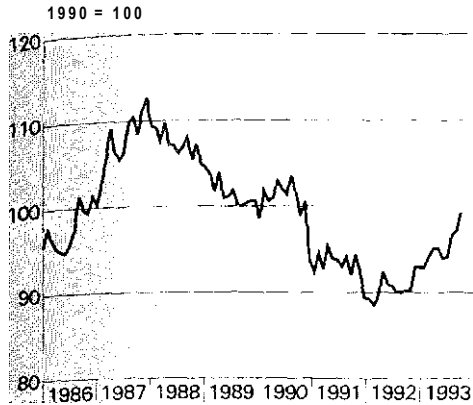
Figure 1



Source: Standard Bank Economic Review, Fourth Quarter, October 1993.

Figure 2

~gp£OB BUSINESS CONFIDENCE INDEX



Source: Standard Bank Economic Review, Fourth Quarter, October 1993.

- On the international front too there were developments of major significance.

It is important that in international areas of economic concern, there has been negotiated agreement between South Africa's political groups and international agencies in the past quarter.

- A major reduction and rationalisation of tariffs has been forwarded to GATT.

These proposals will reduce the present 12 000 classifications to under 1 000 with six duty levels spanning a range of 5% to a maximum of 30%. This indicates a commitment to reducing anti-export bias in South Africa's export policy.

- A final agreement has been reached to terminate the debt standstill with international banks.

Repayment of the debt caught in the net has been agreed over a period of eight years. Care has been taken in the rescheduling to ensure that the repayments dovetail with the repayment of other loan commitments and will not constrain economic recovery in the South African economy. This agreement will allow South Africa access once again

PROSPECT

The prospects for a strong revival in the South African economy during 1994 are heavily dependent on future growth in the world economy, and more specifically, the industrialised world. South Africa's terms of trade and the demand for its exports will be driven by such future growth.

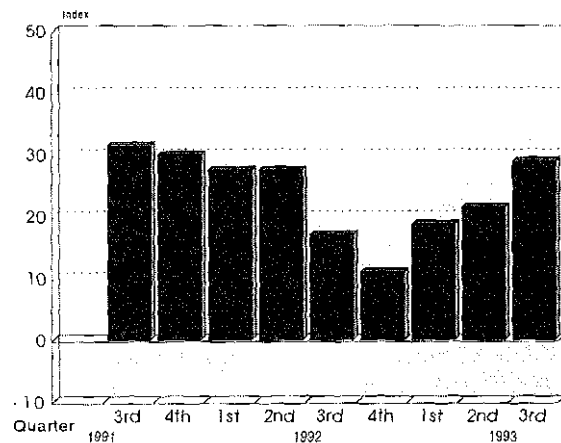
The IMF's *World Economic Outlook* predicts that world output should increase from growth of 2,2% in 1993 to 3,2% in 1994. While growth in the industrialised countries is predicted to increase from 1,1% in 1993 to 2,2% in 1994. Growth in the United

States is expected to moderate from 2,7% in 1993 to 2,6% in 1994, Germany from -1,6% to 1,2% and the United Kingdom from 1,8% to 2,8%.

- An US\$ 850m Compensatory and Contingency Financing Facility has been negotiated with the IMF, also involving the government, ANC and IFP.

This facility which will be made available after the Transitional Executive Council is in place. It will cover the balance of payments outflows caused by the drought, and will allow the Reserve Bank to liberalise monetary policy by easing the reserve constraint on the capital account. Acceptance of the compensatory facility will not imply adherence to strict IMF conditionality, but the IMF will require cooperation from the South African government. This will provide a backup to the assurances to foreign investors which South African politicians have recently given in the United States and Europe.

Figure 3: Exporter Confidence Index
Expected export sales for the next 12 months in US\$



Source: SAFTO Newsletter, Third Quarter 1993.

States is expected to moderate from 2,7% in 1993 to 2,6% in 1994, Germany from -1,6% to 1,2% and the United Kingdom from 1,8% to 2,8%.

Despite such modest predicted growth in the industrialised economies South African exporter confidence is at its highest level since the fourth quarter of 1991 (Figure 3). The SAFTO Export Confidence Barometer, which is derived from surveying the manufacturing sector, has risen consistently since the last quarter of 1992. Improved international economic conditions and the recent

depreciation of the Rand has led to the South African Foreign Trade Organisation (SAFTO) predicting real export growth (excluding gold) of about 5% for the next year.

The SACOB 1990-based Business Confidence Index, an index consisting of thirteen key economic indicators which have been judged by business to affect the mood of business, rose sharply by 2,1 percentage points in September to 99,3. SACOB are of the view that the rise in the index is 'definitive evidence that the economy has bottomed out', particularly when compared to the low levels of business confidence in 1992.

Nevertheless, SACOB are concerned about the vulnerability of the recovery in the manufacturing sector. Sales volumes in the retail sector of the economy remain depressed, evidence of continued

pressure on consumption expenditure. The SA()|j index is a stark reminder to economic commentators, that growth forecasts of 2% for 1994 will in all probability be optimistic.

It is anticipated that the announcement on 28 October 1993 of a one per cent cut in the Bank rate will fail to stimulate the economy significantly. Political uncertainty continues to delay investment plans on the part of both domestic and foreign investors, while consumers remain under pressure, and only minor wealth effects arising from reduced mortgage payments are expected.

As in the recent past it will be the continued growth in exports which will drive future growth in the South African economy. Given the slow recovery in the world economy, growth prospects for 1994 remain muted.

TRADE POLICY REFORM

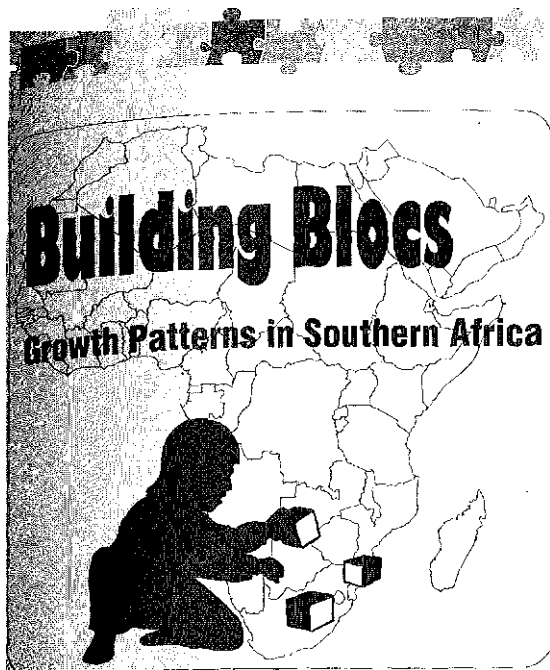
With the revised offer to the General Agreement on Tariffs and Trade (GATT) in August 1993 which bound about 99% of the tariff lines as compared with 15% at present, and an average cut of 30% in tariffs, South Africa appears to be on the road to reforming its protectionist trade policy. This offer aims at a rationalisation of customs tariffs to be phased in over a period of up to eight years.

There is now a general recognition amongst policymakers, if not amongst business and the unions, that South Africa's anti-export bias needs to be addressed. This bias arises in two ways. First, protection of domestic industry makes it more attractive to produce for the domestic rather than the foreign market. Second, to the extent that exporters use inputs which are protected, so their costs of production are accordingly increased, reducing their ability to compete on world markets.

At present, the government is looking at modifying the rebate system to give exporters free access to imported inputs. This will address the one source of anti-export bias, leaving the General Export Incentive Scheme (GEIS) to address the rest. As the GEIS as well as import tariffs are differentially applied, anti-export bias still remains in the system for many industries.

The SAFTO exporter survey stresses the concern with which exporters view the removal of GEIS. In particular, exporters are requesting certainty and transparency on the direction of trade policy in order to plan for the future. In our view Trade and Industry Department director-general, Stef Naude, added to the confusion when speaking at the *Financial Mail* Investment conference recently. *Business Day* (29 October 1993) reports 'because of the importance of GEIS in stimulating exports it had been decided not to remove it in the near future but to remedy its problems before phasing it out'.

There is continued manufacturing export growth in the face of uncertainty generated by policymakers regarding the stance of trade policy and exchange rate policy. This raises the question as to what is in fact driving such growth in exports? While the South African economy remains depressed, manufacturers have had little choice but to direct their output to the foreign market. In the future, once the economy recovers, will we be able to generate a sustained, competitive response on the part of exporters of manufactures?



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This study reviews the prospects of growth in Southern Africa, drawing on a comparison of the economic performance of three regional groupings in the African continent. In particular, the author explores possible constraints to growth for individual states in terms of the sustainability of current growth trends.

African Comparison

In the latest annual report of the African Development Bank (ADB), a distinction is made among four regional blocs:

- * the Economic Community of Central African States (ECCAS)
- * the Economic Community of West African States (ECOWAS)
- * the Maghreb (all Northern African countries except Egypt), and
- ® the Preferential Trade Area of Eastern and Southern Africa (PTA).

In the period 1990-1992, the Central African countries experienced the worst regional performance, with an average annual growth below -2%; on the opposite extreme, the countries of ECOWAS achieved a growth of 3,4% in 1992. As for the economic and political setting of the continent in the next few years, a scenario of sub-regional blocs is suggested, each bloc being to a limited extent headed by a regional power, i.e. Egypt in the north, Nigeria in the west, Zaire in the centre, and South Africa in the south.

For comparative purposes, this analysis initially focused on the three sub-regions of Central, West and Southern Africa, including 30 countries (see Table 1) and excluding seven small countries (because of missing or unreported data). Indicators of demographic, social and economic conditions were selected, aimed at providing a comparative framework and identifying specific features which have typified the performance of the Southern African region over the last decade.

In view of the heterogeneity in development levels of countries within each different grouping, strong asymmetries appear in the distributions of these indicators in most cases. Therefore, as a more robust indicator of average values, the median instead of the mean was used (Table 1). However, given the presence of a few missing values, and the limitations in cross-country comparability of the indicators chosen, these results should be treated with due caution (particularly for the adult illiteracy rate).

There is a progressive widening of the gap in growth achievements between Africa and other developing regions

In spite of the slowdown in the economic performance of industrial countries, growth in less developed countries (LDCs) as a whole has kept a high pace in the early 1990s. While this performance has mainly been achieved due to the enduring expansion in Asia and the recovery in Latin America, economic growth in Africa remains stagnant and below demographic trends. Africa has been faced with continuous political instability in many countries, unfavourable changes in the terms of trade, and severe drought. There is a progressive widening of the gap in growth achievements between Africa and other developing regions.

In the longer-term, an alleviation of internal and external constraints on economic growth will reduce the dependency of African countries on foreign assistance to cover the needs for import of consumption and capital goods and for domestic investment. However, in the short and medium term, the continuation of inflows of external resources is a necessary condition for sustained economic recovery to take place. These resources would include financial and technical assistance, to a great extent provided under concessional terms, and private investment flows.

Given the structural features of most African countries, external resources cannot be expected to be substituted by domestic ones within few years. In view of present bottlenecks in technological development, lack of sufficient production diversification, and relatively small and slack domestic demand in most countries of the region, a strategy of greater self-reliance is feasible only in the long term. What are the constraints which hamper a more effective utilization of domestic and foreign resources?

**Table 1: Social and Economic Indicators by African Sub-region:
median values (1990; growth figures; 1980-1990)**

	Central Africa	West Africa	Southern Africa
population (million)	5,55	7,55	9,1b
GNP per capita (US\$)	350	375	570
average annual population growth	3,1	3,05	3,1b
average annual GDP growth	2,3	1,6 ^a	2,8'
life expectancy at birth	50,5	48,5	53'
infant mortality (per 1000)	108,5	117	96,5
adult illiteracy rate	48	67	27
inflation rate	4	4,8 ^o	1,4'
total external debt as % of GNP	76,9	89,7	69,8 ^b
ODA as % of GNP	12,15	11,55	9,75 ^d
resource balance as % of GNP	-7,5	-6,5	-0,65'

African Country Sub-regions (countries listed according to GNP per capita in 1990, in ascending order)

Central Africa	West Africa	Southern Africa
Chad	Sierra Leone	Mozambique
Burundi	Mali	Tanzania
Zaire	Nigeria	Malawi
Rwanda	Niger	Zambia
Central African Republic	Burkina Faso	Lesotho
Cameroon	Benin	Angola
Congo	Ghana	Zimbabwe
Gabon	Togo	Namibia
	Guinea	Botswana
	Mauritania	South Africa
	Senegal	
	Ivory Coast	

a Guinea excluded

b Angola excluded

c Malawi and Tanzania excluded

d South Africa excluded

ODA: official development aid

resource balance: exports minus imports, i.e. savings minus investment

Source: World Bank (1992); for Angola and Benin also: UNDP (1992); for Namibia also: World Bank (1991)

External aid flows amount to nearly one-tenth of the host country's GNP in the three regions

When median values of the indicators are compared, Southern Africa appears to perform better than West and Central Africa in five aspects, i.e. in terms of per capita income, economic growth in the 1980s, infant mortality, illiteracy rate (subject to downward bias), level of external indebtedness, and disequilibrium in the savings and trade gap. Moreover, the region might potentially reap advantage from being constituted by countries with a larger domestic market on average, as revealed by the population figure.

In contrast with the satisfactory growth attained in the region as a whole in the early 1990s, West Africa presents the worst median value in annual economic growth for the 1980s. In all regions, economic growth has been more than offset by higher demographic growth during that decade. The West African region also fares relatively worse, as compared to the other two regions, in terms of life expectancy, infant mortality, illiteracy rate and external indebtedness. On the other hand, inflationary pressures affected Southern Africa to a greater extent on average. External aid flows amount to nearly one-tenth of the host country's GNP in the three regions, which roughly corresponds to

the respective average figure for sub-Saharan Africa as a whole in 1990 (World Bank 1992). This figure is by far higher than that of any other world developing region.

It is worth noting that a small savings and trade gap does not necessarily imply the existence of a healthier state of the economy, less dependent on external financing. On the contrary, *ex post* this can be the outcome of unplanned reduced investment and imports, to some extent forced by decreased levels of domestic savings and foreign exchange and an insufficient inflow of foreign resources.

Indeed, among the Southern African economies with available statistics on savings and exports as a percentage of (INI' in 1965 and 1990, only Malawi shows increases in the two percentage range. While in South Africa domestic savings and exports represented nearly one fourth of the GNP in both years, other countries of the region, such as Lesotho, Tanzania and Zambia, experienced unfavourable changes in the respective proportions of savings and exports. This contrasts with the positive changes in the shares of savings and exports in GNP registered in general in

... income and lower-middle income
... and sub-Saharan Africa as a
... for the period 1965-1990 (World
Bank -)

With the exception of the demographic
... per capita GNP and inflation, all
the indicators present greater variations
... and upper extreme values in
the Southern African case, highlighting the
need to distinguish among the different
economies in Southern Africa. (This greater
variation in Southern African indicators
would result also for per capita GNP if
Gabon, the only higher middle-income
economy in Central Africa, is removed
from this sample of countries.) For
instance, in the period 1980-1990, the
countries of the region experienced annual
real rates of growth of GDP ranging
between -0,7% (Mozambique) up to 11,3%
(Botswana).

World Bank population projections
envisage rates of increase which are higher
for all the individual Southern African
countries here considered than for countries
at similar levels of development
(Mozambique, Malawi and Zambia versus
other low income economies; Zimbabwe,
Namibia, and Botswana versus other lower
middle-income; and South Africa versus
other upper middle-income economies). If
the national economies of the region were
to continue on their growth paths of the
1980s into the first half of the present
decade, in most cases standards of living
would fall.

The following analysis is based on data of
macroeconomic aggregates expressed in
constant price terms, for seven Southern
African countries in the period 1979-1989
(World Bank 1991 and 1991b) (Angola was
discarded because of lack of data, and
Lesotho and Swaziland are also not
included in the analysis). A later
availability of provisional estimates for
1990 has allowed for a comparison between
the estimates assumed by this study and the
latter ones (World Bank 1992a). For the
selection of 1989-1995 average growth
rates for each country, both the whole
ten-year span and the most recent
short-term trends for the 1980s were
considered (See Mainardi 1993).

Projected population growth rates exceed
the respective GDP growth rates envisaged
by the analysis in all cases, except
Botswana, South Africa and Zimbabwe.

Moreover, the projected economic growth
rates assumed by this analysis are a result
of a weighting between average yearly
growth over the past decade and trends in
the most recent two or three years of the
series. This procedure has generally led to
an upward adjustment of the growth rate
when compared to the past decade.

*Forecasted levels of domestic investment
and savings, imports, and exports for 1995
were estimated for seven Southern African
countries. The results highlight on the
whole the presence of serious resource
gaps in Southern African economies:*

Only Botswana and South Africa are
apparently in a condition to avoid a trade
gap. Furthermore, whereas Botswana is the
only country of the region with a
remarkable surplus of savings above its
investment needs, the other countries run
severe savings gaps. Except for Malawi and
South Africa, the trade gap appears to be
more relevant than the savings gap, as a
dominant constraint to growth in the region
for the early 1990s, although the difference
looks substantial only for Mozambique and
Zimbabwe.

- **Botswana**

Growth success is probably related to a
great extent to high inflows of aid and
customs union remittances, deriving from
the specific interest of major donor
countries and South Africa (Cathie-Dick
1984:55). In Africa, Botswana ranks
second, after Gabon, in terms per capita
ODA receipts, which amounted to almost
US\$ 120 in 1990 (World Bank 1992).

- **Malawi**

The experience of relatively strong
economic growth in the 1970s, with an
annual growth higher than 6%, ended in the
early 1980s, as a consequence of declining
terms of trade, drought and transport
difficulties due to the Mozambican war.
This put a pressure on both internal and
external accounts, leading to severe
macroeconomic imbalances. Domestic
savings might even become negative
towards the mid-1990s, although prospects
for Malawi could improve, in view of
recent increase of foreign assistance and the
ongoing peace process in Mozambique.

- **Mozambique**

Increased aid flows, especially under
emergency programmes, and a reorientation
of domestic policies, aimed at reversing the
severe economic decline of the period
1980-1986, succeeded in bringing about
some recovery in the late 1980s.

*If the national
economies of
the region were
to continue on
their growth
paths of the
1980s, in most
cases standards
of living would
fall*

*Except for
Malawi and
South Africa, the
trade gap
appears to be
more relevant
than the savings
gap, as a
dominant
constraint to
growth*

Following its formal independence in 1980, Zimbabwe was also characterised by high import dependence and stagnating exports

In the 1980s, Namibia grew by only 0,5 - 0,6% per year, thus representing the worst economic performance in the Southern African region after Mozambique

Mozambique's new government objectives for 1992-1994 include a better control of fiscal and current accounts deficits, and an average yearly GDP growth of 3%. However, between 1990 and 1992, the containment of both the domestic and the external deficit was made possible only through increased grant inflows (Consultative Group Meeting 1992).

- **Zambia**

The economic structure was oriented towards state ownership for several years, until the introduction of policy reforms in the late 1980s (World Bank 1991b). Previous policies led to a productive structure biased towards imported capital and consumption goods. Especially in view of the downward revision of GDP estimates for the late 1980s, the government's medium-term economic growth objective of more than offsetting the population growth looks unrealistic.

- **Zimbabwe**

Following its formal independence in 1980, Zimbabwe was also characterised by high import dependence and stagnating exports. The staggering economic performance of the 1980s is attributed to strong reductions in imports, affecting the local industry, and poor agricultural crops. The latter continue to be affected by enduring periods of droughts, such as most recently in 1992. However, real growth is predicted for 1993, with estimates varying between 3 and 6%. New foreign investment, especially in mining, could be attracted also by more favourable institutional conditions (*African Business* 1993).

- **Namibia**

In the newest independent country in Africa, after little more than three years of independence, the economy is facing a challenging task of fostering economic growth and reducing the high level of inequality in wealth and income distribution (World Bank 1991). With long periods of drought and current rising unemployment, these two policy goals look more difficult to pursue. In the 1980s, in the period 1980-1989, Namibia grew by only 0,5 - 0,6% per year, thus representing the worst economic performance in the Southern African region after Mozambique.

However, the Namibian government expects the economy to benefit from an increased inflow of foreign investment, especially in the mining industry, also following the introduction of a new mining law in 1993 (*Namibia Review* 1993:9). Provided that also other sectors, such as

agriculture, fishing and industry, are able to achieve and maintain satisfactory growth rates over the present decade, official projections for Namibian GDP would point to a yearly growth between 4 and 5% in the mid-1990s, up from an estimated yearly growth around 3% in the early 1990s (i.e. roughly matching population growth) (World Bank 1991).

- **South Africa**

Finally, the case of South Africa can be considered as atypical in an African context. In the 1960s and 1970s and beyond up to the mid-1980s, the dominant constraint to growth has been identified in the savings gap (van der Walt-de Wet 1993). Inflow of foreign capital financed investment requirements which would otherwise have remained unmatched, given current levels of domestic savings.

According to de Wet (1990), available factors of production could allow a 7% real growth per annum in South Africa, but this would not be sustainable because it would imply moving from a surplus into a deficit in the current account: this turning point would already be reached at an annual growth rate of 2-3%. Therefore, unless capital flows are redressed towards the previous more favourable pattern, South Africa looks trapped in an iron law of the current account, equivalent to a 'potential' dominant trade gap, compelling the country to a growth rate below 2-3% per year. In the author's opinion, 'in view of the semi-exogenous nature of exports, it has become necessary to curb imports, by restricting economic growth' (de Wet 1990:9). However, a higher growth target might be achieved, even in the absence of capital inflows, if structural reforms were carried out, so as to improve productivity and to lower capital import dependency.

The growth objective for 1997 according to South Africa's normative macroeconomic model would be 4,5% per year, higher than the GDP growth rate assumed by this analysis, i.e. 3% in the period 1989-1990. Even this figure might be too ambitious, in view of the slow but continuous decline of real GDP from 1989 onwards.

The results highlight the presence of a serious savings constraint in 1995, rather than the dominance of a potential trade gap. However, one should notice that this result can partly be attributed to the functional form chosen for the extrapolation of exports, which tightly traces the trend in the 1980s (the minimum point being in 1983). and to a possible overstating of investment

the possibility of investment productivity to cater extent than in other Entries of His region.

An IVIM model for the South African 'baseline scenario with yearly growth in the period 1990-2000 (IMF 1992). According to this model this growth target would be achievable without substantial macroeconomic imbalances, provided a number of partly interdependent conditions is met: full dismantling of apartheid; successful control of inflation; access to international financial markets and technology (with increasing multifactor productivity); and a reversal of the negative trend in capital inflows experienced in the second half of the 1980s.

This article has focused on development patterns and prospects of growth in the Southern African region within a comparative framework. In contrast with recent trends in other developing regions, sub-Saharan Africa's economic growth is still well below its demographic growth. Moreover, in relative terms, sub-Saharan Africa is also characterised by being the region with the highest burden of external debt, and the most pressing need for foreign assistance and inflows of external resources.

Within sub-Saharan Africa, while countries in Central Africa have undergone the worst performance of economic growth in the early 1990s, over the past decade West Africa revealed on average the lowest rate of economic growth. Social and economic indicators show a strong heterogeneity in the continent, both within and between geographical sub-regions. This appears to be particularly the case of Southern Africa.

On the one hand, on average, Southern Africa has achieved better social and economic conditions according to indicators such as per capita income, foreign indebtedness, and external imbalances, as compared with Central and East Africa. On the other hand, almost all indicators in the cross-country data analysis show a higher disparity in development achievements than in the other areas: for instance, in the 1980-1990 period, while Botswana registered the highest average annual GDP growth in the whole continent, other Southern African countries, particularly Mozambique,

Namibia and Zambia, scored among the lowest growth figures.

The findings on seven Southern African countries, provided estimates of *ex ante* investment and import requirements and of the relative sizes of the savings and trade gaps for 1995. Structural reforms and political stability could play a substantial role to strengthen the scope for higher growth achievements, especially in Mozambique, Namibia and South Africa (Angola was not included in the analysis). Furthermore, improved climatic conditions, increasing inflows of foreign assistance, and higher productivity levels would be needed in order for the countries of the region to be able to undergo sustained growth without major macroeconomic disequilibria.

The empirical results show that, in the absence of these 'exogenous' improvements, all countries except Botswana (and to some extent South Africa) would run substantial financial resource gaps by the mid-1990s, mostly on the trade side, even when pursuing economic growth objectives which are not too ambitious. The presence of potential trade gaps as a dominant constraint to growth in Southern Africa underlines the need to pay particular attention to policy aspects such as improving export competitiveness and fostering regional integration and cooperation (World Bank 1989). (Mia

Sub-Saharan Africa is also characterised by the highest burden of external debt, and the most pressing need for foreign assistance and inflows of external resources

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Indicator SA undertook a reader survey in mid-1993, the first since 1990. We primarily wanted to assess your perceptions of the quality of our information service. Are we improving? Are we adapting? Are we keeping pace with a society in rapid transition?

First, the survey shows that *Indicator SA* has a dedicated readership:

- 73% of respondents have read our quarterly report for three years or longer
- 40% have subscribed for longer than five years
- 38% are corporate subscribers, while many others are from institutions or libraries
- 32% occupy managerial positions, followed by resource coordinators (19%), consultants (18%) and academics (16%), all across a broad range of public and private organisations.

Interestingly, our survey found that *Indicator SA* has an average of 7 readers per subscriber copy. Circulation amongst subscribers to colleagues increases readership of any particular edition to an estimated 6000.

Second, most respondents find our articles to be topical (91%), clear and concise (84%). Perceptions of *Indicator SA's* reliability, value and usefulness are largely favourable. Overall, our readers rank our "monitors" in the order of importance in which they appear: i.e. political, economic, development, urban, industrial.

Some readers (16%) feel that our content is too theoretical, whereas most (85%) do not want longer articles with more text. Most (86%) find our margin summaries intended assist the busy reader, useful.

Third, many readers believe that *Indicator SA* provides a balanced viewpoint, though some (27%) are non-committal and some feel we are biased to the left (24%). (This could be a sign of the times, as South Africa shifts across the spectrum!) We are relieved, however, that the majority of our readers confirmed that *Indicator SA*, which strives to offer an independent viewpoint, is neither biased to the left or to the right

Fourth, most of our readers (60%) use *Indicator SA* as supplementary reading to daily/weekly news coverage, to obtain in-depth coverage of current affairs. Many use it to obtain reference material in preparation for meetings/seminars/lectures and for planning. Significantly, 45% of our readers find information in *Indicator SA* that is unavailable elsewhere.

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- many of our busy readers (68%) skim read *Indicator SA* for articles of interest
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Fifth, our readers express general satisfaction with the current layout and design of *Indicator SA*. Most find the text (83%), the boxes with text (90%) and charts/tables/databases (84%), to be easy reading. *Indicator SA* covers appeal to 62% of respondents, while only 10% do not like them or feel our covers are not relevant.

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Lastly, our readers are split 50-50 on the proposed introduction of a letters page in *Indicator SA*. So we expect and welcome letters from at least half our readers! Of course, this innovation will depend entirely on you!

'Durban Strawberry'

PAKHAMANI DESIGNER **BUSISIWE BHENGU**

Busisiwe Bhengu is 25 years of age and has two children. She lives at Kwamakhuta near Amanzimtoti. This is her first job. I like it because this is something that will help me throughout my future'.



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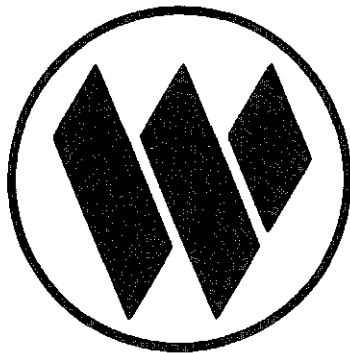
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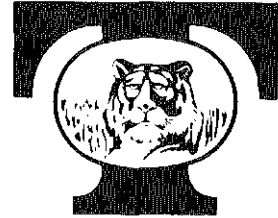
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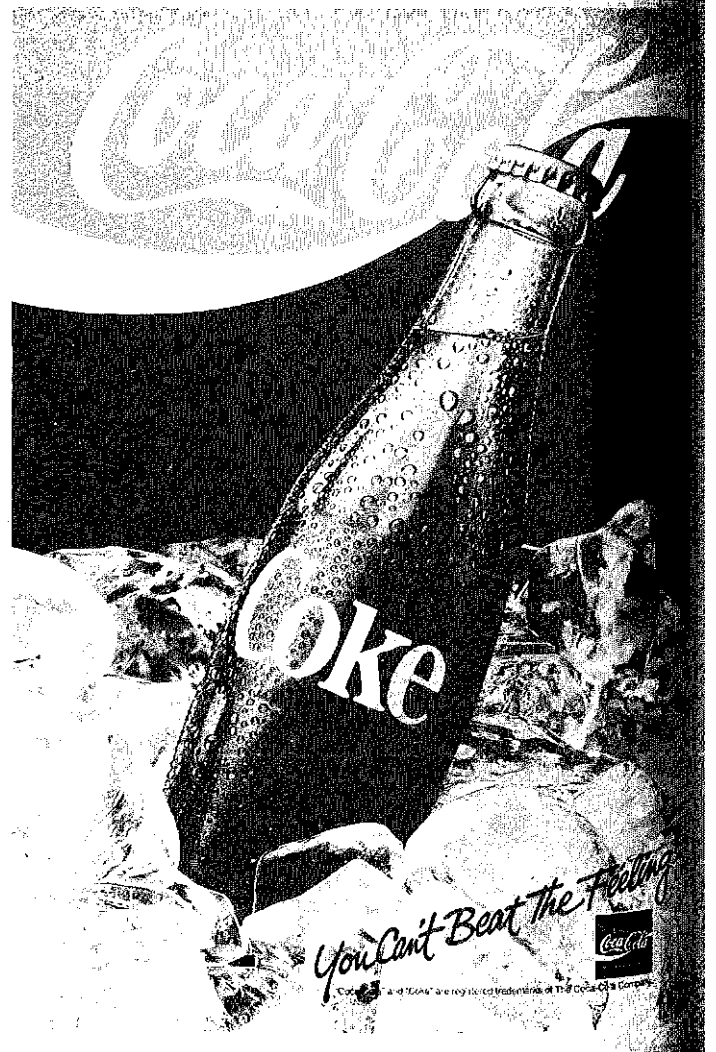
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Empowering the Poor



Bill Davies,
Development Studies Unit,
Rhodes University

Community-based development organisations (CBDOs) have emerged as a critical component of civil society in contemporary South Africa. These service and resource organisations render development assistance to the poor and attempt to reduce the disempowering effects of welfarism and dependency. It is at this level that a consideration of the involvement of the poor in the transition must begin. It is here that their needs can be more clearly articulated, and where their potential for effective participation can be more realistically pursued.

Community-based development organisations (CBDOs) in South Africa tend to be fragmented, divided, and in competition with one another for development resources - usually in the form of foreign and local donor funding. To the extent that they lack cohesion and a sense of inter-organisational cooperation towards common goals, they are more likely to become part of the transition problem than to make a worthwhile contribution towards the search for constructive and sustainable solutions.

This article draws on recent and current research into the circumstances of impoverished and marginalised African communities in the Eastern Cape region of South Africa (see map) - especially those in small, isolated non-metropolitan country towns which are characterised by a pervasive sense of apathy and dependence that inhibits their capacity and prospects for development. The region consists of the metropolitan area of Port Elizabeth/Uitenhage (PEIJ), some 35 hinterland country towns and a rural area of white-owned extensive commercial farming.

More than 60% of the region's total Population of nearly two million is concentrated in the metropolitan area, and about three-quarters of its urban population are black Africans comprise around 80% of the region's population, although this proportion is closer to 80% in most country towns. The Eastern Cape is characterised by high structural unemployment and widespread poverty, especially amongst Africans. The region has been disadvantaged by decades of government neglect in terms of regional development policy and its associated subsidies of subsidised industrial

decentralisation (Davies 1990, Davies 1993).

In all of the region's towns, basic living conditions for African people are universally appalling. Housing and infrastructural facilities are predominantly sub-standard; and education, health, community and recreational facilities are hopelessly inadequate. Given the African housing shortage which exists, the incidence of squatter settlements and backyard overcrowding has increased significantly in recent years.

The prospects for improvements in African living conditions in the region are remote under present circumstances. In many cases, their economic recovery to the extent that they might be in a position to sustain and employ their citizens is most unlikely. There are few effective support systems and the benefits of state welfare services seldom reach those for whom they were ostensibly designed. Food aid programmes are frequently misused, and their delivery mechanisms are plagued by incompetence, poor administration and corruption.

It is in these kinds of environments that the poor in the Eastern Cape struggle for survival against overwhelming odds. The prospect of a transition to a democratic society has brought some hope, but also an enormous wave of rising expectations, fuelled by the political battle for votes, that cannot possibly be realised given the region's shortcomings in resource. Even if these are supplemented by transfers from a future central government, or if fundamental improvements are effected in terms of welfare and development policy, the prospects for the poor in the Eastern Cape remain bleak.

Community development organisations in South Africa tend to be fragmented, divided, and in competition with one another for resources

Community organisations will need to work with people, especially the poor and powerless, to build capacity, confidence and self-reliance

Potential human resources, ingenuity and skills abound in the region. The challenge is to establish a dynamic set of processes that will be able to harness these in constructive endeavours towards reconstruction and development. It is in this respect that community-based development organisations (CBDOs) have a fundamental role and responsibility. There are two different, though related, phases to this role:

Firstly, CBDOs should formulate and deliver effective support strategies during the uncertain and somewhat hesitant transition from authoritarian domination to a democratic society - however long that may take. Whilst the prospect of change is inevitable, and the process is irreversible, many fundamental political, social and economic issues have yet to be resolved through negotiation, consensus-seeking and compromise.

Community organisations will need to work with people, especially the poor and powerless, to build capacity, confidence and self-reliance; and to try to minimise the effects of tension, frustration and anxiety which are bound to emerge and grow during times of uncertainty. Although survival strategies and strengthening the competence of civil society should be emphasised in this period, it is equally important to accord attention to issues like voter education, election procedures, citizen-local government relationships and many others from which the majority of the people have been excluded for all their lives.

Secondly, CBDOs have a vital continuing function in the subsequent post-transition environment. Perhaps the most crucial issue in this respect will be the formulation of an appropriate, interactive relationship with the new South African government. In fact, a significant objective of the transition experience should be directed towards influencing and informing post-transition government policy regarding the role and responsibilities of the non-governmental development sector - based on the experiences of these organisations amongst the poor.

However, it is only in recent years that CBDOs have been able to seriously consider their prospects for proactive involvement in a constructive development role. Prior to 1990, most forms of community organisation - especially amongst Africans, and particularly in the

Eastern Cape - were considered by the South African government to have a subversive intent which should be discouraged. Indeed, many such organisations, including civic associations, labour movements and popular political fronts, were effective mechanisms for mobilising activism and resistance.

Under such circumstances, it was very difficult to organise and mobilise an effective CBDO movement, particularly in country towns and other more remote areas. People became accustomed to, and often comfortable with, the view of development as being about the delivery of 'products' in the form of handouts from state and parastatal agencies. The system suppressed individualism and self-reliance and deliberately constructed and fostered dependence.

Breaking out of the constraints of that mould, and moving towards a better understanding of the advantages and responsibilities of the people-development process, is not easy. The emancipation of the poor has begun, though, and has been stimulated by perceptions of development like the following:

Development as a process denotes the transformation of social and economic relations through political actions and processes, and by the mobilising and organising of community resources in effect a shift in the balance of power between the developed elites and the developing and underdeveloped majority of society. (Nkwinti 1992)

Dispensing a clinic here, a creche there, and delivering sub-standard low-income housing without title to land in an *ad hoc* response to glaring inequalities and deprivation falls far short of the essence of this view of development. Such an approach requires that the causes and consequences of underdevelopment must be examined, understood and addressed: viz., disempowerment, poverty, lack of capacity, ignorance, paternalism, apathy, exclusion, etc. It embodies a proactive process of empowerment and self-realisation through individual and institutional capacity-building and enablement.

The challenge and the imperative for community-based development organisations, through their associated operational programmes and projects, is to be increasingly guided and influenced by 'people-centred' development perspectives, both during and after the transition.

It is equally important to accord attention to issues like voter education, election procedures and citizen-local government relationships

A recent comprehensive review of CBDOs in the Eastern Cape region (Davies and Madlavi 1993) has revealed some fundamental shortcomings that militate against their participation in an effective development thrust, and their capacity to make a difference in the lives of the poor. Most serious, in this regard, are critical shortcomings in terms of activity coordination, inter-organisational cooperation and resource sharing, and active networking amongst community organisations and individuals involved in development work in the region.

It was also evident from the survey (*ibid*) that the activities of many CBDOs reflect a serious misunderstanding of the meaning and purpose of *development* in that they tend to concentrate their efforts on delivering preconceived 'products' in the form of both projects and programmes, rather than on identifying and addressing people's real needs by involving them in the formulation of strategies and procedures which build individual and group capacity and enablement. The review also indicated problems of overlapping and duplication which dissipate scarce resources, often fierce inter-organisational competition for donor funds, and shortcomings in accountability amongst CBDOs in the region.

Based on the review, the overall impression of the CBDO 'movement' in the region is that it is fragmented, often at odds with itself and introspective. These characteristics tend to stem from suspicion, self-protection, a lack of confidence and that cooperation and sharing could

lead to an erosion of independence and autonomy. Certainly, these circumstances do not auger well for the realisation of a constructive role for CBDOs in empowering the poor in the Eastern Cape during the transition. In fact, they are more likely to contribute towards rising resentment, confusion and the further entrenchment of the debilitating effects of poverty.

Mobilising for Development

In view of the manifestation of shortcomings of community-based development organisations in the Eastern Cape region, and the importance of the role that they should play, it is vital to consider how their activities could be mobilised into a constructive development movement.

It seems important that if CBDOs are to shift from being a largely disconnected series of isolated initiatives to a well-organised movement that has competence, legitimacy and a capacity to make a difference to the lives of poor people, it would be essential to begin to think in terms of a regional co-ordination function - with two significant caveats. Firstly, any such co-ordinating initiative must never be allowed to result in the emergence of some kind of supra-body that exercises a gate-keeping control over the distribution of donor funding and other resources. Secondly, it must be pitched in terms of a facilitating initiative that seeks to strengthen the capacity of CBDOs to do what they do better.

The most crucial issue will be the formulation of an appropriate, interactive relationship with the new South African government

Development embodies a proactive process of empowerment and self-realisation through individual and institutional capacity-building

The most constructive initiative regarding CBDO activity coordination in the region has been the emergence of the Eastern Cape Development and Funding Forum in July 1990. It grew out of a protracted and inclusive process of engagement and consultation with disadvantaged communities throughout the region - mainly those in the 35 hinterland country towns (see map). This exercise clearly indicated the dimensions of deprivation and need and a uniform inability amongst those involved to address their perceived needs themselves.

Hence, the Forum emerged as an instrument concerned with training for development, capacity-building and enablement - it seeks to bring together service and resource organisations and other community organisations in the Eastern Cape in a joint endeavour towards addressing the developmental needs of impoverished communities. The process involves direct hands-on experience and participation by the people in those communities so that the initiative is theirs', and to ensure that they come to control and manage their own development process with growing competence and confidence.

The Forum operates through a network of local development and funding forums, whose formation it facilitates and which represent the interests of people at the local level. By mid-1993, the network extended to 30 more or less operational local forums which had already begun to make a difference in terms of a more appropriate conceptualisation of what local development should be about.

Several other regional forums have been formed since such as the Eastern Cape Economic Development Forum, which is based in Port Elizabeth and involves more formal sector interests including local government and chambers of business. The emphasis in all these instances, and particularly in the Eastern Cape Development and Funding Forum, is on the literal meaning of a forum - i.e. a facility which provides opportunities to discuss, explore and investigate matters of common concern without any loss of independence or autonomy by the several participants in such a forum.

There is an emerging awareness of the need to redefine and reorientate the activities of CBDOs in the region towards a more cooperative mode, and towards a new interpretation of the development needs of the poor and how these should be addressed.

However, the Eastern Cape Develops, and Funding Forum has not been without detractors and critics. These tend to be organisations that view the existence and activities as constituting a threat to their perceived power and patronage base - notably amongst civic associations, many of which have a dominating interest in the communities they claim to represent. In most cases, such views stem from a misunderstanding of the Forum's intent and the real meaning of a 'forum' of common interests; in other words, though, they reflect an apprehension that the initiative will dissipate the monopoly of control that some organisations have over disempowered and uninformed people.

The Forum's response in these instances is not to attempt to discredit such organisations or to attempt to co-opt them into participation, but rather to continue to work directly with the communities concerned in order to demonstrate, by actions and results, that co-operation is a better way.

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The essential basis of the Forum's mission is to mobilise poor and uninformed people towards their own empowerment. Unfortunately, the term 'empowerment' has become part of the transition's political rhetoric and has been over-used and misused to the extent that its real meaning has become diluted and distorted - it has even crept into the official jargon of the present government's policy pronouncements. It is important to attempt to demystify the expression and to give it an unambiguous meaning.

Empowerment has been defined as 'the ability to make informed choices and to have the social, political and economic capability of meaningfully contributing to the realisation of those choices' (Shiftman and Motley 1989). Whilst this definition does contain the essential ingredients of 'empowerment', it is not particularly helpful because it reflects an outcome which is the consequence of something having been done, or a condition acquired, without specifying what that should be.

It would perhaps be more instructive to consider empowerment as a particular kind of process, the outcome of which is determined by what goes into it. This process consists of two closely related and interdependent prerequisites (see Davies 1993). The first of these is *capacity-*

The most constructive initiative regarding CBDO activity coordination in the region is the Eastern Cape Development and Funding Forum

... high is itself a process. It means
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 of diose people to ensure that they
 clldia< ll., iLL-UCR equipped to deal with the
 gl t a n c e , of their lives.

Capacity-building is about the acquisition
 of **skills** competence - and this means
 o-cess in appropriate training opportunities
 and exposure to experiences that will
 "lorovc people's understanding about what
 rhev really want to do; i.e. the 'choice
 lbrinulatit'" aspect. But capacity-building
 is much more than that. It is also about
 building self-confidence and a sense of
 self-worth. It means breaking down the
 walls of dependence that limit the
 realisation of people's own aspirations and
 that hind them to the prescriptions of other
 interests.

The other prerequisite of empowerment is
emblemic. which is the consequence of
 a **participative**-building. Enablement means being
 able to participate effectively and
confidently. being able to be innovative and
 creative, being able to recognise and use
 opportunities, and being able to realise
 when mistakes have been made and how to
 correct them

If these two prerequisites are realistically
 addressed and implemented, then (and only
 then) a condition of empowerment will
 follow as an almost inevitable consequence.
 However, empowerment is not a condition
 that can be secured in a brief encounter. It
 requires to be encouraged, nurtured and
 reinforced, li i > m time to time, until it has
 generated a in omentum of its own that
 ensures its continuity and vitality. This
 means establishing an ongoing relationship
 with i i i s a d \ antaged communities, and
 ensuring that a network of appropriate
 support sci \ ices is available.

This is precisely the approach which the
 kasi ein Cape Development and Funding
 l'oriim has adopted. Apart from the
 outreach sen ice which its field operatives
 pi'o\ ide l m ihe local forum network, the
 H'rum has established two complementing
 i i i d mutual l\ supportive undertakings,
 namely, ihe Agency of Community
 Organisation for Reconstruction and
 Development and the Development
 Management Training Institute.

Despite iis progress and successes, the
 forum (and its associated organisations)
 " - ' m a i n s . i n embryonic and fragile initiative

- but its experiences have clearly
 demonstrated the validity of seeking to
 involve the poor in the transition by
 creating mechanisms and opportunities for
 their empowerment. Moreover, the Forum
 model has also demonstrated that there is an
 active and realistic role for the region's
 CBDOs in the transition process. Much
 depends on the extent to which a spirit of
 co-operation prevails and CBDOs become
 part of the development forum movement
 in the region.

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To the extent that community based
 development organisations in the Eastern
 Cape remain islands unto themselves and
 avoid engagement and interaction for fear
 of losing their autonomy, their capacity to
 address the issues of poverty, homelessness
 and disempowerment will be significantly
 reduced.

There are no instant solutions, though, and
 turning a fragmented and essentially
 competitive collection of CBDOs into an
 effective and mutually supportive
 movement will take time. It is imperative,
 however, that shifts towards alliance and
 coalition-building and inter-organisation
 cooperation should be initiated and
 sustained. The Forum initiative is a
 constructive move in this direction.

A recent assessment of 'the challenges and
 opportunities facing nonprofit sectors' in
 the emerging democracies of East Central
 Europe (Siegel and Yancey 1992) reflects
 many parallels with the emergent CBDO
 movement in South Africa - not least
 because both have been subjected to
 suppression by authoritarian government
 systems and are currently part of an
 emerging civil society in transition.

The details of the structure, organisation
 and challenges of the NGO/CBDO sector in
 East Central Europe is interesting and
 instructive - but it is the report's
 recommendations that are particularly
 relevant to the Eastern Cape. In particular,
 the report emphasises that the growth and
 effectiveness of East Central Europe's
 nonprofit (CBDO) sector calls for a
 long-term and self-sustainable development
 strategy that involves the formulation of
 specific, step-by-step processes that build
 local capacity. This is precisely the basis of
 the forum movement's intent in the Eastern
 Cape.

Six of the recommendations of the report

*Much depends
 on the extent to
 which a spirit of
 co-operation
 prevails and
 CBDOs become
 part of the
 development
 forum movement*

*Capacity-building
 means breaking
 down the walls
 of dependence
 that limit the
 realisation of
 people's own
 aspirations*

A long-term and self-sustainable development strategy involves the formulation of specific, step-by-step processes that build local capacity

have immediate relevance to the Eastern Cape. Suitably adapted, these are the following:

(1) Strengthen the capacity of indigenous CBDO development and training mechanisms

Capacity shortcomings are endemic amongst CBDOs in the Eastern Cape, and are the principal reason for their performance shortcomings. Access to a fulltime cadre of community organisation trainers to service the development and training needs of organisations in the region would be a significant resource for addressing those capacity shortcomings.

Indeed, this is precisely the way in which the Eastern Cape Development and Funding Forum works. It seems more sensible to support and facilitate initiatives like these, rather than to dissipate resources amongst a series of disconnected 'projects' whose overall contribution to a regionally coordinated capacity-building plan is probably limited.

(2) Expand information sharing and networking activity

Access to accurate and appropriate information, and knowing how to use it, is an important element in the empowerment process. To the extent that such information is scarce in the Eastern Cape, particularly in the hinterland towns and rural areas, the ability of communities and CBDOs to address issues on a properly informed basis is impaired.

Networks that facilitate information-sharing should extend beyond the regional context, however, and should also be connected to national and international information sources - for example, in areas like low-cost housing, primary health care, distance education, institution-building, cooperative ventures and a wide range of other relevant aspects that impact upon people's quality of life.

The Development Resources Centre in Johannesburg, with its connection to international networks through the People-Centred Development Forum, on the one hand; and to regional/local environments through its association with regional development forums, on the other, has a powerful potential for facilitating access to such information - and how to use it. Again, it is donor support for initiatives like these that is probably more appropriate at this stage.

(3) Gradually shift more resources to building indigenous, Eastern Cape CBDOs

Development forums are only as compelling and effective as their participating partners are. Thus, if the Eastern Cape initiative is to succeed, it is imperative that a careful strategy should be devised for strengthening the capacity of key players in the region. This should be a medium- to longer-term strategy that extends well into the post-transition period, and must be thoroughly motivated and planned on the basis of extensive and sensitive consultation with local community organisation interests.

(4) Commit more resources to fund CBDO staff

Institutional capacity shortcomings amongst CBDOs in the region are closely related to funding shortages which limit their ability to hire properly trained, qualified and experienced people. Donors are seldom interested in funding this aspect of CBDO operations, and tend to lose sight of its importance in terms of providing a stable and secure base through which to facilitate projects and programmes.

In the short- to medium-term, especially, it might be appropriate for donors to give careful consideration to extending their involvement in this regard so as to ensure that CBDOs can become more capable and competent. An important caveat should be noted here: some staff budget proposals reflect a tendency towards wasteful empire-building and nepotism. Whilst this must be carefully guarded against, it should not be used as an excuse to avoid committing more resources to fund staff.

(5) Support the development of research into CBDO activities, progress and prospects

Two kinds of research are necessary. The first involves the formulation of needs analyses through participatory processes in which the people play a direct and active role - in fact, learn to do it themselves. Equally important, in this regard, is learning how to use needs analysis outcomes in prioritising and implementing a programme of action. Secondly, more formal research is necessary into the progress and prospects of the CBDO movement and the development of agencies and institutions which undertake both of these kinds of investigation is most important.

Development forums are only as competent and effective as their participating partners

bring governments and agencies to channel more aid to CBDO and development

government-to-government development (which should be postponed to the post-transition phase), the role of funds from Western (and other) agencies, like the United Nations, to institutions such as the Eastern Cape forum and the Development Resources Centre should be increased and sustained.

This kind of funding does already occur, especially through foreign embassies in South Africa, but it could be substantially increased - particularly during the transition period. In fact, it might be quite useful if a portion of such funding were to be specifically allocated to initiatives that could inform the formulation of post-transition government policy regarding the role of the CBDO and development forum movements in a people-centred development process.

As was the case in the East Central Europe study, these recommendations are largely addressed to foreign donor agencies, NGOs and governments. However, they apply equally to development funding sources in South Africa. Local corporate funding programmes, and those of local foundations and trusts, should clearly demonstrate an increasing commitment before foreign funding sources can be expected to increase theirs'.

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Finally, the CBDO and development forum movements need a facilitating environment in which to operate and to formulate more organised, proactive strategies for addressing development issues. In particular, they need support and encouragement from the South African government, at least to the extent that their role is acknowledged and understood. This is not the case in the past, and the relationship between government and the non-government sector has often been characterised by antagonism. A significant challenge during the transition will be to formulate ways in which mutually supportive, post-transition CBDO-State relationships could be devised and implemented.

Activities have already been taken in regard to, in particular, a recent proposal

for the formation of a Socio-Economic Council (SEC) to coordinate the activities of the multitude of broad forums that have emerged at the national level (Pillay and Richer 1993). Through its co-ordinating functions at the national level, such a Council could play a significant role in supporting and servicing emerging regional forums. It would also ensure that an appropriate role and status is accorded to special interest forums at the national, regional and local levels.

At the very least, the emergence of such forums indicates a widespread interest amongst the organs of civil society in the reconstruction of the country. That interest, focused through a Socio-Economic Council, could have a decisive influence on development-related policy formulation - and it would include provision for the voice of the poor, suitably informed and empowered, to be heard.

The precise relationships between the State and the proposed new Council (in terms, for example, of the Council's level of authority and lines of accountability) have yet to be determined through consultation and negotiation. Nevertheless, the principle seems sound, and it may well turn out to constitute precisely the kind of facilitating environment that the local/regional level community based development organisation and development forum movements need for their sustainable survival.

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A significant challenge during the transition will be to formulate ways in which mutually supportive, post-transition CBDO-State relationships could be devised and implemented

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The debate over land reform has advanced considerably in the past three years. In the process of this ideological struggle, key political and social interests have been forced to substantiate and/or develop the positions they have held on various issues. They have fed off each other, sometimes converging, more often reinforcing their own arguments.

In this article I have juxtaposed the positions of the African National Congress (ANC), the State, the Urban Foundation & Development Bank (UF and DBSA) and the World Bank around thirteen issues which have emerged or which I consider important to understanding the struggle over land reform policy.

Aside from the extreme right, these organisations or institutions represent the social and political spectrum across which land reform is being contested. The

ANC is the dominant organisation of the political opposition, the State articulates the interests of its conservative core within the current power bloc, the Urban Foundation and Development Bank of Southern Africa represent the progressive segment of large and/or corporate capital, and the World Bank, the institution of global capitalism.

The issues are not ordered in a hierarchy of importance, although some are more important than others. Some also overlap because the concerns they raise centre around the same problems. They are nevertheless looked at separately because they are often raised as such. Lastly, whilst it is important to understand where the moments of consensus and disagreement are on each issue, Table 1-1.1 shows that it is their programmatic combination which provides the most insight into the respective perspectives under examination:

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Table One: The Need For Land Reform

ANC ¹	State ²	UF(a) DBSA(b) ³	World Bank ⁴
Urgent need for a comprehensive national land reform programme and redistribution	Partial and piecemeal reforms directed at: <ul style="list-style-type: none"> • marketing deregulation • extent of indirect subsidies to white-owned commercial agriculture • privatising state land holdings in and out of the bantustans 	National land reform programme focusing largely on land within the bantustans, indebted and state owned land	Urgent need for a far reaching national land reform programme and redistribution

COMMENT

- National and international capital as well as the African National Congress all believe a national land reform programme should be part of the process of transformation and is integral to democratisation, stabilisation and national development.
- Both the ANC and the World Bank agree that the programme needs to entail substantial redistribution of land, although this consensus is based on very different reasons and presumes different mechanisms.
- The state sees no need for comprehensive land reform and rejects a priori redistribution.

NOTES (On sources for Tables 1-13):

1. The perspective of the ANC is taken from the following documents: *Ready to Govern: ANC policy guidelines for a democratic South Africa, Adopted at the National Conference, 28-31 May 1992; ANC Policy Unit: ANC Discussion Document on a policy on Farm Workers, Draft 30 April 1993; The Freedom Charter.*
2. Information on the State is derived from the following: *RSA1991 White Paper on Land Reform (WP B-91). Pretoria: Government Printer. Brand S, N Cristodoulou, J Van Rooyen and N Vink. 'Agriculture and Redistribution: growth with equity' in Schrire R (ed). Wealth or Poverty: Critical choices for South Africa. Cape Town: Oxford University Press, 1992. Land Update No 21, April 1993. Jhb: National Land Committee.*
3. Most of the text drawn from Brand S. *et al op.cit. Urban Foundation. Rural Development: towards a new framework Urban Debate 2010. 1990:4. The UF position is particularly urban centred. Its rural position paper focused largely on the need to repeal land related laws, use the market as a redistribution mechanism and stimulate a black middle class on the farms.*
4. Binswanger HP and K Deininger. 'South African Land Policy: the legacy of history and current options', Mimeo 1993. World Bank: *Experience with Agricultural Policy; lessons for South Africa. Washington, 1992.*

Table Two: Racial Monopoly

ANC	State	UF(a) DBSA(b)	World Bank
<p><i>Abolition of land ownership on a basis shall be ended and all land redistributed among those who work to banish famine and hunger.</i> (Freedom Charter 1955)</p> <p>Removal of legal and de facto barriers to black ownership of and access to land. Affirmative action programme</p>	<ul style="list-style-type: none"> Removal of racially defined laws designed to impede (Africans) or facilitate (white) land ownership and access. Abolition of Racially Based Land Measures Act of 1991 	<ul style="list-style-type: none"> Removal of legal and de facto barriers to black ownership and land access. Affirmative action programme 	<ul style="list-style-type: none"> Removal of legal and de facto barriers to black ownership of and access to land. Affirmative action programme

COMMENT

- There is general consensus that the preservation of a racial monopoly on land holding is unacceptable.
- There is also a widespread understanding that it is not good enough to simply remove legal barriers to black land ownership as it will barely impact on conditions of white domination which have been entrenched in the countryside over the past century. The strength of this argument is evidenced by practical conditions on the ground since repealing legislation was adopted.
- The ANC, Urban Foundation, DBSA and the World Bank all believe that an affirmative action programme is needed to make meaningful inroads into the existing racial monopoly. Each proposed affirmative action programme has different emphases and foci.

Table Three: Ownership

ANC	State	UF(a) DBSA(b)	World Bank
<ul style="list-style-type: none"> Individuals, groups (cooperative, communal), state, companies and corporations. Anti-monopoly Men and women 	<ul style="list-style-type: none"> Private individuals, companies and corporations No explicit statement viz gender - implicit assumption that men as 'breadwinners' should benefit. 	<p>Private</p> <ul style="list-style-type: none"> (a) individuals, groups (b) (cooperative, collective) companies, corporations. Men and women 	<ul style="list-style-type: none"> Individuals, groups (cooperative, communal) companies, corporations. State should only hold nature and ecologically sensitive lands. Anti-monopoly Men and women

COMMENT

- All recognise individual ownership as a right.
- The only kind of collective ownership acceptable to the state is company or corporate ownership. Whilst they accept these, the ANC, UF, DBSA and World Bank also consider other forms of group ownership - specifically, collective and communal ownership.
- The State, UF, DBSA and World Bank are generally hostile to public land and agricultural production ownership.
- Both the ANC and World Bank strongly oppose monopoly ownership and control. The state, however, adopts a social darwinist position, asserting the maxim 'survival of the fittest'. In so doing it supports and reinforces corporate and monopoly interests in the sector.
- The ANC - and the World Bank less so - is committed to substantially increasing and diversifying the land owning class.
- The ANC, DBSA, UF and World Bank all explicitly commit themselves to breaking down the male monopoly of land and production ownership in the sector.

Table Four: Access

ANC	State	UF(a) DBSA(b)	World Bank
<ul style="list-style-type: none"> • All who wish to use the land to produce or to establish a secure place to live - especially those disinherited by apartheid. • Farmers (individuals or groups) - established, new, historically disinherited. 	<ul style="list-style-type: none"> • So-called <i>bona fide</i> individual farmers through rent or purchase and/or any one with sufficient capital to buy the land. • Legitimate for capitalist/whites to buy land for non-productive purposes but not the case for blacks, especially the poor. 	<ul style="list-style-type: none"> • Farmers (full-time, part-time) through purchase, rent in cash, kind or labour. As with the state: (a) considers it legitimate for agricultural land to be used for non-productive purposes by whites/capital (b) concerned that land is put to productive use by all although no disincentives created to use land for speculative or security purposes. (a) Emphasis on black small scale farming in context of large farming environment although (b) closer to World Bank position. 	<ul style="list-style-type: none"> • Farmers full-time part-time" purchase, rent in cash, S or labour. ^{1K, n d} • Particular emphasis on scaling down farm size -mri stimulating black smnlI-Vat. ^{ai-ci} farming.

COMMENT

- There is consensus that people who want to farm should have access to land. This consensus is highly qualified, however. Whilst on the one hand the ANC supports all those who want to farm, the state on the other, is only prepared to consider so-called bona fide farmers. The DBSA and UF are close to the state's position, although somewhat less categorically so. The World Bank's position is closer to that of the ANC.
- Defining so-called bona fide farmers is extremely contentious. It is socially biased against the already disadvantaged and in large measure precludes the possibility that an appropriate financial, service and educational environment can stimulate good farmers. And then by what criteria and by whom are so-called 'good farmers' to be judged?
- The ANC considers securing a place to live a legitimate condition of access. The others rule out this right, although the World Bank, DBSA and UF would consider it improper for there to be any interference in the private ownership rights of individuals. Ironically, a conditionality clause of productive use has never been imposed on whites. This position, therefore, negatively affects the security of the social and generational reproduction rights of those very people who either choose not to or cannot afford to own their land as private individuals.

Table Five: Tenure

ANC	State	UF(a) DBSA(b)	World Bank
Multiple forms of tenure including private freehold, communal, collective, usufruct and public.	Private freehold tenure	Private freehold tenure (a) multiple forms of tenure (b) including communal tenure within the reserves, • Restricted public ownership.	Multiple forms of tenure • Private ownership should not be subject to effective use. • More flexible communal ownership within the 'homelands'. • Public ownership restricted to nature reserves and eco-sensitive land.

- The state emphasises private freehold title as the only legitimate form of tenure.
- The Urban Foundation, DBSA and World Bank also strongly advocate private freehold tenure, They consider that it should be the predominant form of land holding, but accept other forms of tenure, although they confine communal tenure rights to within the so-called 'homelands'.
- The ANC, whilst considering private freehold tenure a legitimate and acceptable form of land holding, also argue that other forms of tenure are equally as legitimate and that they can be practised where people choose to live and work.
- Private tenure is not secure by definition. Security of tenure (in various forms) is derived from a democratic political environment, social stability and economic development. It is also created by a facilitating credit and support environment. This is as true for private property as it is for other forms of tenure.
- The ANC considers state ownership of productive land necessary and legitimate in a context of multiple types of ownership. The other interests are hostile to public land holding, except under very restricted conditions.

Table Six: Usage

ANC	State	UF(a) DBSA(b)	World Bank
Productive use - i.e. for commodity, petty commodity and subsistence production. The need for security, for social and generational reproduction	Productive use - understood as commodity production for the market	Productive use - i.e. commodity and petty commodity production	Productive use - commodity, petty commodity, and subsistence production

COMMENT

- There is consensus that land in the rural areas should be used productively. The ANC, DBSA and World Bank define productive use more broadly than the State, considering subsistence and petty commodity production as legitimate and important as production for the market.
- Although the ANC considers that rural land should be used productively, it also argues that rural land can be used as a place on which to live, as a source of individual, familial and communal security for present and future generations.
- Productive use and security, although complementary, are not synonymous. Their connectedness depends on a range of factors, particularly the historical legacy of land rights and a sectoral as well as macro-policy environment that nurtures it.

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Table Seven: Scale and Number of Holdings and Nature of Production

ANC	State	UF(a) DBSA(b)	World Bank
<ul style="list-style-type: none"> • Limitations on size and number of holdings. • Stimulation of medium and small-scale holding appropriate to product, ecological and environment conditions. • Review of Subdivision of Agricultural Land Act. • Promote diversification of products and farming system types. • Discourage/limit mono-culture 	<ul style="list-style-type: none"> • Stimulation of expanded monoculture with limited mixed farming diversification. • No proactive limitation on particular scales of production. • Possible review of Subdivision Act. 	<ul style="list-style-type: none"> • Review of Subdivision Act. Stimulation of smaller and small holdings. • Limit mono-culture and stimulate diversification. 	<ul style="list-style-type: none"> • Concerted medium and small holder stimulation and reduction of large holdings. • Review of the Sub-division Act. • Diversified product and farming systems.

COMMENT

- The ANC, DBSA, UF and World Bank are all concerned that the scale of land holdings is generally too large with negative impact on their productive efficiency, employment, the use of the land, the extent of land available for redistribution. This situation has arisen because of the prohibition of subdivision of farm land and the encouragement of production and land concentration.
- State policy is still in favour of large-scale farming, although pressure may well be sufficient to force it to consider repealing the law prohibiting land subdivision.
- The ANC, DBSA and World Bank concur that there needs to be diversification of scale of production and product type within the sector. Their emphases are different however.
- As much as land concentration is problematic, so too is land parcelisation which can have deleterious effects on production, the environment and the general sustainability of a small farmer segment.

Table Eight: Primary Beneficiaries

ANC	State	UF(a) DBSA(b)	World Bank
<ul style="list-style-type: none"> • Blacks • landed people historically aggrieved through forced removals. • new farmers • affirmative action for women, the landless, unemployed, the poor • small farmers • farm workers 	<ul style="list-style-type: none"> • Dominant interests within the existing farming establishment. • Blacks who have acquired capital through their position in the state or through business or through a combination of the two. • so-called 'emergent farmers' 	<ul style="list-style-type: none"> • Blacks • 'emerging farmers' • landed people historically aggrieved through forced removals • the landless through agricultural and non-agric support programmes • women • small farmers • black farm managers 	<ul style="list-style-type: none"> • Blacks • new farmers • small farmers • historically aggrieved landed interests including labour tenants, long term farm workers and 'squatters' • the landless • the poor • women

COMMENT

- The State aside, there is consensus that there is a range of interests whose needs must be addressed by a land reform programme. With a few notable differences, the table clearly shows that there is also consensus about who these groups are.
- The principal beneficiary of future land reform is the new or so-called 'emergent farmer', who is by definition black, male or female, with limited resources and operating on a small scale.
- Communities with land claims rank alongside new farmers as a very particular and specific set of interests.
- The most advanced thinking has been directed towards the demands of communities with land claims - not least of all because they are relatively well organised and mobilised. Actual realisation of their claims, as with new farmers, however, largely will depend on a new political dispensation.
- The ANC, the World Bank and the DBSA all agree that provision for farm workers within the land reform programme must be made. This is aside from establishing basic worker and civil rights in commercial agriculture. They also agree that land rights (or employee share ownership schemes - esops - as proposed by the DBSA) will only affect a segment of the agricultural working class. The ANC, therefore, cautions that the land reform programme needs to develop mechanisms for the protection of the interests of people on the farms who will not be beneficiaries of the reform process.
- For the poor and landless, there is a consensus (excluding the state) that public works as well as agricultural and non-agricultural support programmes need to be devised.

Table Nine: Redistribution

ANC	State	UF(a) DBSA(b)	World Bank
<p>Large-scale redistribution fundamental to redressing contemporary patterns of land ownership created by apartheid.</p>	<p>No redistribution necessary. Under pressure conceded consideration of historical land claims but subjected it to tortuous and unaccountable process.</p>	<p>Limited redistribution focusing on land within the bantustans and other state owned land.</p>	<p>Rapid and massive re-distribution of land to black and coloured groups which would involve substantial resettlement from the homelands onto land now in the commercial sector.</p>

COMMENT

- Under considerable pressure, the state has been forced to concede at least fractional historical redress for land claimants. In practice, it makes no provision for any form of redistribution, other than through the mechanisms of market forces - the so-called 'willing seller-willing buyer' maxim.
- ⁸ The DBSA and Urban Foundation focus largely on land within the bantustans and state owned land, as a supplement to the market.
- ⁸ Both the ANC and the World Bank argue for substantial redistribution through a reorganisation of all farm land using various mechanisms and instruments, including the market.

Table Ten: What Land For Reform?

ANC	State	UF(a) DBSA(b)	World Bank
<p>Confiscated areas which is:</p> <ul style="list-style-type: none"> • land confiscated by the state in the course of black spot removals • vacant, unused and under-cultivated state land suitable for residential and agricultural purposes • land held for speculation purposes • under-utilised or un-utilised land with a productive potential • land which has/is being degraded • hopelessly indebted land • land acquired through corruption and nepotism 	<ul style="list-style-type: none"> • State owned land within the bantustans to be privatised • land acquired by the state under laws which have now been repealed and which has 'not yet been developed or allocated for a specific purpose'. • This task is assigned to the Advisory Commission on Land Allocation (ACLA) (established by the 1991 Abolition Act). Its terms of reference are ambiguous and are being interpreted very narrowly. 	<ul style="list-style-type: none"> • Trust land • land acquired by the state from communities removed under so-called 'black spot' provisions that is still in state possession. • land suitable for urban arable agriculture • so-called 'tribal land.' 	<ul style="list-style-type: none"> • Commercial farm land • state owned land • 'black spot' land confiscated by the state

COMMENT

- The primary focus of the State, the DBSA and Urban Foundation is state owned and state held land. This is largely concentrated in the bantustans or is held as confiscated and Trust land. Neither contemplate any foray into white owned commercial agriculture.
- In contrast, the ANC and the World Bank bring all land under the reform spotlight, with the ANC specifying categories of land which it regards as immanently suitable for reform. For both, the locus of land reform is centred in the commercial farming sector.
- The DBSA raises the issue of urban/rural land designation, highlighting the problems of urban spread and the negative impact on small farming production by what they term the 'inside out' nature of the geography of commercial production.

Table Eleven: Historical Land Rights

ANC	State	UF(a) DBSA(b)	World Bank
<p>Land to be restored to people deprived of their historical land rights through forced removal and dispossession.</p>	<p>Initial categorical rejection of claims to historical land rights. Under pressure, a very conservative, limiting mechanism created to partially address the issue.</p>	<p>Historical land rights of people forcibly removed under apartheid need to be addressed.</p>	<p>Historical land rights of people forcibly removed under apartheid need to be addressed.</p>

COMMENT

- There is now a general consensus (albeit reluctant on the part of the state) that historical land rights need to be addressed and that they need to be addressed judicially.
- The potential and limitations of a judicial procedure to address historical claims have been investigated in detail by the ANC.
- There is a grave danger of a Land Claims Court becoming the primary plank of the land reform programme. It threatens the legitimate claims of those categories of people who could benefit from a judicial procedure. It offers no solution to the majority of people whose needs can only be met by a politically initiated land reform process - namely the landless and land poor. A Land Claims Court would also threaten to side-line or by-pass other equally legitimate interests who wish to live and work on the land. It is, therefore, essential to introduce complementary reform processes simultaneously to appropriately address the different groups who ought to benefit from the programme.

Land Claims Working Group. Preliminary Report to the ANC Land Commission. **Mimeo, 1992.**

Table Twelve: The Role of the State

ANC	State	UF(a) DBSA(b)	World Bank
<p><i>The state to play a key role in the land reform programme:</i></p> <ul style="list-style-type: none"> • it will be a central actor in the acquisition and allocation of land with powers to acquire land in a variety of ways, including expropriation where necessary «It will create the policy climate and appropriate legal framework: a) to ensure the just settlement of land claims; b) to extend basic rights to farm workers and their families, especially their right to organise; and c) to implement an affirmative action programme for the landless, the rural poor and women d) to curtail all forms of abuse and rights violation 	<p>The most coherent elements of state policy since the 1980s is its market directedness and the selling off of its holdings into private hands. However, at the same time as it wants to extend the operation of market forces, it continually finds alternative 'emergency' routes to protect and support all segments of the farming community.</p> <p>The state:</p> <ul style="list-style-type: none"> • supports dominant commercial interests • facilitates the operation of capital and market forces • provide drought and crisis relief • sources cheap/easy loan capital to white farmers • rolls over farmer debts • is privatising state owned or confiscated land • restricts/controls the presence of 'squatters' 	<p>The state should, in general terms, confine its activities to setting the direction of policy, creating the regulatory framework within which the sector should operate, and financing the provision of mass infrastructure and certain elements within research and extension, (1992:371)</p> <ul style="list-style-type: none"> • Where the private sector is not able/willing to provide support services such as finance, research, extension, marketing services etc. these should be supplied by public sector corporate institutions like the Land Bank-focusing on 'emerging farmers as the target group.' 	<p>Adopting a position consistent with that of the DBSA, the Bank argues that the state</p> <ul style="list-style-type: none"> • should not buy or expropriate any land • should 'de-emphasise class, race and regional distinctions' • should create conditions for competition and legislate against monopoly. • should initiate a public works programme to relieve rural poverty.

COMMENT

- Whilst there is considerable anti-state rhetoric from the UF, DBSA and World Bank, all implicitly or explicitly acknowledge that the state is a major actor in the land reform process. What is in dispute then is the role that the state should be assigned.
 - For the ANC the state is central to the land reform process. It has to facilitate and directly intervene. It has both to create enabling conditions and make the reforms materialise.
 - In contrast, the DBSA, UF and World Bank contend that the state's role should be contained and confined to facilitation.
- ⁰ The difference between these two positions centres on whether the state should lay claim to any land or not and whether by so doing it would extend the outreach and hasten the tempo of the reform or not. There would seem to be cogent arguments for state action as well as facilitation given the historical legacy on the land and the need for reform to be both far reaching and quick.
- The present state clearly remains both a facilitator and an actor albeit in the interests of the status quo.
 - The World Bank notion that state land policy could de-emphasise class, race and regional distinctions presents a rather interesting understanding of both class formation and the state.
 - On the one hand, whilst it may be possible to de-emphasise race by absorbing racial demarcations differently into class relations, land reform is essentially a class focused policy strategy. It is about class relations - past, present and future - and their modification or alteration. It cannot be 'de-emphasised' in or by the reform process. In removing one set of relations (e.g. monopoly landed relations as suggested by the World Bank) another is created (e.g. a numerically large peasant or small farmer class).

Table Thirteen: Reform Procedure and Mechanisms

	ANC	State	UF(a) DBSA(b)	World Bank
1	<p>- „f,cted tind reform wiframmo addressing a P. Eiv of nihil interests, oppnthe mcchanisms Zqestedan</p> <p>„nhrv measures to ensure .P. landless q:,jn access to and on fan terms</p> <p>„judicial process to settle netinci claims to land arising out of forced removals (land claims court)</p> <p>• boislaf'on and institutions to establish and develop farm workers rights and organisation</p> <p>, cestructu'ing commercial aaricultual production and marketing to rralise objectives of affirmative J, on CCIUNV .jnd sectoral sustainability</p> <p>t regulation of monopolies and curtailing mono-cultural production</p> <p>• democratic local govt, and community control of reform.</p>	<p>Piecemeal/ad hoc reforms including:</p> <ul style="list-style-type: none"> • institutional rationalisation • privatisation of land holdings • extending minimal protective legislation to farm workers without creating a suitable climate or mechanisms for effective implementation • appointment of ACLA (Advisory Commission on Land Allocation) within narrow terms of reference and without executive power • limited curtailment of tax relief and other supports directed to white farmers within a framework of more general fiscal and institutional control. 	<p>A dualistic state facilitated market centred land reform through entitlement and empowerment 'aimed at identifying and then supporting those categories of existing and potential farmers who can emerge towards a position of competing in the market with other farmers'. They have termed this 'an affirmative action approach' which requires:</p> <ul style="list-style-type: none"> • a favourable macro economic climate • appropriate extensive credit • stimulation of political involvement and institution building • providing infrastructure • esops for black farm managers • training programmes • reviewing tax policies, quotas, boards etc. • a judicial process to address historical land claims. 	<p>Substantial and rapid market assisted land reform. Financing of programme through:</p> <p>a) external sources (possibly an external donor consortium)</p> <p>b) internal sources - uncollectible debt claims of commercial farmers/a levy on beneficiaries of apartheid or a one-off wealth levy;</p> <p>• A short term programme to defuse current tensions around land</p> <p>• long term multifaceted programme including labour legislation, a land claims judicial procedure, public sector reorientation and guidance of state and private service and other institutions, a regulated market determined pricing system, public works and poverty relief.</p>

COMYIKVC

- It is apparent that whilst there may be consensus on particular mechanisms - for example, a larul claims court to address historical rights - there is a fundamental disagreement about procedure. This disagreement centres largely on what institution should drive the reform, and to a lesser extent on which interests should benefit from the reform.
- The AM ! argues that the state is central to land reform. The market is important, but it needs to be located within broader political and social objectives. Systemically, the market is not a neutral institution. It embodies particular class interests. The state has to be actively directive as well as facilitatory in order to both control it and, amongst other things, stimulate a more dherse land owning class, establish basic conditions and rights for workers in the sector and assist the rural poor and landless.
- The I 'rban Foundation, DBSA and the World Bank, by contrast, are advocates of what they ha\ve termed 'a market asisted land reform'. They do not suggest that the state has no place in the programme. Rather, they hold that its role should be limited to creating a climate conducive to the operation of market forces, on the one hand, and 'mopping up', on the other. In other words the state must attend to the needs of the impoverished, the hungry, the landless, and the unemployed whose condition is created and recreated by the operation of market forces, but whose needs and interests cannot be addressed by them.
- The ad hoc nature of the state's programme is largely undirected. The few ameliorative measures it devises (e.g. ACLA) are partial and infused with a determination to concede as little as possible. The only coherence that can be given to its 'vision' centres on a determination to defend the status quo on the one hand and on the other, rests on preemptive actions to block or impede the scope of a future national land reform programme. Central to the latter is its privatisation thrust which, in large measure, complements the general position advanced by the World Bank, DBSA and UF.

The general consensus that new farmers should be the focus of land reform is qualified by the greater projected social outreach of the reforms advocated by the ANC and less so by the World Bank. Procedurally, to ensure pace, progress and effect, this suggests that multiple re-forms need to be implemented simultaneously and that the overall reform programme needs to be phased. Ad hoc and partial reforms, as the limited efforts of the present state clearly illustrate, will add to the difficulties of implementing land reform by generating conflict, confusion and even greater complexity.

Asking what underlies the advocacy of land reform by the African National Congress, the Urban Foundation, The Development Bank of Southern Africa and the World Bank brings out the rather different motives and interests of the respective parties and programmes under examination.

The current state's approach to land reform is propelled by an overwhelming determination to retain and entrench the predominant class and colour characteristics of existing relations. Its position is qualified only by internal and external pressures to introduce limited modifications.

For the ANC, a land reform programme arises out of the logic of its historical commitment to the national liberation of the dispossessed, the disenfranchised and the poor majority, the African majority, the black majority. Land reform is also designed to support its more general promise of equality, social justice and a general improvement of the quality of life of ordinary people in the future. The specific direction of the programme the ANC advances reflects both the need for a way out of the present crisis and for this avenue to generate sustainable sectoral and macro development in the medium and long term.

The DBSA, Urban Foundation and World Bank are driven by the national and sectoral crisis gripping the country. They consider land reform central to its resolution. At the heart of their proposals is a commitment to entrenching and expanding capitalist production relations, although for the World Bank on terms significantly different from those established in the past. For all these interests, future stability and security rests on the stimulation of a (black) farming 'middle' class which will serve as a bulwark against radical reform now (DBSA, UF) and/or radical reaction in the future (WB).

For the World Bank, a major financial institution of the global capitalist system, a land reform programme will determine, in part, whether and under what conditions they are willing to extend loans to a future South African government. In directing considerable intellectual and financial resources into establishing an interpretation of conditions on the ground in South Africa, and the lessons to be drawn from elsewhere, they are developing their own perspective on land reform with the intention of influencing the scope and direction of future reform.

A comparison of these four key perspectives on the major issues of land reform (see Tables 1-13) reveals both the degree of consensus and the major differences which remain outstanding. In general, there is no agreement between the ANC and the state, either in terms of a general perspective or on any particular issue. This is largely because the state does not begin to fathom the need for a major land reform in the national interest. Its concerns remain sectional.

Abstracting issues from the overall provincial perspective, there appear to be significant consensus between the ANC and World Bank particularly with regard to the scale, scope and general direction of the land reform process in Africa.

There are, however, three main disagreements between the ANC and the World Bank:

The first centres on their motivation for land reform. Whilst the World Bank is driven by the interests of global capitalism, the ANC is directed by the national interest. These interests rarely converse. In practice, however, as the experiences of Asian, Latin American and African countries over the half century show, sufficient international pressure can be brought to bear to force national governments to acquiesce or redefine their interests to fit in with the demands and expectations of global capitalism.

The second is the difference in emphasis on who should benefit from land reform. Whilst the ANC wishes to cast its net as broadly as possible in order to address multiple class interests in the countryside, the World Bank focuses its land reform programme on a new farming class, which the Urban Foundation and DBSA agree with, albeit from a narrow and more limited understanding of the reform process.

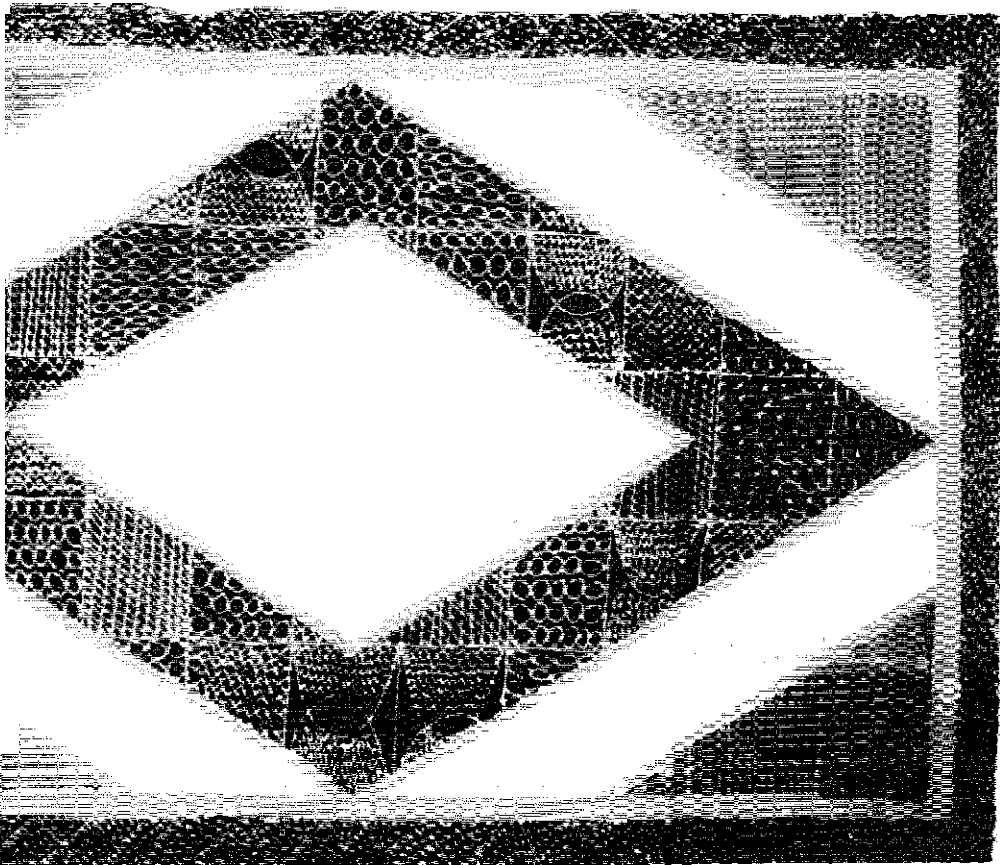
The third disagreement is about the social institution which should lead the reform. Whereas the ANC stresses the important proactive role of the state, the World Bank is committed to what it terms 'market led reform'. These different emphases are consistent with their different motivations for reform and who should benefit. The market is a mechanism which stimulates capitalist class formation. In this it operates proactively for the owning class and regressively for workers, petty commodity producers, the unemployed, the land- and propertyless. These interests can only be assisted by state action and directedness.

The Urban Foundation and DBSA position hovers midway between the state and the World Bank, both in terms of its general approach and in terms of the way it addresses particular issues. It is drawn to the conservative certainties of the present establishment and, at the same time, realises that these are unsustainable even in the short term.

There is a general consensus on historical land rights and the need to address these by judicial process. Whilst this is an important advance, it is essential that it is not abstracted from a more generalised land reform programme. If this one issue is acted upon in isolation, both its own efficacy and the broader issues of land reform will be seriously endangered. The debate on land reform has advanced considerably in the past five years. It remains, however, a relatively open terrain of struggle, not simply over policy formulation but especially over its realisation.

RBAN

I T O R



PAKHAMANI DESIGNER NOKUTHULA BIYELA

Nokuthula Biyela is 33 and has four children. Her husband does part-time work wherever he can. They live at Lindelani. Nokuthula has no formal training in any field. 'This is my first job, I love it. This is the work I want to do forever. I will also teach my daughter to do it'.

EDUCATION IS THE FOUNDATION
 OF OUR CHILDREN'S FUTURE.
 THAT'S WHY THE SUGAR
 INDUSTRY BUILDS CLASSROOMS, GIVES BURSARIES
 AND FUNDS TERTIARY EDUCATION IN THE SUGAR BELT.

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OF K SI T'OK I'BRIAN IN THE
 1960'S - AND WE ARE STILL
 HELPING TO BR IV11 /), 'CAIFON
 TO THOUSANDS OF YOUNG S o l III A' R(ANS.
 GROWING WITH SLTIAR.

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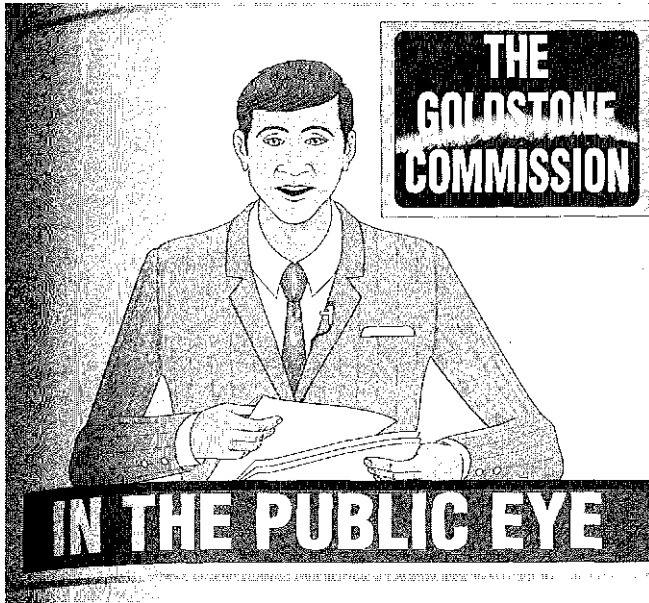
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M f Premier
 Food Industries



Mark Shaw,
Centre for Policy Studies,
Johannesburg

While there has been substantial media coverage of the activities of the Goldstone Commission, little work has been done in objectively assessing what has been achieved over the past two years. Has it contributed to the ending of violence? What impact has the Commission had on the policy-making process? Will it have a long-term influence beyond its intended three year lifespan? Recent criticisms levelled against the Commission make such an assessment both timely and important.

The Goldstone Commission of Inquiry Regarding the Prevention of Public Violence and Intimidation celebrated its second year of existence in October 1993. The Commission was established in terms of the Prevention of Public Violence and Intimidation Act, No 139 of 1991. The underlying assumption behind the establishment of an investigative body was that 'violence and intimidation declines when it is multigated and when the background for it is exposed and given media attention' (National Peace Accord, Ch6:22).

The functions of the Commission include to investigate the causes of violence and intimidation; to recommend measures capable of containing and/or preventing cycles of violence; and to initiate research programmes for the establishment of scientific empirical data on violence'

The Commission may act on its own accord or investigate acts of violence or at the request of an individual. To date, the Commission has generated 28 reports and interim reports on a range of topics related to ongoing violence. These include investigations into (see database):

- the activities of the PAC's Azanian People's Liberation Army (APLA);
- alleged 'thirdforce' activity;
- main and hostel violence, violence in Bruntville near Mooi River
- incidents around the East Rand;
- incidents around the SACP Chief Chris Hani's Mineral; (Jisho iCiskei) shootings on protest

- marchers;
- the conduct of the South African Police in the Vaal;
- the illegal importation and distribution of firearms;
- the peaceful conduct of mass marches and demonstrations; and,
- the undertaking of the first national elections of April 1994.

Goldstone's duties

The work of Goldstone, however, has not been uncontroversial and critics have argued that the Commission has simply become a tool of the government. For instance, David Beresford, in a scathing review of John Kane-Berman's latest book on political violence, charges the Goldstone Commission with being 'little more than a dustbin for the government in dealing with matters of embarrassment to it' and accuses Kane-Berman of ignoring 'the palpable inadequacies' of the Commission (*Weekly Mail*, 1-7/10/93).

'If we care to remember', Joe Thloloe has argued in the same vein, 'we would have known that whenever the National Party is embarrassed by the excesses of its security forces and its policies, it has a standard response: appoint a commission of enquiry' (*Sowetan*, 10/7/93).

Critics from the other side of the political spectrum have been no kinder; the Conservative Party's spokesperson for Law and Order, Schalk Pienaar, has accused the Commission of being 'nothing but an instrument to give credibility to

Whenever the National Party is embarrassed by the excesses of its security forces and its policies, it has a standard response: appoint a commission of enquiry

ABASE

The Goldstone File Reports of the Goldstone Commission (GC), 1992-1993

- First interim report* (report-back on diverse inquiries into violence)
24 January 1992 (GC1)
- Interim report on the violence at Mooi River*
19 February 1992 (GC2)
- Violence at the President Steyn Gold Mine in Welkom during November 1991*
28 February 1992 (GC3)
- Second interim report* (Commission procedures and causes of violence)
29 April 1992 (GC4)
- *Interim report on the conduct of members of 32 Battalion at Pfiola Park on 8 April 1992*
10 June 1992 (GC5)
- « *First interim report on the violence in the taxi industry*
27 May 1992 (GC6)
- Second interim report on the violence in the taxi industry*
2 July 1992 (GC7)
- ; *Interim report into train violence*
8 July 1992 (GC8)
- Interim report on hostels*
21 September 1992 (GC9)
- Report of the inquiry into the Bisho incident*
29 September 1992 (GC10)
- The planning or instigation of acts of violence by members of the SAP in the Vaal area*
27 October 1992 (GC11)
- Inquiry into the violence at Tokoza*
17 November 1992 (GC12)
- Third interim report on the violence in the taxi industry*
4 December 1992 (GC13)
- Investigation by the Commission's Natal investigative Team into allegations of the presence of Renamo soldiers in KwaZulu*
15 December 1992 (GC14)
- : *Third interim report* (investigations into violence *inter alia*)
21 December 1992 (GC15)
- ; *Final report on the violence at Mooi River*
21 December 1992 (GC16)
- ! *Organisation and conduct of mass demonstrations*
15 January 1993 (GC17)
- i *Fourth interim report on the violence in the taxi industry*
23 February 1993 (GC18)
- Interim Report into the activities of the Azanian People's Liberation Army (APLA)*
15 March 1993 (GC19)
- Final report on the regulation of gatherings*
28 April 1993 (GC20)
- Final report on train violence* <
6 May 1993 (GC21)
- Report of the committee into the allegations of a third force*
27 May 1993 (GC22)
- Allegations concerning front companies of the SADF and the training by the SADF of Inkhatha supporters in the Caprivi in 1986*
1 June 1993 (GC23)
- Report by the committee appointed to hold a workshop to consider events after the assassination and during the funeral of Chris Hani*
29 June 1993 (GC24)
- Report into the events at the World Trade Centre on 25 June 1993*
13 July 1993 (GC25)
- Fifth interim report on violence in the taxi industry*
26 July 1993 (GC26)
- Report of the multi-national panel regarding the curbing of violence and intimidation during the forthcoming election*
11 August 1993 (GC27)
- Report on the illegal importation, distribution and use of firearms, ammunition and explosives*
5 October 1993 (GC28)

revolutionaries', claiming in siticlitic the Commission had done nothing"u'at the violence sweeping the countrv rn 1 *Citizen*, 6/09/93). This begs the one observer has posited, if 11₁₀ ' lon> Commission cannot halt violence. i_s 'f value for tax payers money (A V ^ i 15/08/93). In short, so the Inkath'ahL Party have argued, 'the Commission h-N failed to fulfill its brief and potenthr (IFP:14).

While some have argued that by stccrine • neutral course it was only natural that the*¹ Commission would have come in **for** criticism from all sides. Political analyst Eugene Nyati, has accused those defendine the Commission - by arguing that things would have been worse without it - as^lil'le more than dishonest attempts to rationalise failure' (*Sowetan*, 6/08/92). There has also been frustration among people on the ground about the inability of the Commission to directly inters cue to end violence. Tentative evidence suggests that the Commission is now generally perceived to be powerless and ineffectual in the townships.

The general critique outlined above - around the relationship of the Commission to the government and its peiceised failure to end violence - however, tianslaies itself into specific criticisms around the Commission's form and function. I've central and overlapping critiques have surfaced during the Commissions tsvo year period of operation:

(1) *The Commission has been act used of being dominated by members of the legal profession.*

The question has been raised whether it is correct that a commission whose purpose is to enquire into endemic and widespread violence should be comprised solely of lawyers? This critique notwithstanding, the Commission has used numerous 'outside experts', including development specialists, sociologists and political scientists on its panels. Moreover, all interested parties have been requested to provide submissions on various subjects.

(2) *The Commission has been accused <>l having only a 'sprinkling' of lawyers acceptable to the African National Congress and other anti-apartheid forces.*

'Although there are lawyers who has e been drawn from outside the NP and go^ eminent circles', a recent issue of the ANC mouthpiece *Mayibuye* argued, 'there is still

ce of those who can be
 • • <l ;\s pro-government or NP'
 VCber 1993)- Moreover, the
 ssion has also been accused of being
 sentative of the majority of South
 ... of the five permanent
 .. s'ioners of the Commission, three
 white- two are black, one is a woman.

o.,ports generated by the Commission
 ,mirded as being technically neutral;
 \;•/(\o that the real issues of the day -
 !>fii by many to be the root of violence -
 Hot addressed.

?, while reports often outline the
 uty of conflict, they have been, in
 • cases, used selectively for political
 • giving the impression that the
 lission has come down in favour of
 • or the other side. The best example to
 jüile lias I icon the way in which the
 government released the Commission's
 .second interim report where a clause
 attributing s violence to a battle between the
 ANC anil IIP was selectively used before
 full copies of the document had been
 distributed to all parties.

(4) *The terms of reference of the
 Commission are regarded as too narrow:
 'The government appoints the commission
 and gives it terms of reference which
 sidestep th< real issues' (Sowetan,
 imimi*

Socio-economic factors which are defined
 as **key causes** of the violence by some 'lie
 outside the terms of reference of the
 committee' i Third Interim Report). Despite
 (his. Commission reports often refer to
 socio-economic factors as being indirectly
 responsible for violence. The
 Commission's mandate relates to events
 which took place after 17 July 1991 (the
 dale of the commencement of the statute
 which established the Commission), 'only
 to the extent that prior events are relevant to
 He post-July 1991 acts' (Goldstone,
 4/10/93:10). Moreover, according to the
 ANC, 'the Commission has ... narrowed the
 issue of state culpability to direct
 complicity in or planning of the violence'.
 This misses the point. 'Culpability extends
 to acts of commission and omission'
 (Business Day, 7/07/92).

*More generally, the Commission has
 h'cn accused of not making full use of the
 hige amount of material submitted to it.*

""deed, this is a criticism which has been
 levelled against commissions of inquiry in
 past: parties often feel aggrieved when

no reference to their submission is to be
 found in the report of the Commission,

Whatever the merits of the above
 arguments might be, more fundamental
 questions, however, need to be asked. From
 the beginning there has been an
 overestimation of the ability of the
 Commission to actively intervene and end
 violence. The real drawbacks of the
 Commission may lie not so much in these
 specific weaknesses (whether correct or
 incorrect) but in the nature of commissions
 of inquiry the world over. Indeed, this
 analysis will suggest, that the Goldstone
 Commission, because it operates in a period
 of political transition, may function from a
 position of greater strength than its
 counterparts elsewhere.

A fair amount of literature has examined
 commissions of inquiry into public
 disturbances. This is particularly so in
 relation to inner city riots in Britain and the
 United States. The classic study of Riot
 Commissions in the United States by
 Anthony Piatt points out that there are a
 number of pertinent features common to
 commissions of inquiry investigating
 incidents of public violence. For instance,
 riot commissions by their nature are
 'inherently conservative, protective of
 existing institutions and not disposed to
 propose radical changes which will
 diminish the power of established groups'
 (1971:20).

In addition, persons appointed to
 Commissions are seldom intimately
 concerned with or affected by the violence
 they are investigating (Benyon, 1985). And,
 although commissions of enquiry are often
 sensitive to socio-economic conditions,
 they nevertheless maintain that the
 restoration of public order is the first
 priority (Benyon and Solomos, 1988).

This is reflected by many of the
 recommendations made by commissions of
 enquiry into public disturbances. Riot
 Commissions do not advocate purely
 repressive measures of control. Rather, the
 literature argues, they adopt a seemingly
 moderate position aimed at reducing
 underlying tensions with the development
 of technical means of controlling riots.

Piatt found that while they had only
 minimal success in achieving the
 implementation of their reform
 recommendations they had much greater

*Socio-economic
 factors which
 are defined as
 key causes of
 the violence by
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 the terms of
 reference of the
 committee*

*According to the
 ANC, the
 Commission has
 narrowed the
 issue of state
 culpability to
 direct complicity
 in or planning of
 the violence*

One of the greatest disadvantages of the Commission's operation has been that it has become identified with the current government

success in having their control recommendations carried out. Indeed, studies of the reaction of authorities to riots and investigative commissions in the United Kingdom show that beefing up the police force with better riot control capabilities (often justified through the selective use of the findings of a commission of inquiry) was often the initial reaction (Benyon, 1985).

Importantly, riot commissions tend to work under a great deal of pressure. This and other factors discourage the use of extensive research by commissions of inquiry. Generally, this is reinforced by an attitude still found in many official circles, namely that the social sciences contribute little of value to the practical realities of policy making (Chapman, 1983). As a result, commissions of inquiry are generally centered around legalistic findings and in most cases involve members of the legal profession (Piatt: 14).

The motives for the appointment of riot commissions, the literature suggests, often lies in the need of governments to be seen to be doing something in response to violence. Often, by the time the Commission has delivered its report, the crisis has passed. Commissions of enquiry then are in the main retrospective in nature and earned out after the event. Thus, they have little if any power to influence the course of the public disturbance itself and may only cause a mild political disturbance or promote debate once the findings are published. Having said this, commissions of inquiry retain significant influence in determining whether or not issues surrounding the public disturbance remain on the political agenda (Benyon, 1985).

Arguably, this has been the case with South African commissions of inquiry into public disturbances. Among others, these have covered the Witwatersrand disturbances (1913), the 1914 rebellion (1916), the disturbances at Moroka, Johannesburg (1948), the Durban riots (1949), Sharpeville (1960), Paarl riots (1963) and the Soweto riots of 1976 (1980) (See Kahn, 1980).

If commissions of inquiry suffer from inherent weaknesses - and given some of the earlier critiques which suggest that the Goldstone Commission may not be dissimilar - should the Goldstone Commission also be dismissed in this way? Alternatively, while suffering from the weaknesses of other commissions of inquiry into public order disturbances, do certain factors exist which have

strengthened the position of the Commission rather than weakened it?] what are the implications for any assessment of what the Commission has achieved?

As we have seen, one of the greatest disadvantages of the Commission's operation during the period of transition has been that the body has become identified with the current government. While this has certainly limited the degree to which the Commission can appeal for wider legitimacy, the transition itself, and the events around it, have provided new scope for the operation of the Commission. Why is this so?

The nature of the political transition in South Africa has enabled a greater scope for groups not previously tied into the policy formulation process to influence policy (Shubane and Shaw, 1993). This is even more so given the extent to which violence and its effects have captured the political psyche of the nation. Even if the state had ulterior motives in establishing a commission of inquiry into current violence, the transition into which the Goldstone Commission was introduced has created a window of opportunity through which this Commission has been able to manoeuvre. This may have ensured that it has become the most powerful South African commission of inquiry to date.

At the same time, the Goldstone Commission has been subject to the same limitations as its predecessors. But there have been important differences; not least of which is the ongoing investigative capability of the Commission and the number and speed with which the Commission has generated reports. Recommendations have thus been made public not after, but during the-ongoing conflict. This of course has its disadvantages; from the beginning the power of the Commission has been limited, subject to the political contingencies of the day. And, in many instances, it seemed as though the Commission had become the victim of the very politics and conditions which it was investigating.

The reports produced by the Goldstone Commission can be divided into three types:

- first, those which examine specific past events, for example, the Bisho massacre;
- second, those that examine a past event but draw recommendations which will

At the same time, it has become the most powerful South African commission of inquiry to date

he helpful for ongoing conflicts, for instance the interim reports on „ixj related violence which examine specific conflicts in specific areas (Alexandra, Midrand, Groblersdal) and Ilien draw recommendations applicable elsewhere;

Iliird, investigations which look entirely at future events, for example the panels u liich met with regard to the conduct of mass demonstrations and the prevention of violence during the election.

Thus, the Commission had carried out a large number of inquiries many of which are directly relevant to continuing conflict. Respite this, the Commission, because of manpower constraints, has not been able to respond to a large number of appeals for investigations; by responding to some requests then the Commission has been Forced to exclude others.

(Iiven these factors, how can the role of the Commission be assessed? More directly, has Ilic Commission had an impact on the policy making process as suggested earlier?

The (ommission has played an important elucational role informing and eliciting information about violence. For instance, violence at Bruntville near Mooi River captured the attention of the country largely because of Goldstone investigations into the conflict. If the Commission had chosen to conduct an investigation into violence, at say. \\embezi near Estcout, this area may also have reached national prominence. The point being that the choice of investigation may almost be as important as the investigation itself.

Indeed, the Commission has had an interesting interactive role with the media; on one hand, the Commission has served as a conduit for information about various incidents, particularly the evidence given by various parties which is subsequently published. On the other hand, the Commission has investigated reports in the media, particularly about alleged third force activity contained in the *Weekly Mail* and *Vrye Weehblad*, finding in both cases that the newspaper reports were inaccurate.

In turn, the findings of the Commission may have stimulated debate around the causes of the violence. Primarily, this has enabled parties to develop their own ideas around the subject, particularly if they are opposed to the finding of the Commission; if parties disagree with recommendations they need to propose other alternatives.

In a sense though, the appointment of the Goldstone Commission of Inquiry constitutes a negation of government's role of formulating its own policies. Why, for instance, could the police or the relevant authorities not institute an inquiry into violence on trains through their own experts? The answer lies in the nature of the transition, since the state remains illegitimate. It is unlikely that internal investigations would have satisfied all parties or been sufficiently within the public domain. For example, it is unlikely that an SADF enquiry would have recommended the disbanding of 32 Battalion. The down side, of course, is that while internal investigations may not make widespread and path-breaking recommendations and are often technical in nature, they may be taken more seriously within the organisations concerned.

At the same time, the findings of the Commission may act as a catalyst or justification for certain decisions that have become politically necessary. In other words, 32 Battalion would not have been disbanded simply because the ANC had demanded it; rather the Goldstone recommendations provided a neutral basis for justifying the disbanding.

Importantly, as has been suggested, the nature of the transition gives direct scope for immediate input into the policy-making process. The most concrete example of this has been the Commission's investigation into the holding of mass marches and demonstrations; this led directly to an agreement between a number of the principle parties and resulted in a draft bill. In essence, the Commission has assisted in creating not only the procedures around which mass marches should be conducted in the election period, but also for procedures in the future. Recommendations then may constitute a basis for future work of fundamental importance.

The introduction of the Commission's investigative units (consisting of handpicked policemen who report directly to the Commission) to investigate the causes of current or anticipated violence as well as a range of other activities, is an unprecedented move among South African commissions of inquiry. More so that the Commission itself consulted all the relevant parties to seek approval for the plan. In short, the establishment of the investigative units was only possible in a period of political flux when the activities of the standing police force have, over time, been discredited.

The nature of the transition gives direct scope for immediate input into the policy-making process

The Commission has assisted in creating the procedures around which mass marches should be conducted in the election period

Goldstone's Proposals

Despite its increased investigative power, the Goldstone Commission may be as hamstrung as other commissions in ensuring that its proposals are followed up. Indeed, the Commission may rely as much on the combined pressure of the political parties to ensure that recommendations are adhered to as anything else. Thus, the findings of the Commission are used by political interest groups to highlight the wrongdoings of others. Of course, this works all ways and therein seems to lie some of the power of the Commission.

The majority of the recommendations of the Commission have pointed to the internal reform of many bodies, both private, public and political. In any event, bureaucratic inertia may slow the process of implementation of recommendations. Notwithstanding this, it may be sorely resented if an outside party oversees the internal reforms on somebody else's turf. If this was the case, the Commission, operating in the hurly burly of South Africa's politics would long since ceased to have been operationally effective.

Of course, to assume that all the recommendations of the commission are always the best ones under the circumstances 'is to assume - and it is perhaps, a rather large assumption - that a Judge would perform these tasks better than most people' (McInerney, 1978). The original recommendation to fence the hostels is a case in point.

Tentative investigations suggest that the more specific and technical a recommendation the more likely it is to be implemented by the parties concerned. Thus, the final report on train violence notes that the South African Rail Commuters Corporation had accepted the Commission's interim recommendations which were mainly specific and technical in nature: for instance, moving access and control points from the platforms to the outside of stations and improving the existing facilities for the SAP on railway stations.

It seems clear, however, that the fortunes of the Commission have fluctuated in the political and public eye. Initially, it has been claimed, the Goldstone Commission did not immediately enjoy credibility with

those aligned to the liberation movement, given the distorted investigations carried out by previously appointed government commissions of inquiry (*Mayibuye*, September 1993). The Commission's credibility was bolstered over time, particularly with the raiding of a firm closely allied to Military Intelligence which led to the dismissal of 13 senior SADF officers and an investigation under General Pierre Steyn.

What the status of the Commission at the moment is in the broader public eye is difficult to discern. The Commission came under some heavy criticism over its conclusions that no evidence had been brought before it which could lead it to believe that a 'third force' was instigating violence. 'As a lawyer and a judge', Goldstone has argued, 'some of the political violence is the work of agents provocateur. But by applying the same logic and reasoning to known facts I do not know who is responsible for it... Without evidence, without proof, no judicial commission has the power to pronounce judgement' (4/10/93).

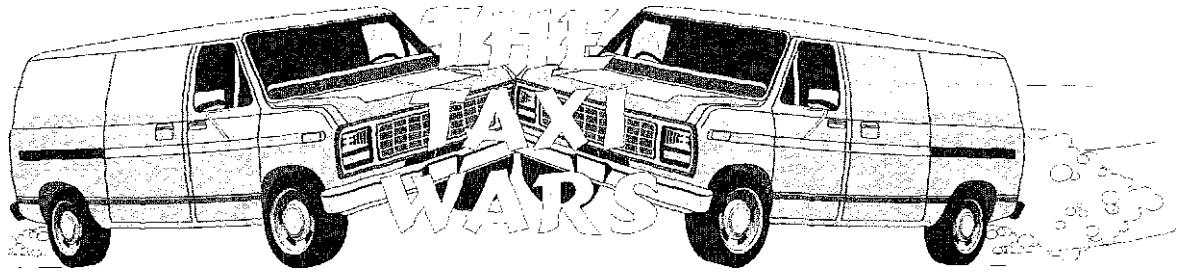
Given these changing perceptions of the Commission, what is the future of the body? More immediately, what role will the Commission play during any forthcoming election? The importance of an independent investigative arm during elections has been emphasised from observers of the Namibian experience (Diehl and Jurado, 1993). While the Independent Electoral Commission (IEC) will have an investigative arm, the Multinational Panel Report has recommended that the Goldstone Commission be authorised to accept assignments from the IEC in regard to particularly serious acts of violence (Multinational Panel:46-48).

It is clear that while the Commission has suffered from the same weaknesses as some of its predecessors both here and abroad, certain factors within the South African transition have allowed a greater expansion of its powers than any other previous commission of inquiry in South African history. This will be particularly so if the powers of the Commission are expanded during the election period. Has this set a precedent for the role of future commissions of enquiry, or are the expanded powers of the Commission simply creatures of the transition?

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RIDING THE TIGER



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The growth of South Africa's mini-bus taxi industry in the late 1970s and early 1980s was in response to the inadequate public transport services provided in many black areas. The unrest of the mid-1980s, for instance, often took the form of a bus boycott in response to increases in fares or some other community issue. Many minibus taxi operators stepped into the breach. They used the opportunities created by transport boycotts to demonstrate their ability to perform as a cheaper, more convenient and more effective means of transporting large numbers of black commuters.

Many minibuses charged the same fare or undercut public transport fares for the same mile. In addition their fares were often negotiable and on long journeys, like weekend trips taking passengers home to the rural areas, they offered far more competitive rates than rival private or public bus companies. For passengers, the competitiveness of taxis was further increased by their flexibility in terms of pick-up and drop-off points.

The rapid growth experienced by the minibus taxi industry in the 1980s was clearly a result of their flexibility and their provision of an alternative and often cheaper essential service to a large proportion of the daily black commuting public. By the late 1980s the black taxi industry was being proclaimed the success story of the informal business sector, providing a vehicle for black economic empowerment.

By mid-1993 there were an estimated 60 000 to 70 000 minibus taxis operating in South Africa. The industry, with its slogan of 'we move the nation', was transporting 45% of the commuter public daily (an estimated one million passengers) compared to approximately 20% by bus and 10% by train (the rest commuted by other means i.e. private cars) (Pretorius, 1993).

Cabs in Crisis

Today, however, the minibus industry is in deep crisis. The popular perception is that the minibus taxis are deeply intertwined in certain aspects of the political violence in many black residential areas.

Taxi passengers have been often the victims in the many massacres of black civilians which have occurred since 1990. In 239 recorded massacres (one attack in which five or more people are killed) in the Natal and Transvaal between 1990-1992 commuters formed 19,5% of the targets in Transvaal and 11 % in Natal (Minnaar, *et al.* 1993). Between August 1993 and September 1993 attacks on taxis escalated on the East Rand, with 48 people killed and 45 injured in three major attacks (*Peace Action*, 1993:3).

Passengers in minibus taxis have become specific targets in the ongoing political conflict. For example:

- in the two Table Mountain massacres in Natal in March 1993, passengers in minibuses (ostensibly from opposing political factions) were ambushed and killed in retaliatory attacks;
- * in the taxi massacre near the Scaw Metals Hostel in Germiston in July 1993, a minibus was stopped by gunmen, the passengers ordered out of the taxi, divided into ANC/PAC supporters and Zulu-speakers (who were assumed IFP supporters), and the latter taken aside and executed;
- not only passengers in taxis but also commuters standing at taxi ranks have come under attack from drive-by killers, as in the Wadeville massacre (September 1993) where 24 people were killed and 20 injured.

Many township residents believe that the perpetrators of the violence are often transported in taxis, or that the taxis are deeply involved in smuggling and transporting illegal firearms to the various

The popular perception is that the minibus taxis are deeply intertwined in the political violence in many black residential areas

The Great Taxi Indaba

The high levels of conflict and violence between taxi owners/operators, taxi drivers, passengers and rival associations were discussed for the first time at a Taxi Indaba held in Johannesburg from 24-26 August 1993. All of the problems discussed during the two-day indaba impact on the stiff economic competition between taxis for routes and passengers.

The main causes of conflict were identified as:

- the lack of a national controlling body;
- no formal recognition by both local and national government;
- the oversupply of taxis on certain routes;
- the difficulty of entry into a taxi association by newcomers, i.e. the high entry fee created exclusivity or a monopoly and led to high numbers of illegal or 'pirate' taxis;
- the absence of any state transport subsidy for taxis;
- the excess of permits for certain routes;
- the multiple permits granted to individual owners;
- the confusion surrounding the permit area of operation, i.e. radius or route type;
- discrimination by banks against black taxi owners in financing arrangements;
- ineffective policing as well as corruption within traffic departments;
- the lack of entrepreneurial and managerial skills by operators; and finally,
- the lack of taxi driver training.

factions. In the undeclared war between Inkatha and ANC followers in Thokoza, the taximen were forced to take sides - there are taxis which only transport pro-Inkatha commuters and others for the sole use of pro-ANC commuters (Mamaila 1993).

Where rivalry exists between certain taxi associations competing for routes and passengers or in the activities of local versus long-distance associations, the situation has become highly politicised. Either the individual taxi associations have chosen to openly support a specific political party or the political parties have become involved in the disputes between the associations and thrown their support behind a particular association. Examples include the taxi disputes in Ivory Park (near Midrand) and the so-called Western Cape 'taxi war'.

Some of the violence associated with the taxi industry is linked to tactics used by individuals in the taxi industry to maintain individual dominance and control over particular routes or areas of operation. In one case on the Rand, for instance, a taxi operator was convicted of hiring a hitman for R5 000 to eliminate a rival taxi operator.

Fusing to Dispute

Critical problems were facing the taxi industry by the early 1990s. At the beginning of 1993 some of these problems came to a head.

In early 1993 taxi drivers blockaded the Central Business District in Johannesburg causing the total disruption of the traffic flow. They took action to protest against perceived harassment by traffic police of minibus taxis. They complained that the police would often unnecessarily stop them at peak times to demand their operating permits or to make roadworthy examinations. Since time is money for the taxi operators, they could not afford to be stopped three or four times in the space of an hour.

Many taxi operators, faced with high bank charges on hire purchase agreements for buying taxis, higher petrol costs and rising prices for spares because of exchange rate problems, have seen their operating profits shrink dramatically. In addition taxi operators were demanding the opening up of the industry, i.e. the elimination of unnecessary red tape, and the regularisation of the granting of permits to stop corruption. They accused some traffic policemen of accepting bribes for operating permits or alternatively of owning permits which they hired out to operators.

In September/October 1993, taxi operators countrywide again resorted to protest action against the government's arbitrary decision to increase the price of petrol, an act which pushed many minibus operators close to the brink of bankruptcy. The taximen responded with anger, undertaking a number of mass actions to make known their opposition to the government's actions and to demand that the petrol price should remain the same.

In response to the many serious problems facing the minibus taxi industry, a Taxi Indaba was organised by the National Transport Policy Forum in Johannesburg from 24-26 August 1993 (see box). The aim of this indaba was the 'formulation of a peace and co-operation strategy for the taxi industry'. The conference was attended by representatives of more than 110 taxi associations countrywide as well as private companies and other interested parties.

One very touchy issue to many black taxi owners which emerged was the allegation that the industry is being dominated by whites, i.e. there are too many white-owned

Critical problems were facing the taxi industry by the early 1990s

The next government will have to confront the issue of transport or fare subsidisation and whether to extend this to the taxi industry

Although much discussion and more argument was heard during the two days of the indaba, at the end of the conference it became apparent that many divisions still remained. Even though a number of practical solutions were mooted, they remained only suggestions as no firm resolutions or binding decisions were passed.

Among the better solutions put forward was the development of an effective and credible transport policy having the support of the communities it is designed to serve; the acceptance and implementation of the code of conduct (see box), even if on a voluntary basis; and the registration of all associations and individual drivers.

A practical suggestion which would go a long way in sorting out some of the more pressing problems facing the taxi industry concerned establishing a register of all permits which *must* be open to public scrutiny. Such a register would also imply the enforcement of the principle of one permit per vehicle license number. Such acceptance would also mean the very necessary invalidation of multiple permits to one individual (especially where he/she did not even have vehicles for each permit but was hiring out such permits for use by individual taxi operators).

The demands of taxi operators to have a say in the formulation of economic policy which touches on their industry will have to be accommodated

Other practical measures, if accepted, which would also help in bringing down the levels of conflict in the taxi industry were the joint planning of routes between local authorities, taxi operators and drivers and the local community it was supposed to serve. Another practical solution with specific reference to the violence would be the establishment of a Special Taxi Court (to deal only with taxis, similar to the idea of Family Courts). Some delegates also wanted financial empowerment of blacks to be extended possibly through the establishment of a Taxi Bank (like the Land Bank) which could offer lower interest rates on loans and the extension of state transport subsidies to all taxis.

Another aspect of the taxi industry that also received attention at the indaba was the importance of driver training in order to ensure passenger safety. It emerged from the research done by Professor Pretorius that an average of ten trips a day have to be made in order for operators to earn an estimated monthly turnover of R5 000, R3 500 of which is spent on ownership costs and insurance, R800 of which goes to the drivers, leaving owners with the remaining R700. This analysis has led

many owners to push for negotiation with the insurance companies for cheaper insurance fees and rates for taxis.

Interestingly, many of the local and regional taxi associations view the industry as a tool of empowerment since they consider it to be the most important mode of transport which will get voters up to the stations in the forthcoming elections in April 1994. The call at the taxi indaba was for all associations to make their members' taxis available for this purpose, especially in the rural areas.

Although the bulk of the violence in the taxi industry is viewed as non-political, there are numerous political factors which contribute to the escalation of the violence. In the near future the government of the day will have to confront the issue of transport or fare subsidisation and whether to extend this to the taxi industry in some form or another. This issue will probably feature as an important aspect of a new economic policy.

The demands of taxi operators to have a say in the formulation of economic policy which touches on their industry (for example the setting of the petrol price) will have to be accommodated. It has become doubly important not only to formalise the control and regulation of the industry so that it operates efficiently and free from conflict but also to consult and negotiate with the most important role players - the owners, drivers and commuters - in order to establish the form these controls need to take.

Minibus taxis are here to stay. They are an increasingly important and vital role in the mobilisation of a workforce and as a supplier of employment (not only in the transport industry but also in the service, supply and associated industry fields) at a time when unemployment figures in Southern Africa are the highest they have been in years.

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VJ&rs of U / o r d ,

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'T Vere is a danger that the general public
X are beginning to regard the continuing
cycles of communal conflict in the Natal
region, and increasingly in the PWV, as
banal, as little more than a platitude. Less
than six months before South Africa's
first-ever proclaimed general election, the
issue in fact is daunting, and is critical to
the success of this event.

This article will employ the *Conflict Trends
in hiatal* data-base (see box), a joint project
of the CSDS/HSRC/Indicator SA, to
identify a number of continuing and deeply
disturbing tendencies in this region. These
tendencies reveal the importance of
communicating the need for, and of
facilitating, peaceful political activity in
public. They reveal the need publicly to
invoke communities in lesser known urban
areas of the Natal region, and in its rural
areas (particularly in KwaZulu). And they
reveal the obligation to shift the focus of
protagonists away from weapons and the
targeting of people toward issues and
policies.

Of equal importance, these trends imply
that information about, and interpretation
of, this conflict during the next six months
will play a critical political role. It is
well-known that rumours tend to multiply
and spread rapidly during periods of rapid
social change. Rumours - which, in our
case, are no more than claims about the
nature of violent events - are often
exaggerated and characterised by claims of
guilt by association.

• Since rumours are spread more through
their credibility than through their truth,
the are also often one-sided, spreading
most rapidly among those groups
supportive of one or other 'side'. This
Places a particularly important
responsibility on the mass media, for it is
Primarily they who are able to broadcast to
the public reliable information about the
conflict, and sensible interpretations of this
information.

A number of significant trends in the cycles
of conflict in the Natal region were
discussed in the *Indicator SA* Issue Focus,
Capturing the Event (December 1992).
These trends were based on data covering
the period 1986 to August 1992. The
database has subsequently been updated
and now includes data to the end of May
1993. Accordingly, it is possible to
re-assess these trends in the light of the
conflict cycle over the nine month period
from September last year to May of this
year. To facilitate annual comparisons,
1993 data has been adjusted by assuming
that trends occurring during the first five
months have continued during the rest of
the year.

Three trends identified in *Capturing the
Event* will briefly be reviewed;

• *When had the conflict occurred?*

The data base indicated that the Natal
conflict had been sustained since February
1987. Monthly counts of events - and in
particular, of violent events - remained
consistently higher than one per day, on
average. Though moving to different
localities within the region, the Natal
conflict was neither episodic nor *ad hoc*. It
had taken on a life of its own.

One further issue was discussed. The
occurrence of conflict had reached a
distinct peak during the first few months of
1990. We argued that one of the probable
reasons for the drop in the frequency of
conflict events since that period was the
loss of support from rank-and-file
participants for continuing violent
collective behaviour. Simultaneously, we
warned that this waning in the occurrence
of conflict should not be interpreted as
signaling the end of the conflict cycle in the
Natal region since this probably required
the establishment of a visible and
acceptable democratic political
environment as well as improving

*We need to shift
the focus of
protagonists
away from
weapons and
the targeting of
people toward
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policies*

*There appears
to be a loss of
support from
rank-and-file
participants for
continuing
violent collective
behaviour*

Conflict Trends in Natal

The Conflict Trends in Natal database covers events of conflict in the Natal region from 1986 to the present. It uses as data sources daily newspapers and a number of monitoring agencies. Some 9 000 events have been captured.

The database does not cover all dimensions of the conflict. An event is the unit of analysis, and events are recorded only if they are initiated by two or more people in public. This focus on collective behaviour is central to the project. Features of the conflict which deal with the actions of individuals are not captured. Other determinants such as leadership structures and policies of groups, are also not reflected in the database.

Accordingly, the database cannot be used on its own to develop a comprehensive explanation of the conflict in the Natal region. What it does enable is a description of conflict trends and, thereby, the identification of relevant questions flowing from these.

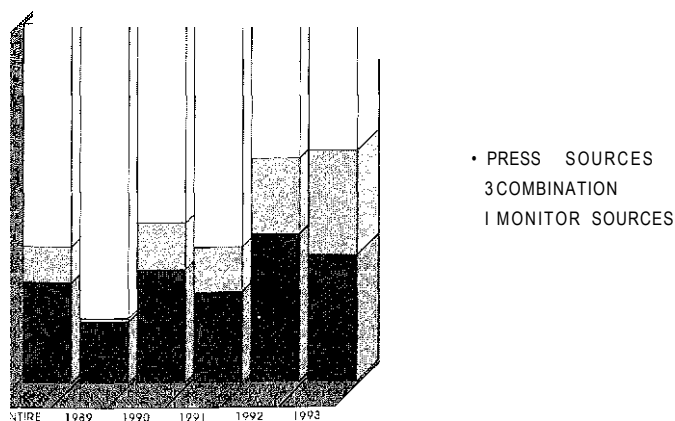
It is common knowledge that information about these conflict cycles is itself suspect and contested. The sources used for our database derive not only from establishment regional newspapers (which regularly used police unrest reports while they were being issued), but also from a number of monitoring agencies active in the Natal region, including:

- the (now defunct) Black Sash monitoring agency
- the Inkatha Institute
- the Natal Monitor
- the Pietermaritzburg agency for Christian Social Awareness
- the Pietermaritzburg Centre for Adult Education, and
- the Democratic Party's Unrest Monitoring agency.

This broad data-gathering foundation improves the reliability and comprehensiveness of the database.

In the earlier years of the period covered by the database, most data were obtained from newspaper sources. Since 1990, an increasing proportion derives from monitoring agencies, as revealed in Graphic 1. It is also appropriate to note that a growing number of events are grouped on this graphic under the heading, 'combination'. This group points to events recorded both by newspapers and by monitoring agencies and attests not only to the growing institutionalisation of monitors and data sharing between monitors and the press, but also to the growing reliability of our database.

GRAPHIC 1: Data Sources employed in the Data Base:
1986 • May 1993



socio-economic well-being. Neither of these are apparent at present.

• Where had the conflict occurred?

We argued that the data base revealed clearly that the conflict was predominantly urban-based, often found in urban free-standing informal settlements, and therefore intimately involved with competition over urban-based goods and services.

The database also revealed that most conflict had occurred in the Durban and Pietermaritzburg metropolitan zone and that there had been - in 1991 and 1992 - a small but significant increase in conflict up and down the coast, and in adjacent rural areas. We commented on the very low levels of conflict in the North-west sub-region up to 1992, in the large urban complex of Newcastle and Madadeni as well as in urban places such as Ladysmith/Ezakheni and Estcourt/Wembezi.

• How intense had the conflict been ?

The data base revealed the extraordinarily high frequency of violence accompanying the collective behaviour under scrutiny: more than nine out of ten events were violent (rather than related to peaceful protest), and deaths had occurred in one half of recorded events. Moreover, we revealed that intensity - measured by the use of lethal weapons and by the number of deaths and injuries occurring per event - was clearly and significantly on the rise. This was shown by identifying the rising proportion of events manifesting such characteristics.

• Trends up to May 1993

Seen from the standpoint of early 1990, the occurrence of violent events in the Natal region has dropped. As Graphic 2 reveals, however, this decrease has come to an end. Though at a lower level than that of the first months of 1990, more violent events occurred in 1992 than in 1991, and fatalities for the first five months of 1993 are higher than those during the first five months of 1992. In fact, the average monthly frequency of events was 98 for 1991, 118 for 1992, and 109 (up to May) for 1993. The sustained nature of the regional conflict is unmistakable.

This graphic also demonstrates the continuing violent nature of the events.

- PEACEFUL EVENTS
- VIOLENT EVENTS

GRAPHIC 2:
Monthly frequency of
violent and peaceful
recorded events:
1986 - May 1993

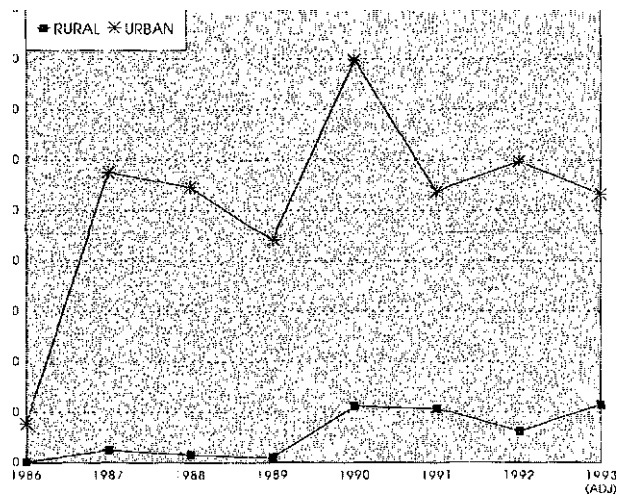


Peaceful collective events include marches, rallies, boycotts and stayaways. In a period less than a year before the country's first-ever proclaimed general election, the predominance of violent over peaceful collective behaviour is a sobering and challenging fact.

J Where did the conflict occur?

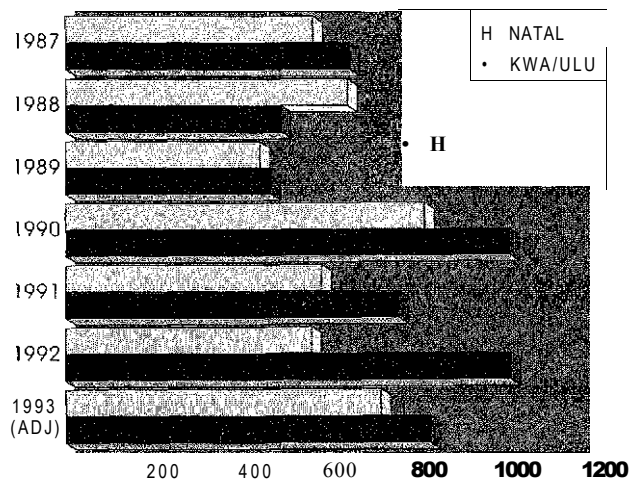
Graphic 3 reveals that the conflict remains urban-based. During the first five months of 1993, 82% of events occurred in formal and informal urban areas. This urban base notwithstanding, the graphic also reveals a continued increase in the occurrence of conflict events in rural areas. This trend, which we commented on in *Capturing the Event*, points to a shift in the location of conflict from Natal provincial to KwaZulu areas. Graphic 4 also addresses this shift.

GRAPHIC 3: Frequency of recorded events in urban and rural areas



The proportions of recorded events occurring in Natal province and in KwaZulu - seen from the standpoint of the late 1980s - suggests that the conflict is shifting into KwaZulu areas while continuing to occur mainly in areas close to the borders between these two presently designated regional states.

GRAPHIC 4: Frequency of recorded events in Natal and KwaZulu:
1987-May 1993



At the level of the five sub-regions indicated on Map 1, the axis of the conflict remains in the Durban and Pietermaritzburg metropolitan zone. In recent months, the Durban area has been deeply afflicted: in Bambayi within Inanda, an estimated 200 people have been killed since December 1992, and protracted violence continues in the southern Durban areas of Umlazi and Umbumbulu.

Simultaneously, as revealed in Graphic 5, the increase in conflict up and down the coast - identified in *Capturing the Event* -

Map 1: Regions in Natal/KwaZulu



persists, and - during 1992 - a new and significant rise in conflict has occurred in the north-west region. This recent north-west phenomenon - due to rising conflict particularly in Ezakheni and Wembezi - is urban-based.

Over 90% of events in the north-west sub-region were reported to have occurred in urban places in 1992. This is shown in Graphic 6 which also points to the high proportion of urban violent events occurring in KwaZulu when the Durban-Pietermaritzburg zone is ignored. Recent conflict in Empangeni and Sundumbili in the Zululand region is worth noting also.

• **How intense was the conflict?**

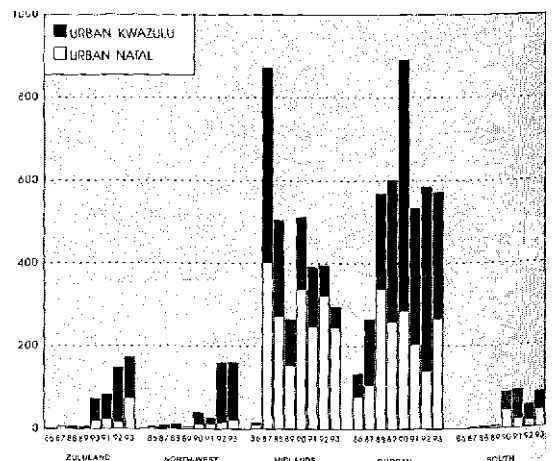
Three measures of conflict intensity in the Natal region, illustrated in Graphics 7, 8 and 9, have been developed. Each discloses a significant and tenacious increase in intensity over the past seven years:

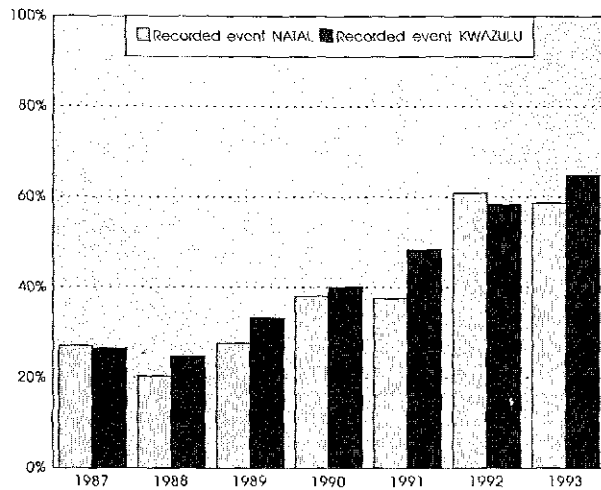
- Graphic 7 points to the increasing use of lethal weapons in violent events. The widespread use of such weapons (which include firearms and bombs) points not only to their prevalence and accessibility, but also to the types of target which attackers have in mind. Before turning to this issue, it is worth noting that no significant difference in the use of weapons was identified in Natal provincial or KwaZulu areas.
- Graphic 8 reveals the extraordinary fact that the majority of recorded events involved attacks on persons (rather than on property or aimed at peaceful public

GRAPHIC 5: Frequency of recorded events in regions: 1987-May 1993 (1993 data adjusted)



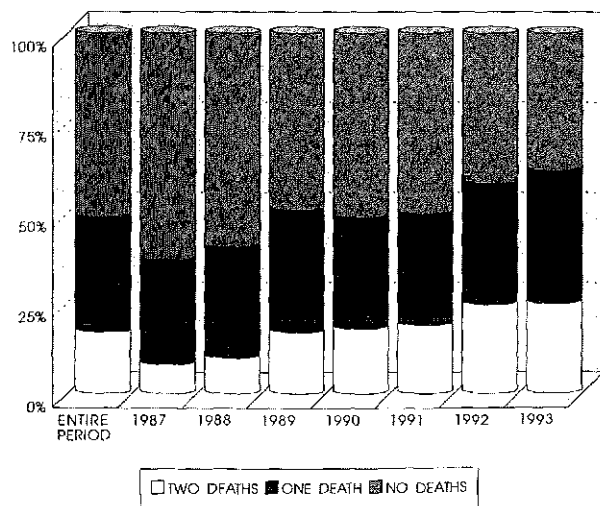
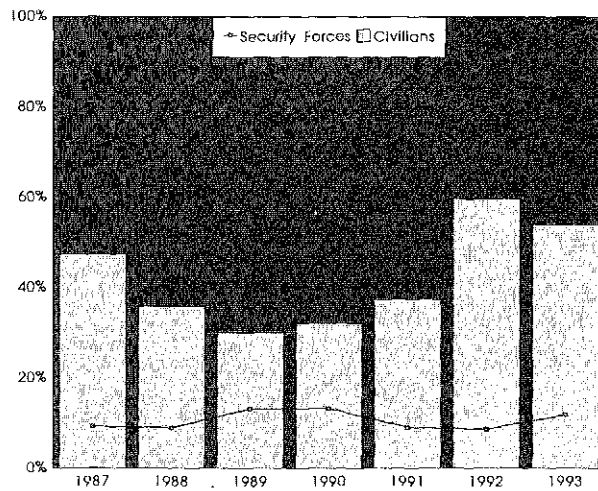
GRAPHIC 6: Number of recorded events in the urban areas of Natal and KwaZulu within regions: 1986 - May 1993 (1993 data adjusted)





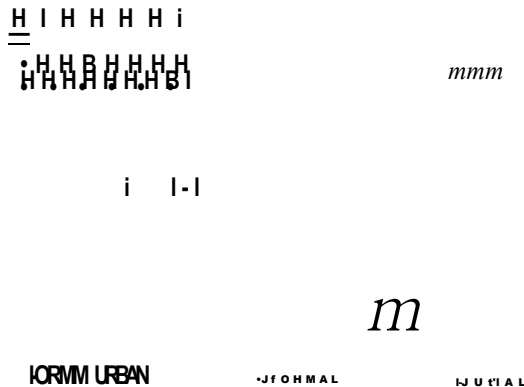
GRAPHIC 7:
Conflict intensity:
Proportion of violent
events in which lethal
weapons were used:
1987 - May 1993

GRAPHIC 8:
Conflict intensity: Proportion of
recorded events involving attacks
on persons: 1987 - May 1993.
Multiple Response Analysis



GRAPHIC 9:
Conflict intensity:
Proportion of violent events
recorded in which deaths
occurred: 1986 - May 1993

bloody than those occurring in formal urban areas. This is particularly significant since there are far fewer events in "rural than in urban areas."



GRAPHIC 10: Proportion of violent events in which deaths and injuries > 5 in urban and rural settlements: 1990 - May 1993

The conflict in the Natal region is sustained, is overwhelmingly violent rather than peaceful, and involves the targeting of people rather than property

demonstration). This tendency - to attack persons - is on the increase and targets civilians much more often than the police and the military. As may be inferred from this state of affairs, numerous deaths and injuries are a direct result.

® Graphic 9 captures the occurrence of deaths caused by the conflict. Events have been classified into those during which two or more deaths were recorded, during which one death was recorded, and during which no participant was reported to have died. As revealed in the left-hand column, one half of all recorded events (from 1986 to May 1993) included at least one death. During this period, moreover, the annual proportion of events causing at least one death has risen consistently and significantly: in the first five months of 1993, no fewer than two-thirds of recorded events were of this type.

One final measure of conflict intensity is presented in Graphic 10. After distinguishing between three significant locations of violent events - formal urban areas, informal urban areas, and rural areas - we have calculated, for the years 1990 to 1993, the proportion of violent events which resulted in five or more reported deaths and injuries within each of these locations.

Graphic 10 reveals that events occurring in rural and informal urban areas - more remote and publicly, less visible areas - tended to be significantly more violent and

intensified Conflict

The conflict in the Natal region is sustained, is overwhelmingly violent rather than peaceful, and involves the targeting of people rather than property. Though focused on the Durban and Pietermaritzburg metropolitan zone, it has expanded up and down the Natal coastline and, more recently, into the north-west of the region, particularly into KwaZulu urban places.

Of most concern, this conflict is systematically increasing in violent intensity: lethal weapons are employed more often; persons are being targeted more often; and, accordingly, deaths and injuries continue to rise. In addition, this intensity is particularly high in affected rural and urban informal areas.

Country-wide peace initiatives are no doubt aware of these trends and their increasingly visible activities at regional and local level will undoubtedly influence them. Simultaneously, however, commentators of these trends find themselves involved in a conflict over the conflict. We have already pointed out that rumour-mongering is rife in our present situation. Disparaging remarks and exchanges over the credibility of conflict information and conflict interpretation contribute little to sensible interpretation of the violence in a pre-election period.

For peaceful, public, political activity to be able to emerge, such interpretation is essential. And local areas which are out of sight and out of mind of the public eye need to be brought in focus. The challenge in the Natal region to do away with weapons and the targeting of people, and introduce public debate on issues and policies, is a large one indeed. **QSA**

ACKNOWLEDGEMENT

Eyvonne Cuddumbey for the data capture and Richard Devey for the statistics.

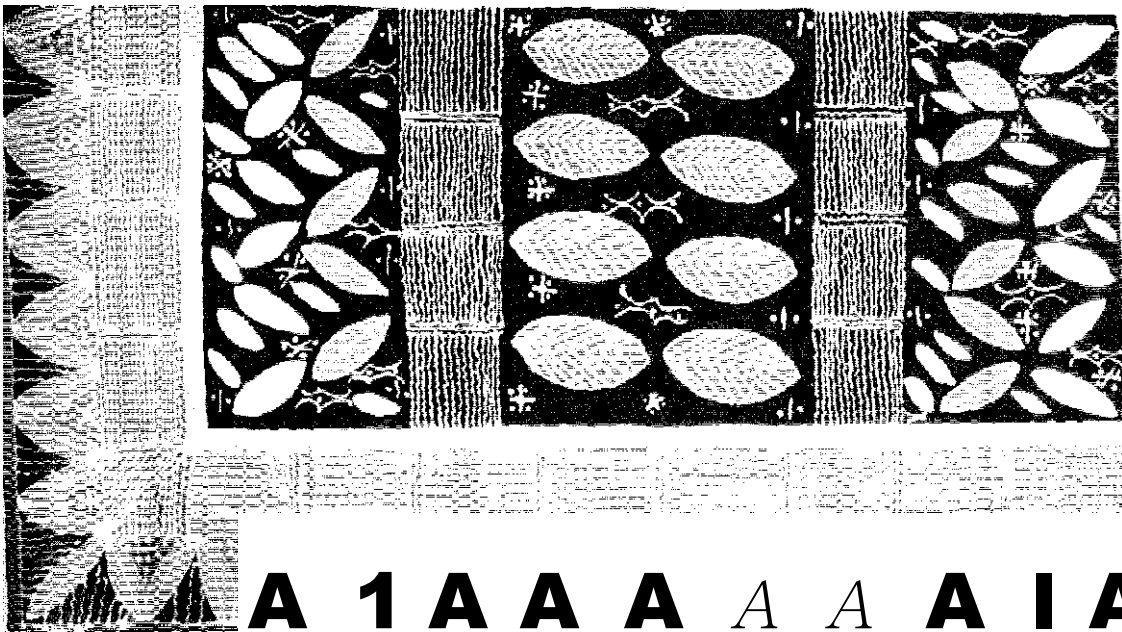
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'Leaf Celebration'

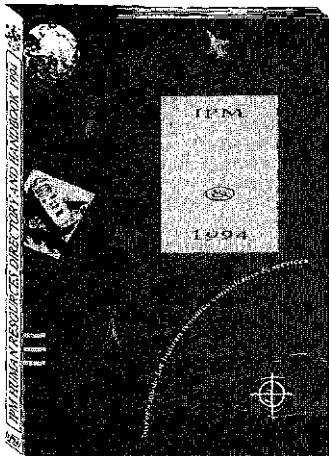


PAKHAMANI DESIGNER SIZAKELE NTSHANGASE

Sizakele is 33 and has three children. She lives with her family in Umlazi near Durban. Sizakele previously worked for Beacon Sweets and Chocolates before being employed by Pakhamani Textiles.

'When I was at school I was unable to draw. Now I can draw and am very happy'.

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From Rags to Riches?

Wilfred ~~14~~erize, Southern African Labour and Development Research Unit (Saldru),
University of Cape Town

Winston Churchill once said, 'Some people believe that the entrepreneur is a mangy wolf, which should be beaten to death. Others think he is a rascal, that can be milked forever. However, few people see him for what he really is, a horse pulling a wagon' (cited in Durniok, 1992:13).

The promotion and fostering of informal business activities have been presented as macro-economic solutions to the country's unemployment and growth problems. The clothing manufacturing sector in the Western Cape provides an interesting case study.

Definitional hazards are notorious in any endeavour addressing the informal sector. Schonwalder's comments (1991:5) are quite instructive in this regard:

At the beginning of the 1990s, the informal sector again occupies centre stage in the international development debate. This might seem somewhat bizarre, given the fact that the long and drawn-out discussions of the 1970s and early 1980s had yielded very few tangible results ... It seems that even if the social sciences could not come to grips with it, the informal sector as a social phenomenon in the third world steadily gained importance.

For our purposes a practical, operational orientation will suffice - 'informal' in this context will refer to micro-enterprises which do not register as legal business entities.

The potential for economic growth does appear to exist within South Africa's clothing manufacturing sector. The market segment that beckons in this regard is the export of high quality, designer goods. This does not preclude small-scale enterprises. According to one report (*Clothing Industry News*, Dec 1992 - Feb 1993) which echoes lessons drawn from an international, comparative canvas:

Small-scale units which have emphasised flexibility, product diversity, and product quality have been very successful. The most lucrative segment of the market has been the high quality fashion and design intensive segment. In order to be successful decentralisation and specialisation of production units has been useful since this has allowed for flexibility to respond to fashion trend changes, small batch production to meet the limited (and changing) consumer demand for high quality, high fashion products, and for an emphasis on craftsmanship.

The potential for economic growth does appear to exist within South Africa's clothing manufacturing sector

Clothing Manufacturing in the Informal Sector

Clothing manufacturing enterprises in the informal sector are internally differentiated by:

- **Type of Machines:**
home industry (hand) machines
industrial machines
- **Range and Number of Machines**
- **Number of people involved:**
the solitary individual
2-5 people, 6-10 people, 10 and more people
- **Skillpool of People:**
rudimentary hand sewing skills
diverse industrial operations
- **Type of Market:**
immediate home needs
neighbourhood market
flea markets
cut-make-and-trim orders for big retail outlets
school orders
small retail outlets
sport club orders

These characteristics impact dramatically on the operational conditions, business opportunities, income levels and ultimately economic viability of informal sector enterprises. Two recent surveys provided interesting evidence in respect of this proposition (see data base)

The promotion and fostering of informal business activities have been presented as macro-economic solutions

Numerous retrenched workers have been employed in small-scale, informal sector production units on cut-make-and-trim (CMT) orders. The final product of these enterprises are destined for the big retail outlets like Edgars, Truworths, Topics, to name but a few.

The years of factory experience - industrial training in production acquired by the employees/members - proved to be a significant variable between two surveys of clothing cooperatives in the Western Cape (see data base). It impacted on output levels, quality, product range, market niches and income levels. When one of the cooperatives experienced a high turnover of members - consequent on low and unstable income levels - it recruited ten retrenched factory workers with between eight to twelve years of factory experience.

The cooperative secured CMT orders for established retail outlets. It had previously attempted to dispose of its products at various flea markets, with very poor results. The economic viability of the cooperative changed for the better when orders from established retail outlets like Edgars and Truworths were secured via 'middlemen'. Output levels, the quality of finished garments and the cash flow situation

improved spectacularly. Income levels, dramatically from R30 a week to between R150 - R200 a week with a continuous supply of CMT work (*Argus*, 24/1)2/93).

Unit prices were low - R8.90 for Uacksuit pants which sold for R130 in recognised retail outlets. The poor bargaining position of informal sector micro-enterprises is all too evident in the example cited.

It is worthwhile highlighting a few salient features of the costing regime employed in determinations of CMT unit rates:

First, the unit price is based on the labour time required to produce the garment. This, in turn, is determined by time and motion studies conducted under optimal factory conditions - not average output levels. A monetary rate is then introduced to complete the calculation. This does not take account of non-wage costs - like pensions, medical benefits, unemployment insurance fund contributions - which are part of the 'optimal worker's' wage calculations.

Second, machine wear and tear as well as overheads like rent are absent from the costing regime deployed. Third, the benefits of this costing regime are not transferred to the consumer - except maybe when prices are slashed during sales campaigns. Additional detective work would undoubtedly yield interesting revelations as to why and how **R8.90** translates into a final unit price of **R130!**

Formal Markets

Industrial machines and a simple division of productive labour is one of the requirements that will exclude a number of home-based informal sector businesses from this market (see box).

A small-scale enterprise with a limited number and range of industrial machines would be a considerable disadvantage for CMT orders covering a range of garments. Buttonhole and elasticating machines, for example, are costly items in the price range of R15 000 and R8 000 respectively. The absence of either is an inhibiting factor since numerous garments require either buttons or elastic or both.

Versatility and high quality performance across a range of specialised operations - straight sewing, cuffs, pockets, elasticating, button holes, for example - on different types of garments using diverse fabrics is a decided asset. A high degree of competence

on different machines is a distinct advantage in today's clothing manufacturing universe. Mono-specialisation in a single productive operation is fast becoming obsolete.

Practically, informal sector clothing manufacturers targeting the CMT market segment are valiantly attempting to adjust and comply with the industry's tough requirements. The executive chairman of Rex Trueform, Stewart Shub, recently highlighted the fact that competition in the domestic market will become even more intense:

We cannot expect other countries to accept our exports unless we give them access to our own market. We are joining the real world now and that means having to compete in our own markets
(Cape Times, 13/03/93).

There is clearly an urgent need to address the training needs of CMT small-scale enterprises. Failure on this front will result in unacceptable, poor quality garments as quality gets sacrificed for quantity in order to compensate for low unit prices, inter alia.

Very few informal sector manufacturers can entertain training as a component of their tight survival strategy. Cooperatives are perhaps the only micro-enterprises with an explicit commitment to skills enhancement programmes for members. The translation of this intention into an effective, operational reality is seriously circumscribed by very real technical and human resource constraints within the cooperatives.

To a large extent these are the conditions obtaining in the top league of clothing manufacturers in the informal sector. Trainees who exit from the numerous township-based training courses (e.g. the sewing courses run for unemployed women) rarely feature in this type of company. The majority of those who manage to graduate to any form of business venture operate within the confines of a very localised neighbourhood market.

A host of occupational hazards accompany the baptism into the world of local business. Sourcing materials at competitive prices, mustering the finance to acquire the machine(s) required, finance to cover operating costs and then the sale of the proud product are all challenging endeavours. If the product attracts a buyer, the transaction is more likely than not an event involving more good faith and trust than ready cash.

Informal Sector Surveys in Western Cape

Clothing Micro-enterprises

Koch's survey of informal sector clothing manufacturers in Mitchells Plain yielded the following results:

- 58% of the sample attended school until standard six.
- The majority had worked in the clothing industry for their entire working careers.
- 74% of the sample had over ten years of factory experience in the clothing sector.
- 9 87% of home-based ventures had been operating for under four years.
- Cut-make-and-trim contracts provided the main form of work and market.
- Industrial machines were used.
- ® The income levels of the employees approximated wages paid in the formal sector (clustering between R90-R135 a week: mean of R120 a week.)

Clothing Cooperatives

A survey of 33 members involved in four clothing manufacturing cooperatives revealed that:

- 30% had not ventured beyond primary school.
- © 93% failed to continue their schooling beyond standard eight.
- Members entered the respective cooperatives between the ages of 28 and 36.
- 61% had previously occupied non-industrial, unskilled job functions, with about 40% restricted to domestic work.
- The 39% of 'skilled' respondents had a minimum of four years work in clothing manufacturing factories. One had more than ten years of such experience.
- Industrial machines were used in the main.
- Marketing was ad hoc at various flea markets.
- Income levels varied between R0 - R20 - R30 a week depending on sales.

Sources: Koch BR. The informal sector: Small Clothing Manufacturers in Mitchells Plain. Saldru Working Paper No80. University of Cape Town, January 1991:15-21.
Wentzel W. 'Cooperatives: Taking Another Look'. *Die Suid-Afrikaan* No38, April/Mei 1992:59.

Informal Markets

The popularisation and increasing presence of numerous flea markets afford a range of opportunities for a variety of informal sector clothing manufacturers to sell their products in conducive and inexpensive venues. Even a cursory inspection of the range of goods displayed at these popular markets is revealing: Colourful clothing products will probably account for between 60-70 per cent of the total. Internecine product and price competition as well as competition with formal sector retail outlets inevitably result.

The mushrooming of clothing producers and traders in the informal sector does add competitive spice

Alongside are the informal sector clothing manufacturers who have managed to secure orders from schools and sports clubs. Such enterprises normally display an above average degree of technical and business sophistication. Sourcing material at competitive prices, networking with the formal sector, patternmaking, cutting, quality control, careful costing and organising production on the basis of a simple division of labour characterise such micro-enterprises.

The distribution of cheap, good quality, imported secondhand clothing adds additional spice to competitive options available to consumers. Outlets for these commodities assume a variety of forms - from small shops in malls, to informal sector door-to-door entrepreneurs. Imports of this type accounted for 95 million units of the 158 million units of clothing imported during 1991 (SA Clothing Industry, 1992 Annual Report:31). The very small informal sector trader required R500 - R800 to purchase a batch of initial stock in order to enter the entrepreneurial race in this highly competitive sector.

Trends in the Rag Trade

- 98% of South Africa's total demand for garments is satisfied by domestic producers.
- Domestic producers do not compare favourably with global counterparts in respect of the low-income market segments.
- Less than 5% of the total projected domestic production for 1991 was earmarked for exports. (US \$70 million out of a projected \$1.5 billion).
- Using the Mauritian incremental employment - output ratio as a benchmark, an increase of \$1 billion (in 1991 US dollars) in South Africa's garment exports over the next seven years would create an additional 135 000 jobs.
- For countries enjoying higher wage levels, flair and skills in design, and production capability (quality of workmanship, and the speed and timeliness of delivery) can represent an alternative to cost minimisation as a source of competitive advantage in the international marketplace.
- South African wage levels in the formal clothing sector do not compare unfavourably with those prevailing in countries which export a sizeable share of domestic production.
- An international ranking of sectoral wages using a dollar equivalency index positions South Africa as a middle-wage producer, above countries like Thailand, Mexico, Sri Lanka, China, Bangladesh and Indonesia but below Italy, Hong Kong, Taiwan, South Korea and Portugal.
- South African firms which are established exporters rank high wages relatively low as a constraint while 'the remaining firms were virtually unanimous in ranking it as the most binding of the subset of labor/union related constraints' (Levy, 1992).

The economic status quo prevailing in the sub-sector of the clothing industry has a significant impact on the formal sector. Retrenchments affect trade union membership figures, for instance. The existence of CMT manufacturers affords an opportunity for the recasting of the labour market, albeit with a drastic reduction in the absolute size of the workforce. This positions formal sector businesses in more advantageous circumstances as regards negotiations over unit prices. (Trade unions are much stronger and more sophisticated negotiating units than informal sector manufacturers.)⁶

Income differentials within this informal sub-sector vary considerably. In some instances wage rates compare favourably with those obtaining in the formal sector - leaving aside non-wage pecuniary benefits. In other cases the internal variation within the sub-sector is of a high order - in excess of 400% - using weekly wages as a unit of comparison.

The mushrooming of clothing producers and traders in the informal sector does add competitive spice. Matters are, however, much more complex and hazardous than most of the academic literature on the topic would suggest. The much vaunted and acclaimed job creation capacity of this sub-sector is severely circumscribed and extremely fragile both in terms of labour absorption and retention capacity.

A cautionary warning is worth highlighting: *The Cape Town Chamber of Commerce says the recession has pushed the number of insolvencies and liquidations up to 40% over last year's levels. The chamber says the majority of business failures have been smaller business enterprises which have encountered cash flow problems as a result of declining sales and high fixed costs.* (Cape Business News, November 1

Support Systems

Schacter's survey of the perceived needs of micro-enterprises (World Bank, 1992:10) revealed that:

first, respondents give no indication of perceiving a need for training in business or technical skills; second, they rate 'access to loans' as a relatively unimportant constraint, which is anomalous given the preponderance of finance-related problems that surfaced.

These interesting findings are perhaps not as contradictory as Schacter would have you believe. The recognition of finance-related

Source: **Levy B. How can South African manufacturing efficiently create employment? Informal** Discussion Paper No 1. Washington DC: South African Department, The World Bank, January 1992.

constraints does not necessarily represent a impediment for loan finance. High risk and volatile business endeavours will clearly act as a restraint on seeking a loan, especially if private assets (house/vehicle) are thereby added to the 'risk pool'. The respondents' calculations are both rational and practical.

Respondents in the Schacter survey (1992:9) identified two constraints as being the most troublesome (incidentally, these confirm the point highlighted above):

These were the constraints related to the cost of doing business; (materials are expensive, customers pay late, customers demand credit) and constraints related to unfavourable market conditions (competition is stiff, too few customers, have to stimulate business by giving things away). Roughly a third of microenterprises (32 per cent) cited these issues as their biggest problems at start-up, and approximately one half (51 per cent) mentioned them as being most important in current operations.

Access to loans and facilitative legislative measures feature prominently in organisational strategies designed to stimulate small business development in South Africa. Operational support systems which can enhance the capabilities of enterprises have received much less attention. In fact the fragile resource bases of individual micro-enterprises are rendered even more hazardous because of the absence of effective coordinating and networking instruments.

When one returns to the example of the informal sub-sector in the clothing industry, CMT orders normally involve quantities which exceed the productive capacity of micro-enterprises (4-5 employee ones, at least). The orders normally require a range of machines beyond the financial capacity of the very small clothing manufacturer, but effective networking and coordination can resolve the above problems if, for example, orders can be shared between micro-enterprises. In one practical case, a cooperative which managed to secure relatively expensive items of equipment (buttonhole machine, elasticator, leglance machine, industrial cutting machine) permitted other less fortunate micro-enterprises to buy machine time at very reasonable rates.

The more comprehensive and integrated range of business support services offered by the European Businesses and Innovation Centres are instructive in considering the type of industrial strategies required to

intervene effectively in promoting small and medium-scale enterprises. According to one report which documented the merits of such an industrial strategy:

In short, the efficacy of government intervention requires that action in the macroeconomic field be completed with policies of a microeconomic nature. And one of the main types of the latter is industrial policy. (Mas et al, 1992:3)

Pyke (1992:2) dissected the elements comprising such an industrial strategy in the following terms:

Small firms can be helped by the institutionalisation of real or technical service centres or agencies that can engage on behalf of the small firm community in research and development, technology transfer, organisational upgrading and information services, each centre being both industry-responsive and leading and coordinating the upgrading process ...

Cooperation between small firms, either directly or via the mediation of commonly owned or controlled institutions, is seen as an important way of increasing individual capabilities.

Diverse actors inhabit the highly competitive clothing universe in the Western Cape. Segmentation between the formal and informal sector is all too evident, as is internal differentiation of the informal sub-sector.

Considerable resources, infrastructure, international linkages and a historically developed skillpool are at the disposal of the sector as a whole. The distribution of these resources is highly skewed in favour of an ailing formal sector which is shedding jobs at an alarming rate. The ability of the informal sector to create jobs at a compensating rate is severely circumscribed by its rudimentary support base at all levels viz., technological, research and development, training, lobbying, marketing, sourcing suppliers, financial.

It is imperative that a more rational system of resource utilisation replace the existing chaos, for sound business reasons. It is imperative also that resource allocation be differently apportioned for political as well as for economic reasons - or else the black informal sub-sector will be banished to economic marginalisation.

The distribution of these resources is highly skewed in favour of an ailing formal sector which is shedding jobs at an alarming rate

The ability of the informal sector to create jobs at a compensating rate is severely circumscribed by its rudimentary support base

Cut-make-and-trim (CMT) orders provide one rendezvous for these very different economic actors

The points of departure and points of intersection between the formal and informal segments of the clothing industry in the Western Cape are worth exploring briefly.

Cut-make-and-trim (CMT) orders provide one rendezvous for these very different economic actors. At one level the exchange is advantageous to the micro-enterprise (orders, working to industry standards, no need to employ designers, deadlines) but at another level unit prices are extremely low. The latter is a consequence of weak negotiating skills, a poor bargaining position, internal competition within the sub-sector and financial desperation.

The CMT nexus between the two sectors involves both a restructuring of the labour process as well as changes in skill thresholds within the units thus interconnected. Informal sector micro-enterprises engaged in CMT work for retailers who desire to be internationally competitive will have to engage a labour force which is versatile across a range of machines and flexible over a range of specialised operations and garments at a high level of competence. If these conditions are not met quality and output levels will suffer.

Small and medium-sized enterprises must position themselves to compete in a global economy

The advanced training opportunities open to formal sector employees through the Clothing Industry Training Board contrast starkly with the extremely rudimentary programmes available to their informal sector counterparts. This gulf limits the human resource development possibilities in the sector and it has long term consequences for the positioning of the sector in both domestic and international markets.

A coordinated and rational training strategy linking various institutional centres with modular training units along a continuum from the most basic to more advanced operational, mechanical, pattern-making and designing courses is not a far-fetched possibility. A set of accompanying options covering organisational and business courses must be included to enhance the sophistication of the human resource pool on which the industry as a whole can draw.

Opportunities to extend the above to tertiary educational institutions - technikons and universities - already exist.

Regulatory regimes, access to formal financial institutions and lobbying capabilities are additional differences - **but** these additional issues will not be explored further in this article. Differences between the formal and informal segments in the clothing manufacturing sector are at **their** most stark, however, when it comes to conditions of employment.

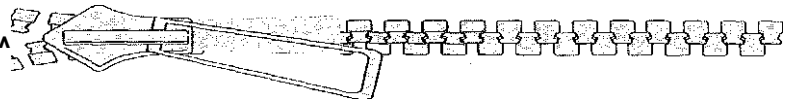
Small and medium-sized enterprises **must** position themselves to compete in a global economy. Research and development, technological, sourcing inputs, marketing as well as organisational capabilities **must** be enhanced considerably for this to become a reality. External technological and organisational support systems v. hici specialise in providing applied operational services as well as inter-firm networking and coordination are essential in order to translate present challenges in South Africa's rag trade into sustainable economic opportunities.

ACKNOWLEDGEMENT

Extracts from a forthcoming study by Wilfred Wentzel, entitled 'Sewing Confusion: Case Study of the Rag Trade in the Western Cape'. £ Working Paper series. Cape Town: Southern African Labour and Development Research Unit, January 1993.

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A Stitch in, Time

Informal manufacturers require economic policy support. The highly inequitable structure of the South African economy - which has effectively excluded blacks and small businesses from playing anything other than a marginal role in the economy - necessitates affirmative action policies for small and black producers. Whilst this is largely a political decision, to be implemented state departments, it is nevertheless vital for economic policy-makers to participate in the process of identifying targets for economic promotion.

Accordingly, the purpose of a recent survey (Manning, 1993) of informal manufacturing in Durban (and briefly, Johannesburg) was threefold: first, to examine the performance of various segments of informal manufacturing; second, to summarise current findings on how informal manufacturing is inserted into the South African economy; third, to identify whether and which segments of the informal sector merit the attention of industrial policy-makers.

Small-scale and informal manufacturers in the clothing, woodwork and metal sectors were interviewed, as were other actors in these sectors - suppliers of materials, larger producers, retailers, hawkers and traders. A large part of this article focuses on small clothing manufacturers, both independent producers and subcontractors, and on informal hawkers and traders of clothing.

Given the enormous size of the informal economy, we found that a limited study such as this would best be served by as broad an overview as possible of the dynamics at play within the informal economy, rather than by attempting to produce a statistically sound survey of a limited number of enterprises.

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In many developing countries one finds the tradition of seamstresses working at home or in small rented rooms, sewing dresses for women and children. Our research unearthed three such types of businesses: women who manufacture only pinafores (loose cotton dress); seamstresses making custom-made dresses on order; and women who run micro-factories doing CMT (cut, make, and trim) work for manufacturers and retailers.

- **Pinafore Production**

Pinafore production appears to be one of the only segments of the clothing industry in which small-scale and largely informal enterprises dominate the market - most pinafores appear to be informally manufactured, the vast majority by African women running their own enterprises (see box over page).

Whilst the output of this segment represents only a very small contribution to the clothing industry, this is probably the less significant characteristic of pinafore production. We would consider two issues as more interesting: the role played by this sector in providing the poor with ultra-cheap goods, and the employment effects of pinafore production.

Pinafores are worn mainly by African women and girls, the strength, longevity and low price of the garments making them comfortable and affordable workwear for low income people. Manufacturers of pinafores direct their garments towards the urban and rural African population using two main sales strategies: selling pinafores on the pavements of the city to both urban dwellers and to hawkers, and taking a stock of garments to another town (usually rural or peri-rural) to sell either directly to

The highly inequitable structure of the South African economy necessitates affirmative action policies for small and black producers

The Pinafore Makers

Attempts to estimate the size of the pinafore market are confounded by the usual problems encountered when trying to estimate the size of the informal sector - chiefly the invisibility of the producers, most of whom seem to work from home. Our estimates (Manning, 1993) should thus be read as very inconclusive.

In the Durban central area we observed about 150 women who were manufacturing pinafores, and over 600 women who were selling pinafores. It is unclear what percentage of the 600 traders had manufactured for themselves, or were employed by a manufacturer.

Each of the manufacturers interviewed reported similar production patterns. Production was only of pinafores. Most manufacturers owned their own second-hand sewing machine (either domestic or industrial). Production took place either at home (the majority of the cases) or in office blocks in central Durban:

- Average production was 20-30 pinafores per day.
- Cost of materials was about R12 per pinafore (selling price uniformly R15). Gross profit was thus about R3 per item.
- Sales were between 10-30 per day.
- It is quite common for the manufacturer to employ a young woman to sell the pinafores in the street, and wages to these workers were on average about R60 per week.
- The income finally accruing to the manufacturer was in the region of R600 per month (the excess capital presumably tied up in stocks of pinafores).

Clearly pinafore production offers an easy point of entry into the garment industry. All that the entrepreneur requires is some basic garment-making skill, a minimal amount of space either at home or in an office, a domestic hand-driven or electric sewing machine (which can be bought second hand for less than R350), and materials for 10 pinafores (20 metres at R4.50 per metre - R90 fabric), hence start up capital of about R500 is all that is essential.

This is a highly saturated market, forcing down prices and incomes (both for the self-employed and employees). The fierce nature of the competition also impedes attempts to raise prices - this was tried in one of the larger trading areas some months ago, when a price floor of R20 per garment was set. It failed very quickly as individual traders reverted to selling at much lower prices.

Pinafore production appears to be one of the only segments of the clothing industry in which small-scale and largely informal enterprises dominate the market

customers or to other hawkers. Both these activities may be carried out directly by the manufacturer or by an employee.

The employment effects of the sector are quite significant, since each enterprise producing pinafores creates on average two jobs - one for the manufacturer, and one for the person who sells the garments. An additional job may be created if the manufacturer decides to hawk the pinafores in other areas, as is quite common. The hiring of one or more employees to assist in retailing appears to be a function of the growth and stability of the enterprise.

It appears that two options present themselves for pinafore manufacturers to grow and diversify. The first is to opt out of the highly crowded city centre market, and to sell at higher prices either to hawkers or directly to customers in the smaller towns. Many of the respondents reported using this strategy, claiming that it allowed them to increase their profits substantially, although they cited severe time constraints which inhibited them from doing this regularly.

The second option available to them is to move away from pinafore production, and into more lucrative garments, such as ladies' and children's dresses, jerseys etc. Several barriers inhibit them from entering these markets: the most significant obstacle appeared to be respondents' reluctance to enter uncertain markets. The large and stable market for pinafores encourages the perception of pinafore production as a safe option. A second obstacle cited was insufficient capital to buy fabric and build up a stock of ladies' or children's garments.

There are three areas towards which assistance for pinafore manufacturers could be directed:

® decreasing competition

More effective organisation of individuals involved in pinafore production may help to improve co-operation, not only around price issues, but also on other issues affecting them such as those mentioned below. Current efforts to organise informal sector participants will aid this process.

® providing market space

Most respondents cited the shortage of market space as a serious factor inhibiting their growth. This forces them to conduct sales on crowded pavements, thus inconveniencing both customers and passers-by. Many proposed that a large market site made available for informal trade would help to resolve this problem. City planners must consider this option.

® encouraging diversification

In order to encourage some of the pinafore manufacturers to enter other less crowded and more lucrative markets, efforts should be made to make available more information on markets.

• Dresses and Design

The seamstresses surveyed (see box) were catering for a specific niche market - designer garments for African middle-class women and men, and garments for special occasions. They were not competing in the same markets as the manufacturers of mass produced garments, and they were not striving to produce cheaper garments than these. Rather, all garments were intricately designed from imported fabric, and were very expensive. There is clearly a large market for these garments, evidenced by the large numbers of enterprises producing such clothes.

Individuals running these businesses can be classified into two groups: those who had willingly left their previous jobs in order to

pursue their interest in business, and those who had started these businesses after they were retrenched from former jobs. Most of the individuals had worked in clothing factories before, yet almost all stated no willingness to enter paid employment again. Almost all of the seamstresses interviewed had begun their enterprises at home, and had moved to premises out of the home once the business was relatively more stable.

The major constraints on growth for these informal clothing manufacturing operations are cash flow problems and the instability of production. Although many of the enterprises reported considerably high turnovers (over R5 000 per month), they often experienced cash flow problems, as customers frequently required several months' credit. Although the enterprise's profit was relatively high, the entrepreneur would take home less than R50 at the end of a month. Given that their main competitors (the large retailers) offered interest-free credit, these enterprises were forced to give their customer the same facility.

These manufacturers tend to be highly dependent on orders, making for complete instability of production. Some stability is achieved by manufacturing for other markets - Johannesburg or rural markets, provided capital is available to purchase fabric. However, cash flow problems inhibit manufacturers from buying sufficient quantities of fabric.

The policy options to overcome their problems seem to lie in providing short-term credit and upgrading skills. Most institutions giving credit to small or informal enterprises take at least three months to process loan applications. This bureaucratic delay serves as a serious obstacle for micro-enterprises who have short-term cash flow problems, and who require immediate access to capital. A loan guarantee facility - possibly jointly funded by a state institution and/or an NGO - granting micro-enterprises access to small amounts of capital with the minimum of delay, would probably be most useful here.

Market rates for upgrading of skills in the clothing industry are prohibitively high - a six-month course in designing, for example, may cost as much as R5 000. As part of a state-led drive to encourage human resource development, skills upgrading courses in clothing manufacturing should be subsidised. Policy could be directed also at helping to facilitate subcontracting between

micro-enterprises and large manufacturers, making available information on the type of products micro-enterprises can produce, the quality of the product, the cost etc.

• *Informal Trade*

Through informal trading networks, clothing manufactured in Durban reaches some of the remotest parts of the country, as well as neighbouring countries. The role of these hawkers in distributing cheap goods to the poor and rural populations is thus critical. Since very few retailers (beside PEP and a few others) find it efficient to penetrate into small or rural markets, the informal traders serve as effective distributors of goods only available in towns and urban areas (see box).

Dress-Makers & Designers

Throughout Durban there is a vast number of small manufacturers of custom-made women's garments, operating either from home or from small rented offices. Our survey focused on only African businesses, and particularly on those operating from rented offices, both in central Durban and in the KFC Industrial Park in Durban. Except for one, all the manufacturers observed were female.

Production in all the enterprises followed a similar pattern:

- The customer places a 40-50% deposit on order, paying the rest either on delivery or in three instalments.
- This system allows the manufacturer to purchase the fabric (usually comprising 50% of the total cost) needed for the garment.
- However, in all the cases, this leaves the manufacturer with a problem of cash flow, since s/he has to wait for completion of the garment before receiving more cash.
- The slow trickle of cash also inhibits the entrepreneur from easily investing in inputs (whether machinery, raw materials etc). Rather than large sums of capital, small short-term loans appear to be most needed by garment manufacturers.

Although garments are largely made only on order, some of the more successful manufacturers had a parallel sales strategy. They made between 20-50 additional dresses per month, and sold these in Johannesburg townships, where they were able to substantially increase their mark-up.

Basic levels of skills appear to be quite high in the sector - most of them absorbed from working in large factories. However, cutting and design skills are not as common, and entrepreneurs wanting to acquire these skills register for costly courses in designing/cutting.

Many of the seamstresses employed between 1-3 machinists, although the number employed was clearly a function of the stability of the enterprise (with newer enterprises comprising only the entrepreneur). Most of the machinists employed by the seamstresses had joined the enterprise unskilled, and had been trained by the seamstress to sew. Wages for machinists were between R300 - R500 per month.

Very few of the seamstresses were able to calculate their profit, and strict accounting techniques would probably reveal no 'profit' at all for most of them. However, we were able to roughly gather what income the entrepreneur would take home, and this ranged from R800 - R2 000 per month, depending on the number of orders obtained, the season of the year, etc.

The policy options to overcome their problems seem to lie in providing short-term credit and upgrading skills

Informal traders provide a direct link between the clothing manufacturing industry in Durban and large numbers of consumers

Informal trading activities occupy a much more prominent position than does informal manufacturing of clothing. Informal traders in Durban provide a direct link between the clothing manufacturing industry in Durban and large numbers of consumers in other parts of the country, as well as in neighbouring countries. Survey evidence (Manning, 1993) suggests that informal trade in clothing plays a crucial role in supporting the clothing industry in this region, without which role the crisis in the clothing industry would be much more severe.

The contribution to the clothing industry made by informal clothing manufacturers is much less substantial. Yet whilst the contribution of these producers to sales and output may be marginal - as a percentage of the sales and output of the entire industry - the employment creation effects of informal clothing manufacturing is significant. From a brief survey (Manning, 1993), for instance, it was estimated that pinafore production in Durban directly creates at least 2 000 jobs - 1 000 in manufacturing, and 1 000 in sales.

The distinction Rogerson (1991) makes between 'informal economies of growth' and 'informal economies of survival' is a useful one, in that it propels one to try to identify those characteristics which constrain enterprises from growing, and those which encourage growth. Some enterprises are innately more likely to become stable and profitable, depending on the nature of competition, the motivation of the entrepreneur etc. Individuals entering highly crowded markets, motivated by extreme vulnerability and poverty, face very difficult constraints, and are much less likely to accumulate and grow.

Pinafore production is clearly such a survival oriented, undynamic segment of the clothing industry. For policy-makers concerned with improving the lot of individuals in this segment of the informal sector, what is the appropriate response?

Most of these enterprises do not have the capacity to grow or become significantly larger, and it is perhaps not in these terms that their contribution should be evaluated. Firstly, these producers have identified a market not served by large producers, and they are therefore able to serve that market without any competition from the chain stores which traditionally dominate the low-income market. This then provides some guarantee of a secure - if poor - market.

Second, whilst incomes earned by (K? manufacturers and wages paid to their employees are so low as to be considered exploitative, the pinafore producers are providing the poor with an essential product - cheap, comfortable and durable clothing for working women - which is not provided by any other producer. This is, clearly a socially useful role, and echoes the role played by informal sectors throughout the developing world - that of a provider of cheap goods to the poor. It is perhaps in terms of this role that this segment of the informal sector should be evaluated. Support measures aimed at assisting them should also be determined with these criteria in mind.

Unlike pinafore manufacturers, those manufacturers in more lucrative markets - either making custom-made garments for their own customers or supplying larger clothing manufacturers with garments - reveal a much more apparent growth dynamic, justifying the use of more traditional tools of business assistance. However, a broader question is raised as to whether or not it is appropriate to support the general trend we observe towards sub-contracting out clothing production to home industries or micro-enterprises.

In informal sector discussions in the international literature, developmentalists tend to characterise informal manufacturers as appropriate providers of cheap goods for the poor - performing low value-added, low productivity functions - whilst the rest of the economy may be geared towards international competition - higher value-added, higher productivity, greater profits.

Our survey findings have revealed that informal manufacturers in South Africa play a number of roles: first, they produce cheap goods for the poor; second, they act as contractors for manufacturers and retailers supplying the low-income market, as part of industry's drive to reduce costs; and third, they produce custom-made ami luxury goods for the middle-income markets.

Contrary to developmentalists' expectations, these activities in South Africa represent a small fraction of the activities of the manufacturing sector as a whole. The question confronting us is whether or not we should be looking towards an increase in the contribution of informal manufacturers towards the

The contribution to the clothing industry made by informal clothing manufacturers is much less substantial

manufacturing sector of the country - either by producing for their own markets or by subcontracting.

There are several criteria by which we may evaluate the appropriateness of this issue:

The first criterion is on economic grounds, and relates to the effectiveness of small producers competing in the same markets as large producers; the second criterion is on social grounds and relates to the violation of workers' rights and undermining of workers' victories through home-working and the break-up of large firms (losing formal sector jobs).

Debate on the economic efficiency of small producers has raged throughout the history of industrial economics, but the argument defending the efficiency of small producers **has** recently been given a new lease of life with the emergence of the 'flexible specialisation' literature (Sengenberger, Piore and Sabel, Schmitz etc.). The basic thrust of the 'flex spec' thesis has been that **the** international move away from mass production has given small firms considerable advantage over large firms, by virtue of their more efficient organisation, production flexibility, etc.

It is a persuasive theory, particularly when one is dealing with those markets characterised by small batch production, high value and high price. In our survey of independent seamstresses, we encountered many examples which echoed the 'flex spec' thesis - these producers were eminently more suited to meeting the needs of their market than the large mass producers, since their customers required exclusive garments, intricate designs, and the competition in the market was on quality, clearly not on price. Our research confirms the validity of the 'flex spec' theory on the potential for small firms to successfully compete in niche markets.

However, economies of scale appear still to be critical when one is dealing with mass markets, where high volume and low price are the determinants of success. Here small producers competing in the same markets as large producers appear only to be able to compete on the basis of low wages, substantially lower profits, and general immiserisation. In South Africa, mass markets are currently served predominantly by medium to large producers, with the exception of small pockets of products - and those small producers who are serving mass markets are mainly operating in market segments which the large producers have kept out of (such as pinafores).

Hawkers and Traders

The most prevalent activity in the informal segment of the clothing industry is not manufacturing but the informal hawking and trading of clothing. A brief summary follows of the main observations drawn from our study of informal hawking in the Durban area (Manning, 1993).

Hawkers, mostly women, travel in buses and taxis from various parts of the country to Durban to purchase goods - clothing, footwear, household items etc - mostly for resale. They purchase these goods largely from urban-based informal traders, although they also purchase from hawker wholesalers and factory shops in Durban.

- One study observed about 240 buses per month arriving in Durban for this purpose, and, with each customer spending between R500 and R2 500 per trip, calculated the total value of this trade to be more than R14 million per month (Centre for Community & Labour Studies, 1992). Whilst a range of items is traded, a large proportion is in clothing.
- Most of the clothing sold in these markets emanated from small to medium-sized clothing factories in Durban. Hawkiers would purchase (in small quantities - less than 20 units) either directly from manufacturers, or from manufacturers' factory shops.
- One manufacturer we interviewed estimated that more than half of the small to medium-sized manufacturers (less than 50 workers) sold 80 percent of their garments to hawkiers (through their factory shops, hawkiers' retailers).

However, whilst most of the clothing being traded originates from formal factories, informally manufactured clothing is also traded in these markets. In addition to pinafores, we found a small number of home-based manufacturers of women's and children's garments and underwear. One of these manufactured and sold 300 short/shirts sets per week, making a profit of over R3 000 per month.

Those small firms which are competing in the same markets as large producers are doing so largely by accepting marginal profits, paying lower wages, etc. While this is hardly a viable formula for successful growth - and certainly not one on which an industrial strategy should be based - the extent of the current economic crisis leaves few options available for proposing other strategies by which these enterprises can survive.

Thus our research findings suggest that small firms do have advantages allowing them to successfully compete in niche markets, and this is the path being taken by many small producers in clothing and furniture. However, we find that it may be imprudent to look towards small firms as a major supplier of cheap goods for the poor. It appears likely that these goods will continue to be sourced from large companies and imports. Whilst some small firms will begin to enter these markets, they will do so largely on the basis of lower wages, marginal profits, high levels of vulnerability, and even then, mostly in markets not served by the larger producers.

The second issue on the appropriateness of the emergence of small and informal producers concerns the implications for workers. As expected, our research found that wages were lower, working conditions

Small firms do have advantages allowing them to successfully compete in niche markets

It is misleading to evaluate the usefulness of informal producers purely in economic terms

-job security, unemployment benefits, health and safety on the job - poorer, and union rights mostly non-existent in informal enterprises. The only exception that we encountered was in those enterprises producing higher value-added goods for affluent niche markets, where highly skilled labour was required. In these cases, wages were competitive with formal industry. Clearly then the average welfare of employees in informal enterprises is significantly lower than that in larger enterprises.

Small and informal firms are unlikely to prove more efficient than large ones in the delivery of goods for the poor. Where they do provide such goods, they do so largely at the expense of workers' welfare. However, we have also identified some sub-sectors in which small producers may prove to be competitive, and we have suggested that they should be encouraged to penetrate these markets. Nonetheless, the economic contribution of informal producers is unlikely to be substantial. Thus if one uses pure economic criteria in determining the appropriateness of the emergence of small producers in this country, the verdict is likely to be - on average - negative.

Acknowledgement

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the course of this research as having the capacity to efficiently serve niche markets - small furniture manufacturers producing high quality furniture, seamstresses producing designer garments and metal workers producing components for the metal industry - are efficient enough to warrant the support of economic policy-makers. Using the experience of other countries in encouraging the development of dynamic small firms, support may be rendered in a number of fields: marketing, product innovation, technical training and co-operative ventures between firms.

International experience shows that local government institutions may have been instrumental in the emergence of successful small firms in some economies - by providing services which individual small firms are unable to afford, they have helped them to overcome problems of scale. It is possible that progressive local governments could begin to play such roles in the various municipalities around the country.

extending welfare net for the vulnerable
 I **itjivo** enterprises which we identified as being vulnerable and oriented towards survival rather than growth or accumulation are likely to benefit from productivity-enhancement measures such as those listed above. Individuals in such enterprises would be more usefully supported by social and welfare support to increase their incomes, basic health, education, and welfare.

Extensive government welfare spending would clearly have the greatest impact on this segment of the informal sector, yet the reality of limited government resources suggests that this is unlikely to make a substantial impact on these individuals. This leaves NGOs as the major supporter of these enterprises.

® *reducing official constraints*
 Although government harassment of informal businesses is minimal, other legislation may constrain the emergence and growth of small businesses, eg. forcing all businesses to comply with Industrial Council agreements, the cost of which may prove a serious barrier against entry. Significantly, Cosatu has recently endorsed moves to allow small businesses to apply for exemption from these agreements. This appears to be eminently sensible, since, in addition to the regulations acting as barrier to the entry of new firms, it is likely that a large number of micro-enterprises (simpl) fail to register with the Industrial Councils. 05351

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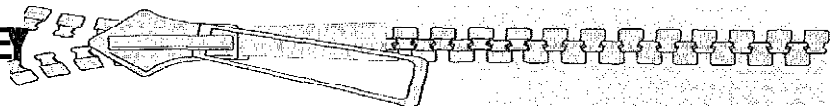
Yet it is misleading to evaluate the usefulness of informal producers purely in economic terms. The current dominance of large - and white - firms in the economic arena of this country compels policy-makers to promote smaller and black producers, as part of an affirmative action programme. Recognition of the weaknesses and problems inherent in such a programme is vital, yet this recognition should not impede moves towards implementing such a programme. »

Thus policy-making in this area needs to be motivated by two objectives: economic - increasing the competitiveness of those informal manufacturers which are capable of competing with large producers - and socio-political - increasing the scope of small manufacturers. It is in terms of these two objectives that industrial policy towards informal producers needs to be formulated.

Policy on the informal sector may be directed at three objectives:

® *increasing competitiveness of dynamic enterprises*

Those enterprises which were identified in



Pat Horn,
 Association for the Establishment of a
 Self-Employed Women's Union

We live in a society where, as a result of years of racial discrimination and Apartheid, the majority of black people in this country are poor, have had inferior or no education, and cannot find work which pays a decent wage. Our industrialised economy has reached a stage of advanced capitalism whereby mechanisation and technical advances are constantly putting workers out of work, and so unemployment continues to rise.

South African society is patriarchal, i.e. governed by a system of male authority which oppresses women through social, political and economic institutions, as a result of men's greater access to the resources and rewards of authority structures inside and outside the home. As a result women form the majority of the people at the bottom of the economic pile in South Africa. Women are at the bottom of the pile of black people who have been disadvantaged through years of Apartheid and at the bottom of the pile of workers who have been spewed out of their jobs into the unemployment queues.

It is not only in South Africa that women are at the bottom of the pile. It is an international phenomenon. United Nations statistics show that although women make up just over 50% of the world's total population and do 66% of the work which is done worldwide, they only earn 10% of the total income which is earned in the world and they only own 1% of the world's property.

As we move towards and try to construct the post-Apartheid South Africa, what are the chances that things are going to improve for the women at the bottom of the pile?

There are many indications that we could very easily have a new government which is voted into power for the first time by all the people in South Africa, which is mainly a black government, which goes to great lengths to eliminate the minority white domination in all its institutions, but which still ends up with a large section of the population remaining poor, uneducated, unemployed and marginalised. This type of society has been called the '50% society', where 50% of the society remains outside of the mainstream economy and has no

EMPOWERING WOMEN



access to services and benefits which become largely privatised. It is likely that the majority of the excluded 50% will still be women.

There is probably no way of avoiding the 50% society without the people at the bottom of the pile, and particularly the women, becoming empowered to change their circumstances, and becoming economically self-sufficient.

One of the ways in which disadvantaged people empower themselves is by becoming organised, and collectively developing the clout and the power to achieve aims which are impossible for isolated individuals. Workers in this country have discovered this in the trade union movement which has grown up over the last 20 years, and through which they have successfully been able to win many changes to wages and working conditions.

The Association for the Establishment of a Self-Employed Women's Union, aims to provide a vehicle for such organisation for women who are not formally employed - those who have been excluded from being able to belong to trade unions because of the non-formal nature of the work they do, and whose work is often not even recognised as work.

*Pictured above is Pakhamani designer **MAKHOSI AFRIKANDER**, whose design appears on the front cover. Makhosi is 43 and has six children who live with their grandmother in Mandeni. She lives at the Thokoza Hostel in Durban. To Makhosi, Pakhamani means 'a way to progress myself and to make money without going all over to look for a job'.*

Our industrialised economy has reached a stage of advanced capitalism whereby mechanisation and technical advances are constantly putting workers out of work

Another way in which people become empowered is to be economically self-sufficient. This is not easy for people who do not have many skills, who are not very self-confident, who have difficulty in speaking, writing or reading the language used at most workplaces, and whose self-respect is constantly being undermined as a result of being treated as a child ('girl' or 'boy') or an inferior.

For women, it is even more difficult to be economically self-sufficient. Many women are not recognised as adults because marriage laws have relegated so many married women to permanent minor status. They are often not recognised as equals in their own homes, but their right to be outside their homes is not always recognised either. Despite the fact that many poor women in South Africa carry the burden of bringing up their children alone and unaided by anybody, they face the biggest obstacles in becoming economically independent.

Pakhamani Women's Cooperative was established in Durban as a practical way of addressing this problem. Pakhamani believes, as they say in their mission statement, 'that people are empowered by tapping into their creative skills ... that the development of natural talents enhances self-respect and instills self-esteem'.

Since February 1992, Pakhamani has trained eight relatively uneducated women to produce hand-painted textiles using a flour-paste resist technique. Within a year, through sales at exhibitions and trade fairs, these tablecloths and wall hangings have achieved significant penetration into both, local and international markets. (The unique creations of five of Pakhamani's designers are reproduced on the monitor covers of this edition of *Indicator SA*.)

Pakhamani believes that this is just a beginning. If eight women have been able to learn the self-confidence of working with dignity and creativity in one small project like this, then it must be possible to expand the power of this in a number of sister projects which support one another.

Pakhamani's ideal is to see different craft projects networking with each other, not only building up the collective authority which comes from the pooling of problems and resolving them together, but also coordinating the development of designs,

and working together towards the development of an indigenous textile industry with a 'design culture which embraces and reflects our multi-cultural, multi-symbol society'.

Each project could develop its own unique style influenced by the design elements particular to that area, which could contribute to a rich collection of design representative of the diverse indigenous South African culture. Further, in acknowledging 'the vital role women can and do play in terms of socio-economic stability and continuity in a culture of violence and despondency', Pakhamani sees potential for a network of such projects to impact positively on the way in which we move into post-Apartheid South Africa.

Pakhamani has accumulated some expertise which could assist other projects and help them to avoid some of their mistakes. For example, it has become clear that crafts projects cannot sell their projects effectively through galleries. Different ways of marketing have had to be developed.

This reminds me of the experience of the Self-Employed Women's Association (Sewa) in Ahmedabad in the state of Gujarat, India, which is a trade union in India organising women who work outside of formal sector work. Like Pakhamani, Sewa is concerned with building women's confidence and self-respect by creating opportunities for them to work with dignity, and have started women's cooperatives to work towards this ideal.

One of Sewa's projects has been to revive ancient traditional crafts skills which had been dying out because the market for these old crafts was gradually disappearing as Gujarat and the rest of India modernised. Sewa organisers travelled the length and breadth of India securing new orders and a new market, after which they were able to persuade women that they would be able to make an income if they were to pick up and start practising again the crafts they had set aside for so long.

Training programmes were set up by Sewa to teach some of the young girls the skills which had started to die out, and the older people also took up these activities again. This has resulted in increased employment and income in these areas, empowerment of the women and the young girls, and

Women are at the bottom of the pile of black people who have been disadvantaged through years of Apartheid

prevented the disappearance of age-old crafts and handiwork in Gujarat. Thus the project which Pakhamani is undertaking has its counterparts in other parts of the world.

[though Pakhamani has been producing primarily for an export market, they also want people in South Africa to know who they are and what they produce. The first Pakhamani exhibition in Durban was held in March 1993. This exhibition, which had a different emphasis, aimed to make people more aware of how Pakhamani designs can be applied to different products. Pakhamani would like to meet up with interior decorators, architects and designers to encourage them to tap into indigenous craft in their designs.

Already Pakhamani has succeeded in adapting a traditional technique (resist painting) which is labour intensive and requires very little capital investment, to compete with sophisticated methods in the world market. It has created a niche in both national and international markets for the products of such skills. This has had the effect of creating an income-generating activity for people with limited or no formal education, enhancing self-respect, self-reliance, independence and freedom to advance.

The objective of stimulating the development of indigenous creative skills through the medium of hand-painted textiles could well take off if this type of project expands or spreads to as many different places as possible.

The Pakhamani products are not just aesthetic objects. They are the products of the process of empowerment of the women in the Pakhamani Women's Cooperative, the successful products of an important social movement which we hope to see advancing from strength to strength.

Info:

For trade enquiries or sales, contact Pakhamani Textiles (Pty) Ltd, PO Box 18359 Dalbridge, Durban, 4001.
Tel: (031) 306-1933. Fax: (031) 305-5970.

PAKHAMANI A TEXTILE DESIGN PROJECT FOR WOMEN

Founded as a women's textile project, by Andries Botha and Gem Melville, Pakhamani comprises a group of women dedicated to producing unique handpainted cloths and related products. The women, with no formal art training and relatively little education, have emerged, within a remarkably short space of time, as skilled workers, translating the simple but time-honoured technique of starch resist into a modern idiom.

MISSION STATEMENT

People are empowered and their self-esteem strengthened by tapping into and developing their natural creative skills. Within a culture of violence and disenfranchisement, women play a vital role in preserving and generating socio-economic stability and continuity. In South Africa, there is a desperate need for a design ethos to embrace and reflect our multi-cultural society.

GOALS

The Pakhamani project has formulated its goals to encompass renewal in terms of both design and economics:

- The project aims to establish on a national basis cooperatives of skilled women textile designers. The labour-intensive and easy to master starch-resist technique suits the project's commitment to generating employment opportunities through cooperation and active worker involvement.
- The project is indigenous rather than Eurocentric, aiming to produce challenging and commercially viable design equal to the best in the world, while remaining sensitive to mainstream market developments, both local and international.

BACKGROUND

Pakhamani is a worker-owned cooperative located on factory premises provided by SACTWU (the South African Clothing and Textile Workers Union). Linking up with a SACTWU initiative in job creation, association with the Union has provided financial backing, administrative expertise and increased credibility.

The project has focused on exploring potential export markets for Pakhamani products:

In 1992 Pakhamani organised exhibitions of its products in London galleries, and also exhibited on top local platforms, including the prestigious Matchmaker Fair (a trade fair to promote black business in South Africa and to provide export contacts).

In 1993, Pakhamani, sponsored by BICSN (Black Integrated Commercial Support Network /South Africa) was included in a select group of South African business representatives on a high-powered export tour of the USA, organised by the American Chamber of Commerce.



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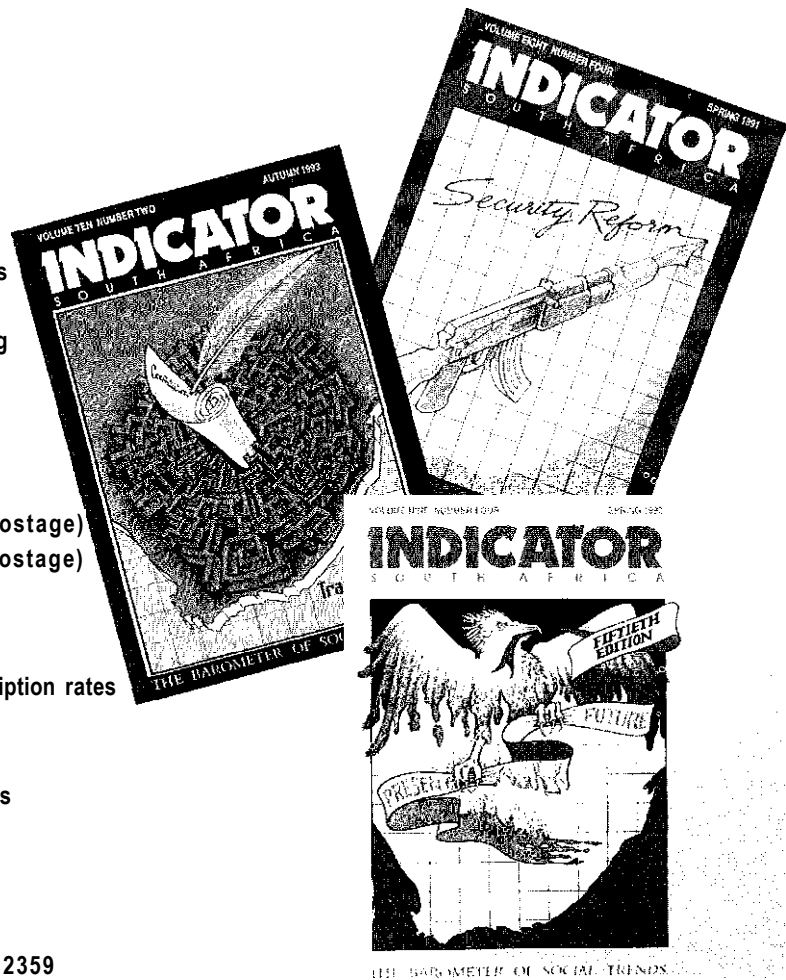
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⁶⁶ *Indicator SA* is an informative, non-propagandistic and jargon-free quarterly monitor of South African political, urban, rural, economic and industrial trends. A good source for up-to-date statistics and pithy analyses. (Review by Heribert Adam, 1993)

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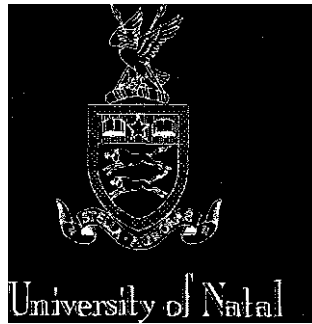
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